

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1091

Introduced by

Judiciary Committee

(At the request of the Commission on Uniform State Laws)

1 A BILL for an Act to amend and reenact sections 30.1-31-10 and 30.1-31-19 of the North
2 Dakota Century Code, relating to alteration of rights and discharge under nonprobate transfers
3 on death.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 30.1-31-10 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **30.1-31-10. (6-213) Alteration of rights.**

- 8 1. Rights at death under section 30.1-31-09 are determined by the ~~type~~ terms of the
9 account at the death of a party. The ~~type~~ terms of the account may be altered by
10 written notice given by a party to the financial institution to change the ~~type~~ terms
11 of the account or to stop or vary payment under the terms of the account. The
12 notice must be signed by a party and received by the financial institution during the
13 party's lifetime.
- 14 2. A right of survivorship arising from the express terms of the account, section
15 30.1-31-09, or a P.O.D. designation, may not be altered by will.

16 **SECTION 2. AMENDMENT.** Section 30.1-31-19 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **30.1-31-19. (6-226) Discharge.**

- 19 1. Payment made pursuant to sections 30.1-31-02 through 30.1-31-20 in accordance
20 with the ~~type~~ terms of the account discharges the financial institution from all
21 claims for amounts so paid, whether or not the payment is consistent with the
22 beneficial ownership of the account as between parties, beneficiaries, or their
23 successors. Payment may be made whether or not a party, beneficiary, or agent is

- 1 disabled, incapacitated, or deceased when payment is requested, received, or
2 made.
- 3 2. Protection under this section does not extend to payments made after a financial
4 institution has received written notice from a party, or from the personal
5 representative, surviving spouse, or heir or devisee of a deceased party, to the
6 effect that payments in accordance with the terms of the account, including one
7 having an agency designation, should not be permitted, and the financial institution
8 has had a reasonable opportunity to act on it when the payment is made. Unless
9 the notice is withdrawn by the person giving it, the successor of any deceased
10 party must concur in a request for payment if the financial institution is to be
11 protected under this section. Unless a financial institution has been served with
12 process in an action or proceeding, no other notice or other information shown to
13 have been available to the financial institution affects its right to protection under
14 this section.
- 15 3. A financial institution that receives written notice pursuant to this section or
16 otherwise has reason to believe that a dispute exists as to the rights of the parties
17 may refuse, without liability, to make payments in accordance with the terms of the
18 account.
- 19 4. Protection of a financial institution under this section does not affect the rights of
20 parties in disputes between themselves or their successors concerning the
21 beneficial ownership of sums on deposit in accounts or payments made from
22 accounts.