

Legislative Analysis



JOINT BANK ACCOUNT DISCLOSURE FORM

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House Bill 6252

Sponsor: Rep. Lesia Liss

Committee: Senior Health, Security, and Retirement

Complete to 6-17-10

A SUMMARY OF HOUSE BILL 6252 AS REPORTED FROM COMMITTEE ON 6-10-10

House Bill 6252 would amend the Banking Code of 1999 (MCL 487.11101 et al.) to require financial institutions, if one or more customers apply to establish a joint account (or apply to establish a multiple-party account), to do all of the following before opening an account:

Provide each account holder with the following disclosure in writing:

"A joint account means that each account holder is the owner of the money in this account. This means that you and each of the other account holders have the authority to deposit or withdraw money from this account at any time. If that is not your intention, you should not open this account.

If it is your intention that the other account holder(s) receive the money in the account only when you die, there are other types of accounts available that designate other individuals as beneficiaries of the account and do not allow them access to the money in the account during your lifetime.

If it is your intention to open an account that designates one or more individuals as beneficiaries of your account when you die, and not to create a joint account, there are other accounts available."

Under the bills, a financial institution would also require each account holder to sign and deliver to the financial institution a written acknowledgement that he or she had read and understands the disclosure. A financial institution could include the disclosure and notice on or with any signature card it required from the joint account holders in connection with the account.

[Note: This is part of a package of bills that includes House Bills 4622, 4623, and 4625, which are also on the House floor. Each applies to a different kind of financial institution. House Bill 6252 contains similar provisions to those contained in House Bill 4624, which remains in committee.]

FISCAL IMPACT:

The bills would have no apparent fiscal impact on state or local government

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