

CHAPTER 1002**SECURITY AND STATE BANK DEPOSIT ACCOUNTS —
TRANSFER UPON DEATH OF OWNER OR DEPOSITOR***S.F. 2134*

AN ACT relating to the transfer of certain deposit and investment accounts upon the death of the decedent.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 524.805, subsection 8, Code 2001, is amended to read as follows:

8. A state bank may receive deposits from one or more persons with the provision that upon the death of the depositors the deposit account shall be the property of the person or persons designated by the deceased depositors as shown on the deposit account records of the state bank. ~~The account is subject to the debts of the deceased depositors and the payment of Iowa inheritance tax provided, that upon the expiration of six months after the date of death of the deceased depositors, the receipt or acquittance of the persons designated is a valid and sufficient release and discharge of the state bank for the delivery of any part or all of the account. After payment by the state bank, the proceeds shall remain subject to the debts of the decedent and the payment of Iowa inheritance tax, if any. A state bank paying the person or persons designated shall not be liable as a result of that action for any debts of the decedent or for any estate, inheritance, or succession taxes which may be due this state.~~

Sec. 2. Section 633.801, subsection 7, Code 2001, is amended to read as follows:

7. "Security account" means either any of the following:

a. Any of the following:

(1) A reinvestment account associated with a security.
(2) A securities account with a broker.
(3) A cash balance in a brokerage account.
(4) Cash, interest, earnings, or dividends earned or declared on a security in an account, a reinvestment account, or a brokerage account, whether or not credited to the account before the owner's death.

b. A cash balance or other property held for or due to the owner of a security as a replacement for or product of an account security, whether or not credited to the account before the owner's death.

c. An investment management or custody account with a bank, trust company, or a trust division of a bank with trust powers, including the securities in the account, cash balance in the account, cash, cash equivalents, interest, earnings, and dividends earned or declared on a security in the account whether or not credited to the account before the owner's death. For purposes of this paragraph, "bank" means an entity as defined in section 12C.1.

Approved February 21, 2002