

# House Amendment 6038

## Amendment Text

PAG LIN

1 1 Amend [House File 2500](#) as follows:  
1 2 #1. Page 1, by inserting after line 28 the  
1 3 following:  
1 4 "Sec. \_\_\_\_ NEW SECTION. 633.800 SHORT TITLE -  
1 5 RULES OF CONSTRUCTION.  
1 6 1. This division shall be known and may be cited  
1 7 as the uniform transfer on death security registration  
1 8 Act.  
1 9 2. The provisions of this division shall be  
1 10 liberally construed and applied to promote its  
1 11 underlying purposes and policy and to make uniform the  
1 12 laws with respect to the subject of its provisions  
1 13 among states enacting this uniform Act.  
1 14 3. Unless displaced by the particular provisions  
1 15 of this division, the principles of law and equity  
1 16 supplement the provisions of this division.  
1 17 Sec. \_\_\_\_ NEW SECTION. 633.801 DEFINITIONS.  
1 18 As used in this division, unless the context  
1 19 otherwise requires:  
1 20 1. "Beneficiary form" means a registration of a  
1 21 security which indicates the present owner of the  
1 22 security and the intention of the owner regarding the  
1 23 person who will become the owner of the security upon  
1 24 the death of the owner.  
1 25 2. "Devisee" means any person designated in a will  
1 26 to receive a disposition of real or personal property.  
1 27 3. "Heir" means a person, including the surviving  
1 28 spouse, who is entitled under the statutes of  
1 29 intestate succession to the property of a decedent.  
1 30 4. "Register" means to issue a certificate showing  
1 31 the ownership of a certificated security or, in the  
1 32 case of an uncertificated security, to initiate or  
1 33 transfer an account showing ownership of the security.  
1 34 5. "Registering entity" means a person who  
1 35 originates or transfers a security title by  
1 36 registration, including a broker maintaining security  
1 37 accounts for customers and a transfer agent or other  
1 38 person acting for or as an issuer of securities.  
1 39 6. "Security" means a share, participation, or  
1 40 other interest in property, in a business, or in an  
1 41 obligation of an enterprise or other issuer, including  
1 42 a certificated security, an uncertificated security,  
1 43 and a security account.  
1 44 7. "Security account" means either of the  
1 45 following:  
1 46 a. Any of the following:  
1 47 (1) A reinvestment account associated with a  
1 48 security.  
1 49 (2) A securities account with a broker.  
1 50 (3) A cash balance in a brokerage account.  
2 1 (4) Cash, interest, earnings, or dividends earned  
2 2 or declared on a security in an account, a  
2 3 reinvestment account, or a brokerage account, whether  
2 4 or not credited to the account before the owner's  
2 5 death.  
2 6 b. A cash balance or other property held for or  
2 7 due to the owner of a security as a replacement for or

2 8 product of an account security, whether or not  
2 9 credited to the account before the owner's death.

2 10 8. "State" includes any state of the United  
2 11 States, the District of Columbia, the Commonwealth of  
2 12 Puerto Rico, and any territory or possession subject  
2 13 to the legislative authority of the United States.

2 14 Sec. \_\_\_\_\_. NEW SECTION. 633.802 REGISTRATION IN  
2 15 BENEFICIARY FORM - SOLE OR JOINT TENANCY OWNERSHIP.

2 16 Only an individual whose registration of a security  
2 17 shows sole ownership by one individual or multiple  
2 18 ownership by two or more individuals with a right of  
2 19 survivorship, rather than as tenants in common, may  
2 20 obtain registration in beneficiary form. Multiple  
2 21 owners of a security registered in beneficiary form  
2 22 shall hold as joint tenants with rights of  
2 23 survivorship, tenants by the entirety, or owners of  
2 24 community property held in survivorship form and not  
2 25 as tenants in common.

2 26 Sec. \_\_\_\_\_. NEW SECTION. 633.803 REGISTRATION IN  
2 27 BENEFICIARY FORM - APPLICABLE LAW.

2 28 1. A security may be registered in beneficiary  
2 29 form if the form is authorized by this division or a  
2 30 similar statute of the state of any of the following:

2 31 a. The state of organization of the issuer or  
2 32 registering entity.

2 33 b. The state of location of the registering  
2 34 entity's principal office.

2 35 c. The state of location of the office of the  
2 36 entity's transfer agent or the office of the entity  
2 37 making the registration.

2 38 d. The state of the address listed as the owner's  
2 39 at the time of registration.

2 40 2. A registration governed by the law of a  
2 41 jurisdiction in which this division or a similar  
2 42 statute is not in force or was not in force when a  
2 43 registration in beneficiary form was made is presumed  
2 44 to be valid and authorized as a matter of contract  
2 45 law.

2 46 Sec. \_\_\_\_\_. NEW SECTION. 633.804 ORIGINATION OF  
2 47 REGISTRATION IN BENEFICIARY FORM.

2 48 A security, whether evidenced by a certificate or  
2 49 account, is registered in beneficiary form when the  
2 50 registration includes a designation of a beneficiary  
3 1 to take the ownership at the death of the owner or the  
3 2 deaths of all multiple owners.

3 3 Sec. \_\_\_\_\_. NEW SECTION. 633.805 FORM OF  
3 4 REGISTRATION IN BENEFICIARY FORM.

3 5 Registration in beneficiary form may be shown by  
3 6 any of the following, appearing after the name of the  
3 7 registered owner and before the name of a beneficiary:

3 8 1. The words "transfer on death" or the  
3 9 abbreviation "TOD".

3 10 2. The words "pay on death" or the abbreviation  
3 11 "POD".

3 12 Sec. \_\_\_\_\_. NEW SECTION. 633.806 EFFECT OF  
3 13 REGISTRATION IN BENEFICIARY FORM.

3 14 The designation of a transfer on death or pay on  
3 15 death beneficiary on a registration in beneficiary  
3 16 form has no effect on ownership until the owner's  
3 17 death. A registration of a security in beneficiary  
3 18 form may be canceled or changed at any time by the  
3 19 sole owner or all surviving owners without the consent  
3 20 of the beneficiary.

3 21 Sec. \_\_\_\_\_. NEW SECTION. 633.807 UNPAID CLAIMS.

3 22 1. If other assets of the estate of a deceased  
3 23 owner are insufficient, a transfer at death of a  
3 24 security registered in beneficiary form is not

3 25 effective against the estate of the deceased owner to  
3 26 the extent needed to pay claims against the estate and  
3 27 statutory allowances to the surviving spouse and  
3 28 children.

3 29 2. A beneficiary of a transfer on death security  
3 30 registration under this chapter is liable to account  
3 31 to the personal representative of the deceased owner  
3 32 for the value of the security as of the time of the  
3 33 deceased owner's death to the extent necessary to  
3 34 discharge these unpaid claims and allowances. A  
3 35 proceeding against a beneficiary to assert liability  
3 36 shall not be commenced unless the personal  
3 37 representative has received a written demand by the  
3 38 surviving spouse, a creditor, a child, or a person  
3 39 acting for a minor child of the deceased owner. The  
3 40 proceeding must be commenced within one year after the  
3 41 death of the owner.

3 42 3. A beneficiary against whom a proceeding to  
3 43 account is brought may join a beneficiary of any other  
3 44 security registered in beneficiary form by the  
3 45 deceased owner as a party to the proceeding.

3 46 Sec. \_\_\_\_\_. NEW SECTION. 633.808 THE DEATH OF THE  
3 47 OWNER.

3 48 On the death of a sole owner or on the death of the  
3 49 sole surviving owner of multiple owners, the ownership  
3 50 of securities registered in beneficiary form passes to  
4 1 the beneficiary or beneficiaries who survive all  
4 2 owners. On proof of death of all owners and  
4 3 compliance with any applicable requirements of the  
4 4 registering entity, a security registered in  
4 5 beneficiary form may be reregistered in the name of  
4 6 the beneficiary or beneficiaries who survived the  
4 7 death of all owners. A registering entity shall  
4 8 provide notice to the department of revenue and  
4 9 finance of all reregistrations made pursuant to this  
4 10 division. The notice shall include the name, address,  
4 11 and social security number of the descendant and all  
4 12 transferees. Until the division of the security after  
4 13 the death of all owners, multiple beneficiaries  
4 14 surviving the death of all owners hold their interests  
4 15 as tenants in common. If no beneficiary survives the  
4 16 death of all owners, the security belongs to the  
4 17 estate of the deceased sole owner or the estate of the  
4 18 last to die of multiple owners.

4 19 Sec. \_\_\_\_\_. NEW SECTION. 633.809 PROTECTION OF  
4 20 REGISTERING ENTITY.

4 21 1. A registering entity is not required to offer  
4 22 or to accept a request for security registration in  
4 23 beneficiary form. If a registration in beneficiary  
4 24 form is offered by a registering entity, the owner  
4 25 requesting registration in beneficiary form assents to  
4 26 the protections provided to the registering entity by  
4 27 this division.

4 28 2. By accepting a request for registration of a  
4 29 security in beneficiary form, the registering entity  
4 30 agrees that the registration in beneficiary form shall  
4 31 be implemented on the death of the deceased owner as  
4 32 provided in this division.

4 33 3. A registering entity is discharged from all  
4 34 claims to a security by the estate, creditors, heirs,  
4 35 or devisees of a deceased owner if the registering  
4 36 entity registers a transfer of the security in  
4 37 accordance with section 633.807 and does so in good  
4 38 faith reliance on all of the following:

- 4 39 a. The registration.
- 4 40 b. The provisions of this division.
- 4 41 c. Information provided by affidavit of the

4 42 personal representative of the deceased owner, the  
4 43 surviving beneficiary, or the surviving beneficiary's  
4 44 representative, or other information available to the  
4 45 registering entity.

4 46 The protections of this division do not extend to a  
4 47 reregistration or payment made after a registering  
4 48 entity has received written notice from any claimant  
4 49 to any interest in the security objecting to  
4 50 implementation of a registration in beneficiary form.  
5 1 No other notice or other information available to the  
5 2 registering entity affects its right to protection  
5 3 under this division.

5 4 4. The protection provided by this division to the  
5 5 registering entity of a security does not affect the  
5 6 rights of beneficiaries in disputes between themselves  
5 7 and other claimants to ownership of the transferred  
5 8 security, its value, or its proceeds.

5 9 Sec. \_\_\_\_\_. NEW SECTION. 633.810 NONTESTAMENTARY  
5 10 TRANSFER ON DEATH.

5 11 1. A transfer on death resulting from a  
5 12 registration in beneficiary form shall be effective by  
5 13 reason of the contract regarding the registration  
5 14 between the owner and the registering entity under the  
5 15 provisions of this division, and is not testamentary.

5 16 2. The provisions of this division do not limit  
5 17 the rights of creditors or security owners against  
5 18 beneficiaries and other transferees under other laws  
5 19 of this state.

5 20 Sec. \_\_\_\_\_. NEW SECTION. 633.811 TERMS,  
5 21 CONDITIONS, AND FORMS FOR REGISTRATION.

5 22 1. A registering entity offering to accept  
5 23 registrations in beneficiary form may establish the  
5 24 terms and conditions under which the registering  
5 25 entity receives requests for either of the following:

5 26 a. Registration in beneficiary form.  
5 27 b. Implementation of registrations in beneficiary  
5 28 form, including requests for cancellation of  
5 29 previously registered transfer on death or pay on  
5 30 death beneficiary designations and requests for  
5 31 reregistration to effect a change of beneficiary.

5 32 2. a. The terms and conditions established by the  
5 33 registering entity may provide for proving death,  
5 34 avoiding or resolving problems concerning fractional  
5 35 shares, designating primary and contingent  
5 36 beneficiaries, and substituting a named beneficiary's  
5 37 descendants to take in place of the named beneficiary  
5 38 in the event of the beneficiary's death. Substitution  
5 39 may be indicated by appending to the name of the  
5 40 beneficiary the letters "LDPS" standing for "lineal  
5 41 descendants per stirpes". This designation shall  
5 42 substitute a deceased beneficiary's descendants who  
5 43 survive the owner for a beneficiary who fails to  
5 44 survive, with the descendants to be identified and to  
5 45 share in accordance with the law of the beneficiary's  
5 46 domicile at the owner's death governing inheritance by  
5 47 descendants of an intestate. Other forms of  
5 48 identifying beneficiaries who are to take on one or  
5 49 more contingencies, and rules for providing proofs and  
5 50 assurances needed to satisfy reasonable concerns by  
6 1 registering entities regarding conditions and  
6 2 identities relevant to accurate implementation of  
6 3 registrations in beneficiary form, may be contained in  
6 4 a registering entity's terms and conditions.

6 5 b. The following are illustrations of  
6 6 registrations in beneficiary form which a registering  
6 7 entity may authorize:

6 8 (1) Sole owner-sole beneficiary: OWNER'S NAME

6 9 transfer on death (TOD) or pay on death (POD) to  
6 10 BENEFICIARY'S NAME.  
6 11 (2) Multiple owners-sole beneficiary: OWNERS'  
6 12 NAMES, as joint tenants or tenants in the entirety,  
6 13 transfer on death (TOD) or pay on death (POD) to  
6 14 BENEFICIARY'S NAME.  
6 15 (3) Multiple owners-primary and secondary  
6 16 (substituted) beneficiaries: OWNERS' NAMES as joint  
6 17 tenants or tenants in the entirety, transfer on death  
6 18 (TOD) or pay on death (POD) to BENEFICIARY'S NAME, or  
6 19 lineal descendants per stirpes.  
6 20 Sec. \_\_\_\_ APPLICATION. The provisions of this  
6 21 division relating to the uniform transfer on death  
6 22 security registration Act apply to registrations of  
6 23 securities in beneficiary form made before, on, or  
6 24 after the effective date of this Act, by decedents  
6 25 dying on or after the effective date of this Act."  
6 26 #2. Title page, line 1, by inserting after the  
6 27 word "for" the following: "registration of securities  
6 28 in a transfer-on-death form, and".  
6 29 #3. By renumbering as necessary.  
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6 31  
6 32 \_\_\_\_\_  
6 33 [HALVORSON](#) of Clayton  
6 34 [HF 2500.701](#) 76  
6 35 jls/sc