

Senate Study Bill 3060

Bill Text

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1 1 Section 1. Section [524.805](#), subsection 8, Code 2001, is
1 2 amended to read as follows:

1 3 8. A state bank may receive deposits from one or more
1 4 persons with the provision that upon the death of the
1 5 depositors the deposit account shall be the property of the
1 6 person or persons designated by the deceased depositors as
1 7 shown on the deposit account records of the state bank. The
1 8 account is subject to the debts of the deceased depositors and
1 9 the payment of Iowa inheritance tax provided

~~, that upon the~~

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~~expiration of six months after the date of death of the~~

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~~deceased depositors,~~

~~the receipt or acquittance of the persons~~

1 12 designated is a valid and sufficient release and discharge of
1 13 the state bank for the delivery of any part or all of the
1 14 account.

1 15 Sec. 2. Section [633.801](#), subsection 7, Code 2001, is
1 16 amended to read as follows:

1 17 7. "Security account" means

~~either~~

~~any~~ of the following:

1 18 a. Any of the following:

1 19 (1) A reinvestment account associated with a security.

1 20 (2) A securities account with a broker.

1 21 (3) A cash balance in a brokerage account.

1 22 (4) Cash, interest, earnings, or dividends earned or
1 23 declared on a security in an account, a reinvestment account,
1 24 or a brokerage account, whether or not credited to the account
1 25 before the owner's death.

1 26 b. A cash balance or other property held for or due to the
1 27 owner of a security as a replacement for or product of an
1 28 account security, whether or not credited to the account
1 29 before the owner's death.

1 30 c. An investment management or custody account with a
1 31 bank, trust company, or a trust division of a bank with trust
1 32 powers, including the securities in the account, cash balance
1 33 in the account, cash, cash equivalents, interest, earnings,
1 34 and dividends earned or declared on a security in the account
1 35 whether or not credited to the account before the owner's
2 1 death. For purposes of this paragraph, "bank" means an entity
2 2 as defined in section 12C.1.

EXPLANATION

2 4 This bill makes changes to two Code provisions regarding
2 5 deposit and investment accounts.

2 6 The bill amends language in Code section 524.805 currently
2 7 providing that the deposit account is subject to the debts of
2 8 the deceased depositor and Iowa inheritance tax only after six
2 9 months following the death of the depositor. The bill removes

2 10 the time period requirement, and provides that the account is
2 11 subject to the payment of the decedent's debts and inheritance
2 12 tax upon a valid release of the bank, for delivery of all or
2 13 part of the account, by the persons designated to receive the
2 14 account from the state bank.

2 15 The bill also adds a new paragraph to a subsection in Code
2 16 section 633.801, which defines "security account". The
2 17 section is part of Iowa's probate code, and, according to Code
2 18 section 633.800, part of the uniform transfer on death
2 19 security registration Act. The new paragraph provides an
2 20 additional definition for "security account", an investment
2 21 management or custody account with a bank, trust company, or
2 22 trust division of a bank with trust powers containing certain
2 23 items. The effect of adding such bank and trust accounts to
2 24 Code section 633.801 is to make them eligible for registration
2 25 in beneficiary form, so that the items in the account pass to
2 26 the beneficiary at the owner's death, pursuant to the terms of
2 27 Code sections 633.800 through 633.811.

2 28 LSB 5407SC 79

2 29 jj/cf/24