

HOUSE BILL No. 6529

September 29, 2010, Introduced by Reps. Ball, Neumann and Polidori and referred to the Committee on Senior Health, Security, and Retirement.

A bill to require certain disclosures by certain regulated financial institutions to joint account holders; to provide for the powers and duties of certain state governmental officers and entities; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "joint
2 account responsibility act".

3 Sec. 2. As used in this act:

4 (a) "Account" means any of the following:

5 (i) A demand deposit account.

6 (ii) A draft account.

7 (iii) A checking account.

1 (iv) A negotiable order of withdrawal account.

2 (v) A share account.

3 (vi) A savings account.

4 (vii) A time savings account.

5 (viii) A mutual fund account.

6 (ix) A securities brokerage account.

7 (x) A money market account.

8 (xi) A retail investment account.

9 (xii) An electronic access or debit card.

10 (b) "Commissioner" means the commissioner of the office of
11 financial and insurance regulation of the department of energy,
12 labor, and economic growth or his or her authorized
13 representatives.

14 (c) "Joint account" means an account that has at least 2
15 account holders, each of whom has equal access to the money in the
16 account.

17 (d) "Regulated financial institution" means any of the
18 following:

19 (i) A bank that is organized under or subject to the banking
20 code of 1999, 1999 PA 276, MCL 487.11101 to 487.15105.

21 (ii) A savings bank that is organized under or subject to the
22 savings bank act, 1996 PA 354, MCL 487.3101 to 487.3804.

23 (iii) An association that is organized under or subject to the
24 savings and loan act of 1980, 1980 PA 307, MCL 491.102 to 491.1202.

25 (iv) A credit union that is organized under or subject to the
26 credit union act, 2003 PA 215, MCL 490.101 to 490.601.

27 (v) An insurance producer, as defined in section 1201 of the

1 insurance code of 1956, 1956 PA 218, MCL 500.1201, that is subject
2 to chapter 12 of that act, MCL 500.1200 to 500.1247.

3 (vi) A broker-dealer, as defined in section 102 of the uniform
4 securities act (2002), 2008 PA 551, MCL 451.2102, that is subject
5 to article 4 of that act, MCL 451.2401 to 451.2413.

6 (vii) An investment adviser, as defined in section 102a of the
7 uniform securities act (2002), 2008 PA 551, MCL 451.2102a, that is
8 subject to article 4 of that act, MCL 451.2401 to 451.2413.

9 Sec. 3. (1) A regulated financial institution that offers a
10 joint account to 2 or more account holders shall do all of the
11 following before opening the account:

12 (a) Provide each joint account holder with a disclosure, in
13 writing, substantially equivalent to the following: "A joint
14 account means that each account holder is the owner of the money in
15 this account. This means that you and each of the other account
16 holders have the authority to deposit or withdraw money from this
17 account at any time. If it is your intention that the other account
18 holder or account holders receive the money in the account only
19 when you die, there are other types of accounts available that
20 designate other individuals as beneficiaries of the account and do
21 not allow them access to the money in the account during your
22 lifetime."

23 (b) Require that each joint account holder sign and deliver to
24 the regulated financial institution a written acknowledgment that
25 the account holder has read and understands the disclosure
26 described in subdivision (a).

27 (2) A regulated financial institution may include the

1 disclosure and acknowledgment described in subsection (1) on or
2 with any signature card required by the regulated financial
3 institution from the joint account holders in connection with an
4 account.

5 Sec. 4. (1) If the commissioner finds that a person has
6 violated this act, the commissioner may order the person to pay a
7 civil fine of not more than \$100.00 for each violation of this act.
8 The commissioner may also order the person to pay the costs of the
9 investigation.

10 (2) A civil fine assessed under subsection (1) may be sued for
11 and recovered by and in the name of the commissioner and may be
12 collected and enforced by summary proceedings by the attorney
13 general.