

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 991

S.P. 410

In Senate, March 6, 2023

**An Act to Require Financial Institutions and Credit Unions to Give
Depositors the Option to Designate a Beneficiary**

Reference to the Committee on Health Coverage, Insurance and Financial Services
suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BRAKEY of Androscoggin. (BY REQUEST)
Cosponsored by Representative: MORRIS of Turner.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 9-B MRSA §427, sub-§8**, as amended by PL 2017, c. 402, Pt. C, §21 and
3 affected by PL 2019, c. 417, Pt. B, §14, is further amended to read:

4 **8. Payment of decedent's deposit or account.**

5 A. Except as provided in ~~paragraph~~ paragraphs B and C, if any depositor ~~shall die~~ dies
6 leaving in a financial institution a deposit or account on which the balance due ~~him~~
7 shall the depositor does not exceed \$1,000, and no personal representative ~~shall be~~ is
8 appointed, the institution may pay the balance of such deposit or account to the
9 surviving spouse, next of kin, funeral director or other preferred creditor or creditors
10 who may appear to be entitled ~~thereto~~ to the balance. For any payments so made, the
11 institution ~~shall may~~ may not be held liable to the decedent's personal representative
12 thereafter appointed unless the payment ~~shall have been~~ is made within 6 months after
13 the decedent's death and an action to recover the amount ~~shall have been~~ is commenced
14 within one year after the date of payment.

15 B. Notwithstanding the provisions of paragraph A and except as provided in paragraph
16 C, upon presentation of an affidavit under Title 18-C, section 3-1201, a financial
17 institution shall pay the balance of any deposit or account left by a deceased depositor
18 to the depositor's successor under the provisions of Title 18-C, sections 3-1201 and
19 3-1202. Such payments under this paragraph take precedence over payments under
20 paragraph A to the extent of the balance of the deposits or accounts of the deceased
21 depositor at the time the affidavit is presented.

22 C. A financial institution shall provide a depositor the option to designate a beneficiary
23 of a deposit or account of the depositor. Notwithstanding the provisions of paragraphs
24 A and B, upon the death of the depositor, the financial institution shall pay the balance
25 of a deposit or account left by the deceased depositor to the beneficiary designated by
26 the depositor for that deposit or account. For purposes of this paragraph, "beneficiary"
27 has the same meaning as in Title 18-C, section 6-201, subsection 3.

28 **SUMMARY**

29 This bill requires a financial institution to provide a depositor the option to designate a
30 beneficiary on deposits or accounts of the depositor, with the beneficiary to be paid the
31 balance of the deposit or account upon the death of the depositor.