

1 SB179
2 136033-3
3 By Senator Blackwell
4 RFD: Banking and Insurance
5 First Read: 07-FEB-12

1 SB179

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4 ENROLLED, An Act,

5 To amend Section 8-6-140, Code of Alabama 1975,
6 relating to the transfer of securities and security accounts
7 upon the death of the owner, to broaden the types of accounts
8 that may contain transfer-on-death obligations to include
9 securities, brokerage, investment management, and custody
10 accounts maintained by any securities broker or dealer, bank,
11 or other depository institution, trust company, investment
12 adviser, or other financial institution, and to provide for
13 the effective date of this act.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Section 8-6-140, Code of Alabama 1975, is
16 amended to read as follows:

17 "§8-6-140.

18 "For the purposes of this article, the following
19 words have the following meanings unless the context otherwise
20 requires:

21 "(1) BENEFICIARY FORM. A registration of a security
22 which indicates the present owner of the security and the
23 intention of the owner regarding the person who will become
24 the owner of the security upon the death of the owner.

1 "(2) DEVISEE. Any person designated in a will to
2 receive a disposition of real or personal property.

3 "(3) HEIRS. Those persons, including the surviving
4 spouse, who are entitled under the statutes of intestate
5 succession to the property of a decedent.

6 "(4) PERSON. An individual, a corporation, an
7 organization, or other legal entity.

8 "(5) PERSONAL REPRESENTATIVE. Includes executor,
9 administrator, successor personal representative, special
10 administrator, and persons who perform substantially the same
11 function under the law governing their status.

12 "(6) PROPERTY. Includes both real and personal
13 property or any interest therein and means anything that may
14 be the subject of ownership.

15 "(7) REGISTER. Including its derivatives, means to
16 issue a certificate showing the ownership of a certificated
17 security or, in the case of an uncertificated security, to
18 initiate or transfer an account showing ownership of
19 securities.

20 "(8) REGISTERING ENTITY. A person who originates a
21 security title by registration, and includes a securities
22 broker or dealer, bank, or other depository institution, trust
23 company, investment adviser, or other financial institution
24 that maintains security accounts for customers and a transfer

1 agent or other person acting for or as an issuer of
2 securities.

3 "(9) SECURITY. A share, participation, or other
4 interest in property, in a business, or in an obligation of an
5 enterprise or other issuer, and includes a certificated
6 security, an uncertificated security, and a security account.

7 "(10) SECURITY ACCOUNT. a. A reinvestment account
8 associated with a security.

9 "b. A securities, brokerage, investment management,
10 or custody account maintained with a securities broker or
11 dealer, bank, or other depository institution, trust company,
12 investment adviser, or other financial institution and any
13 securities held in such account.

14 "c. The cash balance in any reinvestment account
15 associated with a security or in any securities, brokerage,
16 investment management, or custody account maintained with a
17 securities broker or dealer, bank, or other depository
18 institution, trust company, investment adviser, or other
19 financial institution, whether or not credited to the account
20 before the owner's death.

21 "d. Cash, cash equivalents, meaning any investment
22 that is easily converted into cash, including Treasury bills,
23 Treasury notes, money market funds, savings bonds, short-term
24 instruments, short-term obligations, and similar instruments
25 or obligations, interest, earnings, or dividends earned or

1 declared on a security in any reinvestment account associated
2 with a security or in any securities, brokerage, investment
3 management, or custody account maintained with a securities
4 broker or dealer, bank, or other depository institution, trust
5 company, investment adviser, or other financial institution.

6 "e. A cash balance or other property held for or due
7 to the owner of a security as a replacement for or product of
8 any security in any reinvestment account associated with such
9 security or in any securities, brokerage, investment
10 management, or custody account maintained with a securities
11 broker or dealer, bank, or other depository institution, trust
12 company, investment adviser, or other financial institution,
13 whether or not credited to the account before the owner's
14 death.

15 "(11) STATE. Includes any state of the United
16 States, the District of Columbia, the Commonwealth of Puerto
17 Rico, and any territory or possession subject to the
18 legislative authority of the United States."

19 Section 2. This act shall become effective on the
20 first day of the third month following its passage and
21 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB179

Senate 19-APR-12

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris
Secretary

House of Representatives
Passed: 26-APR-12

By: Senator Blackwell