

AMENDED IN SENATE MARCH 13, 2002

AMENDED IN SENATE MARCH 11, 2002

SENATE BILL

No. 1271

Introduced by Senator Ackerman

January 15, 2002

An act to amend Section 5501 of the Probate Code, relating to nonprobate transfers.

LEGISLATIVE COUNSEL'S DIGEST

SB 1271, as amended, Ackerman. Nonprobate transfers: Uniform TOD Security Registration Act.

Existing law, the Uniform TOD Security Registration Act, provides for the transfer of the ownership or proceeds of a security, as defined, upon the death of the owner, without probate or estate administration, and defines a security account for these purposes.

This bill would add the term cash equivalents, as defined, and an investment management or custody account with a trust company or a trust department of a bank with trust powers, as specified, to the definition of security account for purposes described above.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 5501 of the Probate Code is amended to
- 2 read:
- 3 5501. For purposes of this part:

1 (a) “Beneficiary form” means a registration of a security that
2 indicates the present owner of the security and the intention of the
3 owner regarding the person who will become the owner of the
4 security upon the death of the owner.

5 (b) “Register,” including its derivatives, means to issue a
6 certificate showing the ownership of a certificated security or, in
7 the case of an uncertificated security, to initiate or transfer an
8 account showing ownership of securities.

9 (c) “Registering entity” means a person who originates or
10 transfers a security title by registration, and includes a broker
11 maintaining security accounts for customers and a transfer agent
12 or other person acting for or as an issuer of securities.

13 (d) “Security” means a share, participation, or other interest in
14 property, in a business, or in an obligation of an enterprise or other
15 issuer, and includes a certificated security, an uncertificated
16 security, and a security account.

17 (e) (1) “Security account” means any of the following:

18 (A) A reinvestment account associated with a security, a
19 securities account with a broker, a cash balance in a brokerage
20 account, cash, cash equivalents, interest, earnings, or dividends
21 earned or declared on a security in an account, a reinvestment
22 account, or a brokerage account, whether or not credited to the
23 account before the owner’s death.

24 (B) An investment management or custody account with a trust
25 company or a trust department of a bank with trust powers,
26 including the securities in the account, the cash balance in the
27 account, and cash equivalents, and interest, earnings, or dividends
28 earned or declared on a security in the account, whether or not
29 credited to the account before the owner’s death.

30 (C) A cash balance or other property held for or due to the
31 owner of a security as a replacement for or product of an account
32 security, whether or not credited to the account before the owner’s
33 death.

34 (2) For the purposes of this subdivision, “cash equivalent”
35 means an investment that is easily converted into cash, including,
36 but not limited to, treasury bills, treasury notes, ~~and~~ money market
37 funds, *certificates of deposit, and credit union shares*.

38 (f) This section may not be construed to govern cash
39 equivalents in multiple-party accounts that are governed by the



- 1 California Multiple-Party Accounts Law, Part 2 (commencing
- 2 with Section 5100).

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