

2026 Regular Session

HOUSE BILL NO. 489

BY REPRESENTATIVE GADBERRY

BANKS/BANKING: Provides with respect to "Transfer of Death" (TOD) beneficiary designations for investment accounts

1 AN ACT

2 To amend and reenact R.S. 9:1711, 1711.2(A), 1711.4, and 1711.6(C), relative to the
3 Louisiana Uniform Transfer On Death Security Registration Act; to provide for
4 legislative findings and intent; to provide for definitions; to provide for registration
5 of securities in beneficiary form; to provide for effects of a security registered in
6 beneficiary form; to provide exemptions for liability; to provide for legislative
7 purpose; to provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 9:1711, 1711.2(A), 1711.4, and 1711.6(C) are hereby amended and
10 reenacted to read as follows:

11 §1711. Findings; purpose; Definitions definitions

12 A. The legislature finds that:

13 (1) Louisiana law authorizes payable-on-death or transfer-on-death
14 beneficiary designations for bank accounts, credit unions, savings associations, life
15 insurance, and retirement accounts.

16 (2) Investment and brokerage accounts often represent a significant portion
17 of a family's non-retirement assets.

1 (3) Lack of clarity regarding transfer-on-death registration for securities has
2 resulted in frozen accounts, unnecessary probate delays, exposure to market risk, and
3 financial hardship for Louisiana families.

4 (4) Clarification is necessary to ensure consistent implementation while
5 preserving Louisiana succession, community property, and forced heirship
6 principles.

7 B. The legislature intends this Chapter to recognize and allow
8 implementation of transfer-on-death registration for individually-owned securities,
9 brokerage accounts holding securities, and accounts maintained by broker-dealers,
10 custodians, transfer agents, financial advisors, and investment advisors, and similar
11 fiduciaries.

12 C. In this Chapter, the following definitions shall apply unless the context
13 otherwise requires:

14 (1) "Beneficiary form" means a registration of a security that indicates the
15 present owner or co-owners of the security and the designation of the person in
16 whose name the security is to be registered upon the death of the owner or co-owner.

17 (2) "Good faith" has the same meaning as provided in R.S. 10:1-201.

18 (3) "Registering entity" means a person who originates or transfers a security
19 title by registration, and includes a broker, custodian, financial advisor, or similarly-
20 situated fiduciary maintaining security accounts for customers and a transfer agent
21 or other person acting for or as an issuer of securities.

22 (4) "Security" means a share, participation, or other interest in movable
23 property, in a business, or in an obligation of an enterprise or other issuer, and
24 includes a certificated security, an uncertificated security, and a security account.
25 It shall not include a share, participation, or other interest in immovable property.

26 (5) "Security account" means the following:

27 (a) A reinvestment account associated with a security, a securities account
28 with a broker, a cash balance in a brokerage account, cash, interest, earnings, or

1 dividends earned or declared on a security in an account, a reinvestment account, or
2 a brokerage account, whether or not credited to the account before the owner's death.

3 (b) A cash balance or other property held for or due to the owner of a
4 security as a replacement for or product of an account security, whether or not
5 credited to the account before the owner's death.

6 (6) "State" includes any state of the United States, the District of Columbia,
7 the Commonwealth of Puerto Rico, and any territory or possession subject to the
8 legislative authority of the United States.

9 * * *

10 §1711.2. Registration in beneficiary form; applicable law

11 A. Notwithstanding any provisions of law to the contrary, ~~A~~ a security may
12 be registered in beneficiary form if the form is authorized by this or a similar statute
13 of the state of organization of the issuer or registering entity, the location of the
14 registering entity's principal office, the office of its transfer agent or its office making
15 the registration, or by this or a similar statute of the law of the state listed as the
16 owner's address at the time of registration. A registration governed by the law of a
17 jurisdiction in which this or similar legislation is not in force or was not in force
18 when a registration in beneficiary form was made is nevertheless presumed to be
19 valid and authorized as a matter of contract law.

20 * * *

21 §1711.4. Effect of registration in beneficiary form

22 A registration of a security in beneficiary form does not constitute a donation
23 inter vivos or mortis causa. A registration of a security in beneficiary form acts as
24 a method of transfer subject to existing law and does not alter substantive rights
25 related to community property or forced heirship. A registration of a security in
26 beneficiary form may be canceled or changed at any time by the sole owner or by
27 any of the surviving owners without the consent of the beneficiary.

28 * * *

1 §1711.6. Registering entity

2 * * *

3 C.(1) A registering entity shall not be held liable and is discharged from all
4 claims to a security by the estate, surviving spouse, creditors, heirs, legatees, or
5 forced heirs of a deceased owner if it registers a transfer of the security in accordance
6 with this Chapter and does so in good faith reliance on the registration in beneficiary
7 form, on this Chapter, and on information provided to it by affidavit of the
8 succession representative of the deceased owner, or by the surviving beneficiary or
9 by the surviving beneficiary's representatives.

10 (2) A registering entity shall not be held liable for failure to do any of the
11 following:

12 (a) Investigate succession disputes.

13 (b) Determine heirship or forced heirship rights.

14 (c) Resolve community property claims.

15 (d) Delay an authorized transfer-on-death unless pursuant to a court order or
16 injunction.

17 (3) The protections of this Chapter do not extend to a registration or payment
18 made after a registering entity has received written notice from any claimant to any
19 interest in the security objecting to implementation of a registration in beneficiary
20 form. No other notice or information available to the registering entity affects its
21 right to protection under this Chapter.

22 * * *

23 Section 2. It is the intent of this legislature that Chapter 4 of Code Title I of Code
24 Book III of Title 9 of the Louisiana Revised Statutes of 1950 be interpreted in the same
25 manner as and in accordance with similar transfer-on-death provisions of the Louisiana
26 Revised Statutes of 1950, including but not limited to accounts with banks as provided in
27 R.S. 6:314, with savings associations as provided in R.S. 6:766.1, and with credit unions as
28 provided in R.S. 6:653.1.

1 Section 3. This Act shall become effective upon signature by the governor or, if not
 2 signed by the governor, upon expiration of the time for bills to become law without signature
 3 by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If
 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 5 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 489 Original

2026 Regular Session

Gadberry

Abstract: Provides with respect to "Transfer of Death" (TOD) beneficiary designations for investment accounts.

Proposed law provides for legislative findings and purpose.

Present law defines "registering entity".

Proposed law amends this definition to include a custodian, financial advisor, or similarly-situated fiduciary maintaining security accounts for customers.

Present law provides the legal basis for the registration of a security in beneficiary form.

Proposed law clarifies that this legal basis applies notwithstanding any law to the contrary.

Present law provides for the effect of registering a security in beneficiary form.

Proposed law clarifies that this registration is a method of transfer subject to existing law and does not alter substantive rights related to community property and forced heirship.

Present law provides for when a registering entity may not be held liable for a transfer of a security to the authorized beneficiary.

Proposed law adds that the registering entity shall not be held liable for failure to do any of the following:

- (1) Investigate succession disputes.
- (2) Determine heirship or forced heirship rights.
- (3) Resolve community property claims.
- (4) Delay an authorized transfer-on-death unless pursuant to a court order or injunction.

Proposed law provides for legislative intent.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 9:1711, 1711.2(A), 1711.4, and 1711.6(C))