

2026 Regular Session

SENATE BILL NO. 262

BY SENATOR ABRAHAM

SECURITIES. Provides relative to administration of transfer on death accounts. (8/1/26)

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AN ACT

To enact Chapter 19-A in Title 6 of the Louisiana Revised Statutes of 1950, comprised of R.S. 6:1368, and to repeal R.S. 6:314, 653.1, 766.1 and R.S. 9:1711.1 through 1711.9, relative to transfer on death accounts; to provide relative to financial institutions; to provide relative to certain owners; to provide relative to beneficiaries; to provide relative to banks; to provide relative to credit unions; to provide relative to mutual associations; to provide relative to brokerage accounts; to provide for certain procedures; to provide for definitions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 6:1368 is hereby enacted to read as follows:

CHAPTER 19-A. TRANSFER ON DEATH ACCOUNTS

§1368. Exemption of proceeds from probate; transfer on death accounts

A. Notwithstanding any provision of law to the contrary, the following terms as used in this Section shall be defined as follows:

(1) "Transfer on death account" means any deposit or brokerage account maintained by a financial institution on behalf of an owner where the owner designates by contract, in accordance with this Section, a named

1 beneficiary to receive funds or assets held in the account upon the death of the
2 owner.

3 (2) "Financial institution" means any state or federally-chartered bank,
4 credit union, mutual association, or registered and licensed investment
5 management company. The commissioner of financial institutions is authorized
6 to promulgate rules and regulations to determine whether an entity qualifies as
7 a financial institution under this Chapter.

8 (3) "Owner" means the individual account holder of a transfer on death
9 account.

10 (4) "Beneficiary" means the named beneficiary of a transfer on death
11 account designated by the owner in the transfer on death account agreement
12 between the owner and the financial institution provided that such designation
13 is made in accordance with Subsection D of this Section.

14 B. The lawful beneficiary designated in the owner's transfer on death
15 account agreement to receive account funds or assets in the event of the owner's
16 death, including the owner's estate, shall be entitled to the proceeds and avails
17 of the transfer on death account against the representatives of the owner or the
18 person effecting the transfer on death account, or the estate of either, and
19 against the heirs and legatees of either person.

20 C. The provisions of Subsections A and B of this Section shall apply
21 regardless of whether any of the following circumstances exist:

22 (1) The right to change the beneficiary is reserved or permitted in the
23 transfer on death account agreement between the owner and the financial
24 institution.

25 (2) The transfer on death account agreement between the owner and the
26 financial institution is made payable to the owner, his estate, or to the estate of
27 a beneficiary if the beneficiary predeceases the person.

28 (3) The owner designates a beneficiary in a last will and testament.

29 (4) The transfer on death account agreement between the financial

1 institution and the owner provides terms and conditions for disposition of
2 proceeds in the event the beneficiary predeceases the owner.

3 D.(1) The provisions of Subsection B of this Section shall not apply unless
4 the financial institution requires an owner to designate or change the
5 beneficiary of a transfer on death account in the following manner:

6 (a) The designation of beneficiary or change of beneficiary form shall be
7 executed by authentic act by the owner at an office of the financial institution.
8 A designation of beneficiary form or change of beneficiary form submitted by
9 the owner to the financial institution electronically shall be void and without
10 effect.

11 (b) The designation of beneficiary or change of beneficiary form shall not
12 be executed on behalf of an owner by a representative of the owner under the
13 authority of a power of attorney or other representative agreement.

14 (c) For transfer on death accounts with more than one owner, the
15 designation of beneficiary or change of beneficiary form shall be executed in the
16 manner provided herein by all owners of the account.

17 (2) The procedures described in this Subsection are considered minimum
18 standards and shall not be interpreted to prohibit a financial institution from
19 establishing additional terms and conditions under which it will handle transfer
20 on death account designation of beneficiary. However, any additional terms and
21 conditions imposed on transfer on death accounts shall be void and without
22 effect to the extent the terms and conditions conflict with this Section.

23 (3) The financial institution and the beneficiary, or the representatives
24 and heirs of either, shall not be held liable and are discharged from all claims
25 to the funds or assets held in the transfer on death account by the estate,
26 surviving spouse, heirs, legatees or forced heirs of a deceased owner if it
27 transfers the funds or assets of the account to the named beneficiary, provided
28 that the beneficiary is named by the owner in accordance with this Subsection.

29 (4) The provisions of this Section shall not be construed or interpreted

1 **to prohibit any claim by the owner's estate or his heirs and legatees to assert a**
 2 **vice of the owner's consent in executing a designation of beneficiary or change**
 3 **of beneficiary form. The financial institution shall be entitled to assert a vice of**
 4 **consent claim provided that the designation or change is made in accordance**
 5 **with this Section.**

6 **E. The provisions of this Section shall not apply to a debt secured by the**
 7 **owner's pledge or assignment of the funds or assets held in the transfer on death**
 8 **account.**

9 Section 2. R.S. 6:314, 653.1, 766.1 and R.S. 9:1711.1 through 1711.9 are hereby
 10 repealed.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 262 Original 2026 Regular Session Abraham

Proposed law provides that notwithstanding present law to the contrary, the following terms as used in proposed law are defined as follows:

- (1) "Transfer on death account" means any deposit or brokerage account maintained by a financial institution on behalf of an owner where the owner designates by contract and, in accordance with proposed law, a named beneficiary to receive funds or assets held in the account upon the death of the owner.
- (2) "Financial institution" means any state or federally-chartered bank, credit union, mutual association, or registered and licensed investment management company. Provides that the commissioner of financial institutions is authorized to enact rules and regulations to determine whether an entity qualifies as a financial institution under proposed law.
- (3) "Owner" means the individual account holder of a transfer on death account.
- (4) "Beneficiary" means the named beneficiary of a transfer on death account designated by the owner in the transfer on death account agreement between the owner and the financial institution provided that such designation is made in accordance with proposed law.

Proposed law provides that the lawful beneficiary designated in the owner's transfer on death account agreement to receive account funds or assets in the event of the owner's death, including the owner's estate, shall be entitled to the proceeds and avails of the transfer on death account against the representatives of the owner or the person effecting the transfer on death account, or the estate of either, and against the heirs and legatees of either person.

Proposed law provides that the provisions of proposed law shall apply regardless of whether any of the following circumstances exist:

- (1) The right to change the beneficiary is reserved or permitted in the transfer on death account agreement between the owner and the financial institution.
- (2) The transfer on death account agreement between the owner and the financial institution is made payable to the owner, his estate, or to the estate of a beneficiary if the beneficiary predeceases the person.
- (3) The owner designates a beneficiary in a last will and testament.
- (4) The transfer on death account agreement between the financial institution and the owner provides terms and conditions for disposition of proceeds in the event the beneficiary predeceases the owner.

Proposed law provides that the provisions of proposed law shall not apply unless the financial institution requires an owner to designate or change the beneficiary of a transfer on death account in the following manner:

- (1) The designation of beneficiary or change of beneficiary form shall be executed by authentic act by the owner at an office of the financial institution. Provides that a designation of beneficiary or change of beneficiary form submitted by the owner to the financial institution electronically shall be void and without effect.
- (2) The designation of beneficiary or change of beneficiary form shall not be executed on behalf of an owner by a representative of the owner under the authority of a power of attorney or other representative agreement.
- (3) For transfer on death accounts with more than one owner, the designation of beneficiary or change of beneficiary form shall be executed in the manner provided herein by all owners of the account.

Proposed law provides that the procedures described in proposed law are considered minimum standards and shall not be interpreted to prohibit a financial institution from establishing additional terms and conditions under which it will handle transfer on death account designation of beneficiary. Provides that any additional terms and conditions imposed on transfer on death accounts shall be void and without effect to the extent the terms and conditions conflict with proposed law.

Proposed law provides that the financial institution and the beneficiary, or the representatives and heirs of either, shall not be held liable and are discharged from all claims to the funds or assets held in the transfer on death account by the estate, surviving spouse, heirs, legatees or forced heirs of a deceased owner if it transfers the funds or assets of the account to the named beneficiary provided that the beneficiary is named by the owner in accordance with proposed law.

Proposed law provides that the provisions of proposed law shall not be construed or interpreted to prohibit any claim by the owner's estate or his heirs and legatees to assert a vice of the owner's consent in executing a designation of beneficiary or change of beneficiary form. Provides that the financial institution shall be entitled to assert a vice of consent claim provided that the designation or change is made in accordance with proposed law.

Proposed law provides that the provisions of proposed law shall not apply to a debt secured by the owner's pledge or assignment of the funds or assets held in the transfer on death account.

Present law (R.S. 6:314) provides for certain procedures related to administration and payment by banks of trust deposits upon the death of a depositor.

Proposed law repeals present law.

Present law (R.S. 6:653.1) provides for certain procedures related to administration and payment by credit unions of trust deposits upon the death of a depositor.

Proposed law repeals present law.

Present law (R.S. 6:766.1) provides for certain procedures related to administration and payment by mutual associations of trust deposits upon the death of a depositor.

Proposed law repeals present law.

Present law (R.S. 9:1711-1711.9) provides for the Louisiana Uniform Transfer on Death Security Registration Act.

Proposed law repeals present law.

Effective August 1, 2026.

(Adds R.S. 6:1368; repeals R.S. 6:314, 653.1, 766.1 and R.S. 9:1711.1-1711.9)