



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 4113 (as reported without amendment)

Sponsor: Representative Tom Alley

House Committee: Commerce

Senate Committee: Financial Services

## **CONTENT**

The bill would create a new act to provide for the registration of a “security” in “beneficiary form” and the transfer of the security to the beneficiary upon the death of the owner. The bill would apply to registrations of securities in beneficiary form made before or after its effective date, by owners of securities who died on or after that date. The bill would specify requirements for registration, transfer of ownership, and terms and conditions for registering securities in beneficiary form, as well as provide for protections and obligations of a registering entity.

“Security” would mean a share, participation, or other interest in property, a business, or an obligation of an enterprise or other issuer, and would include a certificated or uncertificated security and a “security account”. “Security account” would mean both 1) a reinvestment account associated with a security, a securities account with a broker, a cash balance in a brokerage account, cash, interest, earnings, or dividends earned or declared on a security in an account, a reinvestment account, or a brokerage account, whether or not credited to the account before the owner’s death; and, 2) a cash balance or other property held for or due to the owner of a security as a replacement for or product of a security account, whether or not credited to the account before the owner’s death. “Beneficiary form” would mean a registration of a security that indicated the owner of the security and the owner’s intention to have title to the security transfer to another person upon his or her death.

Legislative Analyst: P. Affholter

## **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 9-26-96

Fiscal Analyst: M. Tyszkiewicz