

Senate Engrossed

~~special deposits; banks; requirements; definitions~~  
(now: banks; special deposits; requirements)

State of Arizona  
Senate  
Fifty-seventh Legislature  
First Regular Session  
2025

## CHAPTER 63

# SENATE BILL 1206

AN ACT

AMENDING TITLE 6, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 5.1; RELATING TO BANKS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 6, chapter 2, Arizona Revised Statutes, is amended by  
3 adding article 5.1, to read:

4 ARTICLE 5.1. SPECIAL DEPOSITS

5 6-251. Short title

6 THIS ARTICLE MAY BE CITED AS THE UNIFORM SPECIAL DEPOSITS ACT.

7 6-252. Definitions

8 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "ACCOUNT AGREEMENT" MEANS AN AGREEMENT THAT:

10 (a) IS IN A RECORD BETWEEN A BANK AND ONE OR MORE DEPOSITORS;

11 (b) MAY HAVE ONE OR MORE BENEFICIARIES AS ADDITIONAL PARTIES; AND

12 (c) STATES THE INTENTION OF THE PARTIES TO ESTABLISH A SPECIAL DEPOSIT AS  
13 GOVERNED BY THIS ARTICLE.

14 2. "BANK" MEANS A PERSON ENGAGED IN THE BUSINESS OF BANKING AND INCLUDES A  
15 SAVINGS BANK, SAVINGS AND LOAN ASSOCIATION, CREDIT UNION, TRUST COMPANY AND A  
16 BANK AS DEFINED IN SECTION 6-101. EACH BRANCH OR SEPARATE OFFICE OF A BANK IS A  
17 SEPARATE BANK FOR THE PURPOSE OF THIS ARTICLE.

18 3. "BENEFICIARY" MEANS A PERSON THAT:

19 (a) IS IDENTIFIED AS A BENEFICIARY IN AN ACCOUNT AGREEMENT; OR

20 (b) IF NOT IDENTIFIED AS A BENEFICIARY IN AN ACCOUNT AGREEMENT, MAY BE  
21 ENTITLED TO PAYMENT FROM A SPECIAL DEPOSIT:

22 (i) UNDER THE ACCOUNT AGREEMENT; OR

23 (ii) ON TERMINATION OF THE SPECIAL DEPOSIT.

24 4. "CONTINGENCY" MEANS AN EVENT OR CIRCUMSTANCE STATED IN AN ACCOUNT  
25 AGREEMENT THAT IS NOT CERTAIN TO OCCUR BUT MUST OCCUR BEFORE A BANK IS OBLIGATED  
26 TO PAY A BENEFICIARY.

27 5. "CREDITOR PROCESS" MEANS ATTACHMENT, GARNISHMENT, LEVY, NOTICE OF LIEN,  
28 SEQUESTRATION, OR SIMILAR PROCESS ISSUED BY OR ON BEHALF OF A CREDITOR OR OTHER  
29 CLAIMANT.

30 6. "DEPOSITOR" MEANS A PERSON THAT ESTABLISHES OR FUNDS A SPECIAL DEPOSIT.

31 7. "GOOD FAITH" MEANS HONESTY IN FACT AND OBSERVANCE OF REASONABLE  
32 COMMERCIAL STANDARDS OF FAIR DEALING.

33 8. "KNOWLEDGE" OF FACT MEANS:

34 (a) WITH RESPECT TO A BENEFICIARY, ACTUAL KNOWLEDGE OF THE FACT; OR

35 (b) WITH RESPECT TO A BANK HOLDING A SPECIAL DEPOSIT:

36 (i) IF THE BANK HAS ESTABLISHED A REASONABLE ROUTINE FOR COMMUNICATING  
37 MATERIAL INFORMATION TO AN INDIVIDUAL TO WHOM THE BANK HAS ASSIGNED  
38 RESPONSIBILITY FOR THE SPECIAL DEPOSIT AND MAINTAINS REASONABLE COMPLIANCE WITH  
39 THE ROUTINE, ACTUAL KNOWLEDGE OF THE FACT BY THE INDIVIDUAL; OR

40 (ii) IF THE BANK HAS NOT ESTABLISHED AND MAINTAINED REASONABLE COMPLIANCE  
41 WITH A ROUTINE DESCRIBED IN ITEM (i) OF THIS SUBDIVISION OR OTHERWISE EXERCISED  
42 DUE DILIGENCE, IMPLIED KNOWLEDGE OF THE FACT THAT WOULD HAVE COME TO THE  
43 ATTENTION OF AN INDIVIDUAL TO WHOM THE BANK HAS ASSIGNED RESPONSIBILITY FOR THE  
44 SPECIAL DEPOSIT.

1 9. "OBLIGATED TO PAY A BENEFICIARY" OR "OBLIGATION TO PAY A BENEFICIARY"  
2 MEANS A BENEFICIARY IS ENTITLED UNDER THE ACCOUNT AGREEMENT TO RECEIVE FROM THE  
3 BANK A PAYMENT WHEN:

4 (a) A CONTINGENCY HAS OCCURRED; AND

5 (b) THE BANK HAS KNOWLEDGE THE CONTINGENCY HAS OCCURRED.

6 10. "PERMISSIBLE PURPOSE" MEANS A GOVERNMENTAL, REGULATORY, COMMERCIAL,  
7 CHARITABLE, OR TESTAMENTARY OBJECTIVE OF THE PARTIES STATED IN AN ACCOUNT  
8 AGREEMENT. THE TERMS INCLUDES AN OBJECTIVE TO:

9 (a) HOLD FUNDS:

10 (i) IN ESCROW, INCLUDING FOR A PURCHASE AND SALE, LEASE, BUYBACK, OR OTHER  
11 TRANSACTION;

12 (ii) AS A SECURITY DEPOSIT OF A TENANT.

13 (iii) THAT MAY BE DISTRIBUTED TO A PERSON AS REMUNERATION, RETIREMENT OR  
14 OTHER BENEFIT, OR COMPENSATION UNDER A JUDGMENT, CONSENT DECREE, COURT ORDER, OR  
15 OTHER DECISION OF A TRIBUNAL; OR

16 (iv) FOR DISTRIBUTION TO A DEFINED CLASS OF PERSONS AFTER IDENTIFICATION  
17 OF THE CLASS MEMBERS AND THEIR INTEREST IN THE FUNDS;

18 (b) PROVIDE ASSURANCE WITH RESPECT TO AN OBLIGATION CREATED BY A CONTRACT,  
19 SUCH AS EARNEST MONEY TO ENSURE A TRANSACTION CLOSSES;

20 (c) SETTLE AN OBLIGATION THAT ARISES IN THE OPERATION OF A PAYMENT SYSTEM,  
21 SECURITIES SETTLEMENT SYSTEM, OR OTHER FINANCIAL MARKET INFRASTRUCTURE.

22 (d) PROVIDE ASSURANCE WITH RESPECT TO AN OBLIGATION THAT ARISES IN THE  
23 OPERATION OF A PAYMENT SYSTEM, SECURITIES SETTLEMENT SYSTEM, OR OTHER FINANCIAL  
24 MARKET INFRASTRUCTURE; OR

25 (e) HOLD MARGIN, OTHER CASH COLLATERAL, OR FUNDS THAT SUPPORT THE ORDERLY  
26 FUNCTIONING OF FINANCIAL MARKET INFRASTRUCTURE OR THE PERFORMANCE OF AN  
27 OBLIGATION WITH RESPECT TO THE INFRASTRUCTURE.

28 11. "PERSON" MEANS AN INDIVIDUAL, ESTATE, BUSINESS OR NONPROFIT ENTITY,  
29 GOVERNMENT OR GOVERNMENTAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY, OR OTHER  
30 LEGAL ENTITY. THE TERM INCLUDES A PROTECTED SERIES, HOWEVER DENOMINATED, OF AN  
31 ENTITY IF THE PROTECTED SERIES IS ESTABLISHED UNDER LAW THAT LIMITS, OR LIMITS IF  
32 CONDITIONS SPECIFIED UNDER LAW ARE SATISFIED, THE ABILITY OF A CREDITOR OF THE  
33 ENTITY OR OF ANY OTHER PROTECTED SERIES OF THE ENTITY TO SATISFY A CLAIM FROM  
34 ASSETS OF THE PROTECTED SERIES.

35 12. "RECORD" MEANS INFORMATION:

36 (a) INSCRIBED ON A TANGIBLE MEDIUM; OR

37 (b) STORES IN AN ELECTRONIC OR OTHER MEDIUM AND RETRIEVABLE IN PERCEIVABLE  
38 FORM.

39 13. "SPECIAL DEPOSIT" MEANS A DEPOSIT THAT SATISFIES SECTION 6-255.

40 14. "STATE" MEANS A STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA,  
41 PUERTO RICO, THE UNITED STATES VIRGIN ISLANDS, OR ANY OTHER TERRITORY OR  
42 POSSESSION SUBJECT TO THE JURISDICTION OF THE UNITED STATES. THE TERM INCLUDES  
43 AN AGENCY OR INSTRUMENTALITY OF THE STATE.

1        6-253. Scope: choice of law: forum

2        A. THIS ARTICLE APPLIES TO A SPECIAL DEPOSIT UNDER AN ACCOUNT AGREEMENT  
3 THAT STATES THE INTENTION OF THE PARTIES TO ESTABLISH A SPECIAL DEPOSIT GOVERNED  
4 BY THIS ARTICLE, REGARDLESS OF WHETHER A PARTY TO THE ACCOUNT AGREEMENT OR A  
5 TRANSACTION RELATED TO THE SPECIAL DEPOSIT, OR THE SPECIAL DEPOSIT ITSELF, HAS A  
6 REASONABLE RELATION TO THIS STATE.

7        B. THE PARTIES TO AN ACCOUNT AGREEMENT MAY CHOOSE A FORUM IN THIS STATE  
8 FOR SETTLING A DISPUTE ARISING OUT OF THE SPECIAL DEPOSIT, REGARDLESS OF WHETHER  
9 A PARTY TO THE ACCOUNT AGREEMENT OR A TRANSACTION RELATED TO THE SPECIAL DEPOSIT,  
10 OR THE SPECIAL DEPOSIT ITSELF, HAS A REASONABLE RELATION TO THIS STATE.

11       C. THIS ARTICLE DOES NOT AFFECT:

12       1. A RIGHT OR OBLIGATION RELATING TO A DEPOSIT OTHER THAN A SPECIAL  
13 DEPOSIT UNDER THIS ARTICLE; OR

14       2. THE VOIDABILITY OF A DEPOSIT OR TRANSFER THAT IS FRAUDULENT OR VOIDABLE  
15 UNDER OTHER LAW.

16       6-254. Variation by agreement or amendment

17       A. THE EFFECT OF THIS SECTION AND SECTIONS 6-252, 6-253, 6-255, 6-256,  
18 6-258, 6-259, 6-260, 6-261 AND 6-264 MAY NOT BE VARIED BY AGREEMENT, EXCEPT AS  
19 PROVIDED IN THOSE SECTIONS. SUBJECT TO SUBSECTION B OF THIS SECTION, THE EFFECT  
20 OF SECTIONS 6-257, 6-262 AND 6-263 MAY BE VARIED BY AGREEMENT.

21       B. A PROVISION IN AN ACCOUNT AGREEMENT OR OTHER RECORD THAT SUBSTANTIALLY  
22 EXCUSES LIABILITY OR SUBSTANTIALLY LIMITS REMEDIES FOR FAILURE TO PERFORM AN  
23 OBLIGATION UNDER THIS ARTICLE IS NOT SUFFICIENT TO VARY THE EFFECT OF THIS  
24 ARTICLE.

25       C. IF A BENEFICIARY IS A PARTY TO AN ACCOUNT AGREEMENT, THE BANK AND THE  
26 DEPOSITOR MAY AMEND THE AGREEMENT WITHOUT THE CONSENT OF THE BENEFICIARY ONLY IF  
27 THE AGREEMENT EXPRESSLY PERMITS THE AMENDMENT.

28       D. IF A BENEFICIARY IS NOT A PARTY TO AN ACCOUNT AGREEMENT AND THE BANK  
29 AND THE DEPOSITOR KNOW THE BENEFICIARY HAS KNOWLEDGE OF THE AGREEMENT'S TERMS,  
30 THE BANK AND THE DEPOSITOR MAY AMEND THE AGREEMENT WITHOUT THE CONSENT OF THE  
31 BENEFICIARY ONLY IF THE AMENDMENT DOES NOT ADVERSELY AND MATERIALLY AFFECT A  
32 PAYMENT RIGHT OF THE BENEFICIARY.

33       E. IF A BENEFICIARY IS NOT A PARTY TO AN ACCOUNT AGREEMENT AND THE BANK  
34 AND THE DEPOSITOR DO NOT KNOW WHETHER THE BENEFICIARY HAS KNOWLEDGE OF THE  
35 AGREEMENT'S TERMS, THE BANK AND THE DEPOSITOR MAY AMEND THE AGREEMENT WITHOUT THE  
36 CONSENT OF THE BENEFICIARY ONLY IF THE AMENDMENT IS MADE IN GOOD FAITH.

37       6-255. Requirements for special deposits

38       A DEPOSIT IS A SPECIAL DEPOSIT IF IT IS:

39       1. A DEPOSIT OF FUNDS IN A BANK UNDER AN ACCOUNT AGREEMENT.

40       2. FOR THE BENEFIT OF AT LEAST TWO BENEFICIARIES, ONE OR MORE OF WHICH MAY  
41 BE A DEPOSITOR.

1 3. DENOMINATED IN A MEDIUM OF EXCHANGE THAT IS CURRENTLY AUTHORIZED OR  
2 ADOPTED BY A DOMESTIC OR FOREIGN GOVERNMENT.

3 4. FOR A PERMISSIBLE PURPOSE AS STATED IN THE ACCOUNT AGREEMENT; AND

4 5. SUBJECT TO A CONTINGENCY.

5 6-256. Permissible purpose

6 A. A SPECIAL DEPOSIT MUST SERVE AT LEAST ONE PERMISSIBLE PURPOSE STATED IN  
7 THE ACCOUNT AGREEMENT FROM THE TIME THE SPECIAL DEPOSIT IS CREATED IN THE ACCOUNT  
8 AGREEMENT UNTIL TERMINATION OF THE SPECIAL DEPOSIT.

9 B. IF, BEFORE TERMINATION OF THE SPECIAL DEPOSIT, THE BANK OR A COURT  
10 DETERMINES THE SPECIAL DEPOSIT NO LONGER SATISFIES SUBSECTION A OF THIS SECTION,  
11 SECTIONS 6-258, 6-259, 6-260 AND 6-261 CEASE TO APPLY TO ANY FUNDS DEPOSITED IN  
12 THE SPECIAL DEPOSIT AFTER THE SPECIAL DEPOSIT CEASES TO SATISFY SUBSECTION A OF  
13 THIS SECTION.

14 C. IF, BEFORE TERMINATION OF A SPECIAL DEPOSIT, A BANK DETERMINES THE  
15 SPECIAL DEPOSIT NO LONGER SATISFIES SUBSECTION A OF THIS SECTION, THE BANK MAY  
16 TAKE ACTION IT BELIEVES IS NECESSARY UNDER THE CIRCUMSTANCES, INCLUDING  
17 TERMINATING THE SPECIAL DEPOSIT.

18 6-257. Payment to beneficiary by bank

19 A. UNLESS THE ACCOUNT AGREEMENT STATES OTHERWISE, THE BANK IS OBLIGATED TO  
20 PAY A BENEFICIARY IF THERE ARE SUFFICIENT ACTUALLY AND FINALLY COLLECTED FUNDS IN  
21 THE BALANCE OF THE SPECIAL DEPOSIT.

22 B. EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION, THE OBLIGATION TO  
23 PAY THE BENEFICIARY IS EXCUSED IF THE FUNDS AVAILABLE IN THE SPECIAL DEPOSIT ARE  
24 INSUFFICIENT TO COVER SUCH PAYMENTS.

25 C. UNLESS THE ACCOUNT AGREEMENT PROVIDES OTHERWISE, IF THE FUNDS AVAILABLE  
26 IN THE SPECIAL DEPOSIT ARE INSUFFICIENT TO COVER AN OBLIGATION TO PAY A  
27 BENEFICIARY, A BENEFICIARY MAY ELECT TO BE PAID THE FUNDS THAT ARE AVAILABLE OR,  
28 IF THERE IS MORE THAN ONE BENEFICIARY, A PRO RATA SHARE OF THE FUNDS AVAILABLE.  
29 PAYMENT TO THE BENEFICIARY MAKING THE ELECTION UNDER THIS SUBSECTION DISCHARGES  
30 THE BANK'S OBLIGATION TO PAY A BENEFICIARY AND DOES NOT CONSTITUTE AN ACCORD AND  
31 SATISFACTION WITH RESPECT TO ANOTHER PERSON OBLIGATED TO THE BENEFICIARY.

32 D. UNLESS THE ACCOUNT AGREEMENT PROVIDES OTHERWISE, THE OBLIGATION OF THE  
33 BANK OBLIGATED TO PAY A BENEFICIARY IS IMMEDIATELY DUE AND PAYABLE.

34 E. THE BANK MAY DISCHARGE ITS OBLIGATION UNDER THIS SECTION BY:

35 1. CREDITING ANOTHER TRANSACTION ACCOUNT OF THE BENEFICIARY; OR

36 2. TAKING OTHER ACTION THAT:

37 (a) IS PERMITTED UNDER THE ACCOUNT AGREEMENT FOR THE BANK TO OBTAIN A  
38 DISCHARGE; OR

39 (b) OTHERWISE WOULD CONSTITUTE A DISCHARGE UNDER LAW.

40 F. IF THE BANK OBLIGATED TO PAY A BENEFICIARY HAS INCURRED AN OBLIGATION  
41 TO DISCHARGE THE OBLIGATION OF ANOTHER PERSON, THE OBLIGATION OF THE OTHER PERSON  
42 IS DISCHARGED IF ACTION BY THE BANK UNDER SUBSECTION E OF THIS SECTION WOULD  
43 CONSTITUTE A DISCHARGE OF THE OBLIGATION OF THE OTHER PERSON UNDER LAW THAT  
44 DETERMINES WHETHER AN OBLIGATION IS SATISFIED.

1        6-258. Property interest of depositor or beneficiary

2        A. NEITHER A DEPOSITOR NOR A BENEFICIARY HAS A PROPERTY INTEREST IN A  
3 SPECIAL DEPOSIT.

4        B. ANY PROPERTY INTEREST WITH RESPECT TO A SPECIAL DEPOSIT IS ONLY IN THE  
5 RIGHT TO RECEIVE PAYMENT IF THE BANK IS OBLIGATED TO PAY A BENEFICIARY AND NOT IN  
6 THE SPECIAL DEPOSIT ITSELF. ANY PROPERTY INTEREST UNDER THIS SUBSECTION IS  
7 DETERMINED UNDER OTHER LAW.

8        6-259. When creditor process enforceable against bank

9        A. SUBJECT TO SUBSECTION B OF THIS SECTION, CREDITOR PROCESS WITH RESPECT  
10 TO A SPECIAL DEPOSIT IS NOT ENFORCEABLE AGAINST THE BANK HOLDING THE SPECIAL  
11 DEPOSIT.

12        B. CREDITOR PROCESS IS ENFORCEABLE AGAINST A BANK HOLDING A SPECIAL  
13 DEPOSIT WITH RESPECT TO AN AMOUNT THE BANK IS OBLIGATED TO PAY A BENEFICIARY OR A  
14 DEPOSITOR IF THE PROCESS:

15            1. IS SERVED ON THE BANK;

16            2. PROVIDES SUFFICIENT INFORMATION TO PERMIT THE BANK TO IDENTIFY THE  
17 DEPOSITOR OR THE BENEFICIARY FROM THE BANK'S BOOKS AND RECORDS; AND

18            3. GIVES THE BANK A REASONABLE OPPORTUNITY TO ACT ON THE PROCESS.

19        C. CREDITOR PROCESS SERVED ON A BANK BEFORE IT IS ENFORCEABLE AGAINST THE  
20 BANK UNDER SUBSECTION B OF THIS SECTION DOES NOT CREATE A RIGHT OF THE CREDITOR  
21 AGAINST THE BANK OR A DUTY OF THE BANK TO THE CREDITOR. OTHER LAW DETERMINES  
22 WHETHER CREDITOR PROCESS CREATES A LIEN ENFORCEABLE AGAINST THE BENEFICIARY ON A  
23 CONTINGENT INTEREST OF A BENEFICIARY, INCLUDING A DEPOSITOR AS A BENEFICIARY,  
24 EVEN IF NOT ENFORCEABLE AGAINST THE BANK.

25        6-260. Injunction or similar relief

26        A COURT MAY ENJOIN, OR GRANT SIMILAR RELIEF THAT WOULD HAVE THE EFFECT OF  
27 ENJOINING, A BANK FROM PAYING A DEPOSITOR OR BENEFICIARY ONLY IF PAYMENT WOULD  
28 CONSTITUTE A MATERIAL FRAUD OR FACILITATE A MATERIAL FRAUD WITH RESPECT TO A  
29 SPECIAL DEPOSIT.

30        6-261. Recoupment or setoff

31        A. EXCEPT AS PROVIDED IN SUBSECTION B OR C OF THIS SECTION, A BANK MAY NOT  
32 EXERCISE A RIGHT OF RECOUPMENT OR SETOFF AGAINST A SPECIAL DEPOSIT.

33        B. AN ACCOUNT AGREEMENT MAY AUTHORIZE A BANK TO DEBIT THE SPECIAL DEPOSIT:

34            1. WHEN THE BANK BECOMES OBLIGATED TO PAY A BENEFICIARY, IN AN AMOUNT THAT  
35 DOES NOT EXCEED THE AMOUNT NECESSARY TO DISCHARGE THE OBLIGATION;

36            2. FOR A FEE ASSESSED BY THE BANK THAT RELATES TO AN OVERDRAFT IN THE  
37 SPECIAL DEPOSIT ACCOUNT;

38            3. FOR COSTS INCURRED BY THE BANK THAT RELATE DIRECTLY TO THE SPECIAL  
39 DEPOSIT; OR

40            4. TO REVERSE AN EARLIER CREDIT POSTED BY THE BANK TO THE BALANCE OF THE  
41 SPECIAL DEPOSIT ACCOUNT, IF THE REVERSAL OCCURS UNDER AN EVENT OR CIRCUMSTANCE  
42 WARRANTED UNDER OTHER LAW OF THIS STATE GOVERNING MISTAKE AND RESTITUTION.

43        C. THE BANK HOLDING A SPECIAL DEPOSIT MAY EXERCISE A RIGHT OF RECOUPMENT  
44 OR SETOFF AGAINST AN OBLIGATION TO PAY A BENEFICIARY, EVEN IF THE BANK FUNDS  
45 PAYMENT FROM THE SPECIAL DEPOSIT.

1        6-262. Duties and liability of bank

2        A. A BANK DOES NOT HAVE A FIDUCIARY DUTY TO ANY PERSON WITH RESPECT TO A  
3 SPECIAL DEPOSIT.

4        B. WHEN A BANK HOLDING A SPECIAL DEPOSIT BECOMES OBLIGATED TO PAY A  
5 BENEFICIARY, A DEBTOR-CREDITOR RELATIONSHIP ARISES BETWEEN THE BANK AND  
6 BENEFICIARY.

7        C. A BANK HOLDING A SPECIAL DEPOSIT HAS A DUTY TO A BENEFICIARY TO COMPLY  
8 WITH THE ACCOUNT AGREEMENT AND THIS ARTICLE.

9        D. IF THE BANK HOLDING A SPECIAL DEPOSIT DOES NOT COMPLY WITH THE ACCOUNT  
10 AGREEMENT OR THIS ARTICLE, THE BANK IS LIABLE TO A DEPOSITOR OR BENEFICIARY ONLY  
11 FOR DAMAGES PROXIMATELY CAUSED BY THE NONCOMPLIANCE. EXCEPT AS PROVIDED BY OTHER  
12 LAW OF THIS STATE, THE BANK IS NOT LIABLE FOR CONSEQUENTIAL, SPECIAL, OR PUNITIVE  
13 DAMAGES.

14       E. THE BANK HOLDING A SPECIAL DEPOSIT MAY RELY ON RECORDS PRESENTED IN  
15 COMPLIANCE WITH THE ACCOUNT AGREEMENT TO DETERMINE WHETHER THE BANK IS OBLIGATED  
16 TO PAY A BENEFICIARY.

17       F. IF THE ACCOUNT AGREEMENT REQUIRES PAYMENT ON PRESENTATION OF A RECORD,  
18 THE BANK SHALL DETERMINE WITHIN A REASONABLE TIME WHETHER THE RECORD IS  
19 SUFFICIENT TO REQUIRE PAYMENT. IF THE AGREEMENT REQUIRES ACTION BY THE BANK ON  
20 PRESENTATION OF A RECORD, THE BANK IS NOT LIABLE FOR RELYING IN GOOD FAITH ON THE  
21 GENUINENESS OF THE RECORD IF THE RECORD APPEARS ON ITS FACE TO BE GENUINE.

22       G. UNLESS THE ACCOUNT AGREEMENT PROVIDES OTHERWISE, THE BANK IS NOT  
23 REQUIRED TO DETERMINE WHETHER A PERMISSIBLE PURPOSE STATED IN THE AGREEMENT  
24 CONTINUES TO EXIST.

25       6-263. Term and termination

26       A. UNLESS OTHERWISE PROVIDED IN AN ACCOUNT AGREEMENT, A SPECIAL DEPOSIT  
27 TERMINATES FIVE YEARS AFTER THE DATE THE SPECIAL DEPOSIT WAS FIRST FUNDED.

28       B. UNLESS OTHERWISE PROVIDED IN THE ACCOUNT AGREEMENT, IF THE BANK CANNOT  
29 IDENTIFY OR LOCATE A BENEFICIARY ENTITLED TO PAYMENT WHEN THE SPECIAL DEPOSIT IS  
30 TERMINATED, AND A BALANCE REMAINS IN THE SPECIAL DEPOSIT, THE BANK SHALL PAY THE  
31 BALANCE TO THE DEPOSITOR OR DEPOSITORS AS A BENEFICIARY OR BENEFICIARIES.

32       C. A BANK THAT PAYS THE REMAINING BALANCE AS PROVIDED UNDER SUBSECTION B  
33 OF THIS SECTION HAS NO FURTHER OBLIGATION TO THE SPECIAL DEPOSIT.

34       6-264. Principles of law and equity

35       TITLE 47, CONSUMER PROTECTION LAW, LAW GOVERNING DEPOSITS GENERALLY, LAW  
36 RELATED TO ESCHEAT AND ABANDONED OR UNCLAIMED PROPERTY, AND THE PRINCIPLES OF LAW  
37 AND EQUITY, INCLUDING LAW RELATED TO CAPACITY TO CONTRACT, PRINCIPAL AND AGENT,  
38 ESTOPPEL, FRAUD, MISREPRESENTATION, DURESS, COERCION, MISTAKE, AND BANKRUPTCY,  
39 SUPPLEMENT THIS ARTICLE EXCEPT TO THE EXTENT INCONSISTENT WITH THIS ARTICLE.

40       6-265. Uniformity of application and construction

41       IN APPLYING AND CONSTRUING THIS ARTICLE, A COURT SHALL CONSIDER THE  
42 PROMOTION OF UNIFORMITY OF THE LAW AMONG JURISDICTIONS THAT ENACT IT.

1       6-266. Transitional provision

2       THIS ARTICLE APPLIES TO:

3       1. A SPECIAL DEPOSIT MADE UNDER AN ACCOUNT AGREEMENT EXECUTED ON OR AFTER  
4 THE EFFECTIVE DATE OF THIS ACT; AND

5       2. A DEPOSIT MADE UNDER AN AGREEMENT EXECUTED BEFORE THE EFFECTIVE DATE OF  
6 THIS ACT, IF:

7       (a) ALL PARTIES ENTITLED TO AMEND THE AGREEMENT AGREE TO MAKE THE DEPOSIT  
8 A SPECIAL DEPOSIT GOVERNED BY THIS ARTICLE; AND

9       (b) THE SPECIAL DEPOSIT REFERENCED IN THE AMENDED AGREEMENT SATISFIES  
10 SECTION 6-255.

11       6-267. Severability

12       IF A PROVISION OF THIS ARTICLE OR ITS APPLICATION TO A PERSON OR  
13 CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT ANOTHER PROVISION OR  
14 APPLICATION THAT CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION.

APPROVED BY THE GOVERNOR APRIL 18, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 21, 2025.