

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1068**

Chapter 287, Laws of 1993

53rd Legislature  
1993 Regular Session

TRANSFER ON DEATH SECURITY REGISTRATION ACT

EFFECTIVE DATE: 7/25/93

Passed by the House April 19, 1993  
Yeas 96 Nays 0

BRIAN EBERSOLE  
**Speaker of the  
House of Representatives**

Passed by the Senate April 6, 1993  
Yeas 47 Nays 0

JOEL PRITCHARD  
**President of the Senate**

Approved May 12, 1993

MIKE LOWRY  
**Governor of the State of Washington**

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1068** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON  
**Chief Clerk**

FILED

May 12, 1993 - 10:12 a.m.

**Secretary of State  
State of Washington**

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HOUSE BILL 1068

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AS AMENDED BY THE SENATE

Passed Legislature - 1993 Regular Session

State of Washington                      53rd Legislature                      1993 Regular Session

By Representatives Padden, Appelwick, Ludwig, Riley, Chappell,  
Campbell, Schmidt, Long, Tate, I. Ballasiotes, Dyer, Johanson and  
Thomas

Read first time 01/13/93. Referred to Committee on Judiciary.

1            AN ACT Relating to registration of transfer on death securities;  
2 and adding a new chapter to Title 21 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            NEW SECTION.      **Sec. 1.**      Unless the context clearly requires  
5 otherwise, the definitions in this section apply throughout this  
6 chapter.

7            (1) "Beneficiary form" means a registration of a security that  
8 indicates the present owner of the security and the intention of the  
9 owner regarding the person who will become the owner of the security  
10 upon the death of the owner, referred to as a "beneficiary."

11            (2) "Devisee" means any person designated in a will to receive a  
12 disposition of real or personal property.

13            (3) "Heirs" means those persons, including the surviving spouse,  
14 who are entitled under the statutes of intestate succession to the  
15 property of a decedent.

16            (4) "Person" means an individual, a corporation, an organization,  
17 or other legal entity.

18            (5) "Personal representative" includes executor, administrator,  
19 successor personal representative, special administrator, and persons

1 who perform substantially the same function under the law governing  
2 their status.

3 (6) "Property" includes both real and personal property or any  
4 interest therein and means anything that may be the subject of  
5 ownership.

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

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

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

18 (10) "Security account" means (a) a reinvestment account associated  
19 with a security; a securities account with a broker; a cash balance in  
20 a brokerage account; or cash, interest, earnings, or dividends earned  
21 or declared on a security in an account, a reinvestment account, or a  
22 brokerage account, whether or not credited to the account before the  
23 owner's death; or (b) a cash balance or other property held for or due  
24 to the owner of a security as a replacement for or product of an  
25 account security, whether or not credited to the account before the  
26 owner's death.

27 (11) "State" includes any state of the United States, the District  
28 of Columbia, the Commonwealth of Puerto Rico, and any territory or  
29 possession subject to the legislative authority of the United States.

30 NEW SECTION. **Sec. 2.** Only individuals whose registration of a  
31 security shows sole ownership by one individual or multiple ownership  
32 by two or more with right of survivorship, rather than as tenants in  
33 common, may obtain registration in beneficiary form. Multiple owners  
34 of a security registered in beneficiary form shall hold the security as  
35 joint tenants with right of survivorship either as separate property or  
36 as community property, and not as tenants in common.

1        NEW SECTION.    **Sec. 3.** A registering entity may register a security  
2 in beneficiary form if the form is authorized by this chapter or a  
3 substantially identical statute of another state if the state is: (1)  
4 The state of organization of the issuer or registering entity, (2) the  
5 location of the registering entity's principal office, (3) the location  
6 of the office of its transfer agent or its office making the  
7 registration, or (4) the location of the owner's listed address at the  
8 time of registration. A registration governed by the law of a  
9 jurisdiction in which this or substantially identical legislation is  
10 not in force or was not in force when a registration in beneficiary  
11 form was made is nevertheless presumed to be valid and authorized as a  
12 matter of contract law.

13        NEW SECTION.    **Sec. 4.** A security, whether evidenced by certificate  
14 or account, is registered in beneficiary form when the registration  
15 includes a designation of a beneficiary to take the ownership at the  
16 death of a sole owner or at the death of the last to die of multiple  
17 owners.

18        NEW SECTION.    **Sec. 5.** Registration in beneficiary form may be  
19 shown by the words "transfer on death" or the abbreviation "TOD," or by  
20 the words "pay on death" or the abbreviation "POD," after the name of  
21 the registered owner or owners and before the name of a beneficiary.

22        NEW SECTION.    **Sec. 6.** The designation of a TOD or POD beneficiary  
23 on a registration in beneficiary form has no effect on ownership of the  
24 security until the owner's death, or on community property rights and  
25 obligations of owners. A registration of a security in beneficiary  
26 form may be canceled or changed at any time by the sole owner or all  
27 then surviving owners, without the consent of the beneficiary.

28        NEW SECTION.    **Sec. 7.** On death of a sole owner or the last to die  
29 of all multiple owners, ownership of securities registered in  
30 beneficiary form passes to the beneficiary or beneficiaries who survive  
31 all owners. On proof of death of all owners and compliance with any  
32 applicable requirements of the registering entity, a security  
33 registered in beneficiary form may be reregistered in the name of the  
34 beneficiary or beneficiaries who survived the death of all owners.  
35 Until division of the security after the death of all owners, multiple

1 beneficiaries surviving the death of all owners hold their interests as  
2 tenants in common. If no beneficiary survives the death of all owners,  
3 the security belongs to the estate of the deceased sole owner or the  
4 estate of the last to die of all multiple owners.

5 NEW SECTION. **Sec. 8.** (1) A registering entity is not required to  
6 offer or to accept a request for security registration in beneficiary  
7 form. If a registration in beneficiary form is offered by a  
8 registering entity, the owner requesting registration in beneficiary  
9 form assents to the protections given to the registering entity by this  
10 chapter.

11 (2) By accepting a request for registration of a security in  
12 beneficiary form, the registering entity agrees that the registration  
13 will be implemented on death of the deceased owner as provided in this  
14 chapter.

15 (3) A registering entity is discharged from all claims to a  
16 security by the estate, creditors, heirs, or devisees of a deceased  
17 owner if it registers a transfer of a security in accordance with  
18 section 7 of this act and does so in good faith reliance (a) on the  
19 registration, (b) on this chapter, and (c) on information provided to  
20 it by affidavit of the personal representative of the deceased owner,  
21 or by the surviving beneficiary or by the surviving beneficiary's  
22 representatives, or other information available to the registering  
23 entity. The protections of this chapter do not extend to a  
24 reregistration or payment made after a registering entity has received  
25 written notice from any claimant to any interest in the security  
26 objecting to implementation of a registration in beneficiary form. No  
27 other notice or other information available to the registering entity  
28 affects its right to protection under this chapter.

29 (4) The protection provided by this chapter to a registering entity  
30 does not affect the rights of beneficiaries in disputes between  
31 themselves and other claimants to ownership of the security transferred  
32 or its value or proceeds.

33 NEW SECTION. **Sec. 9.** (1) A transfer on death resulting from a  
34 registration in beneficiary form is effective by reason of the contract  
35 regarding the registration between the owner and the registering entity  
36 and this chapter and is not testamentary.

1 (2) This chapter does not limit the rights of creditors of security  
2 owners against beneficiaries and other transferees under other laws of  
3 this state.

4 NEW SECTION. **Sec. 10.** (1) A registering entity offering to accept  
5 registrations in beneficiary form may establish the terms and  
6 conditions under which it will receive requests (a) for registrations  
7 in beneficiary form, and (b) for implementation of registrations in  
8 beneficiary form, including requests for cancellation of previously  
9 registered TOD beneficiary designations and requests for reregistration  
10 to effect a change of beneficiary. The terms and conditions so  
11 established may provide for proving death, avoiding or resolving any  
12 problems concerning fractional shares, and designating beneficiaries.  
13 Other rules for providing proofs and assurances needed to satisfy  
14 reasonable concerns by registering entities regarding conditions and  
15 identities relevant to accurate implementation of registrations in  
16 beneficiary form may be contained in a registering entity's terms and  
17 conditions.

18 (2) The following are illustrations of registrations in beneficiary  
19 form that a registering entity may authorize:

20 (a) Sole owner-sole beneficiary: John S. Brown TOD (or POD) John  
21 S. Brown Jr.

22 (b) Multiple owners-sole beneficiary: John S. Brown Mary B. Brown  
23 JT TEN TOD John S. Brown Jr.

24 (c) Multiple owners-multiple beneficiaries: John S. Brown Mary B.  
25 Brown JT TEN TOD John S. Brown Jr. Peter Q. Brown.

26 NEW SECTION. **Sec. 11.** (1) This chapter shall be known as and may  
27 be cited as the uniform TOD security registration act.

28 (2) This chapter shall be liberally construed and applied to  
29 promote its underlying purposes and policy and to make uniform the laws  
30 with respect to the subject of this chapter among states enacting it.

31 (3) Unless displaced by the particular provisions of this chapter,  
32 the principles of law and equity supplement the provisions of this  
33 chapter.

34 NEW SECTION. **Sec. 12.** This chapter applies to registrations of  
35 securities in beneficiary form made before or after the effective date

1 of this act, by decedents dying on or after the effective date of this  
2 act.

3 NEW SECTION. **Sec. 13.** Sections 1 through 12 of this act shall  
4 constitute a new chapter in Title 21 RCW.

Passed the House April 19, 1993.

Passed the Senate April 6, 1993.

Approved by the Governor May 12, 1993.

Filed in Office of Secretary of State May 12, 1993.