



**ASSEMBLY AMENDMENT 2,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1997 ASSEMBLY BILL 645**

January 6, 1998 – Offered by COMMITTEE ON JUDICIARY.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 69, line 14: delete lines 14 and 15 and substitute:

3 **“854.23 Protection of payers and other 3rd parties. (1) DEFINITION.** In
4 this section, “governing instrument” includes a filed verified statement under s.
5 865.201, a certificate under s. 867.046 (1m) or a recorded application under s.
6 867.046 (5).

7 **(2) LIABILITY DEPENDS ON NOTICE.** (a) A payer or other 3rd party is not liable for
8 having transferred property”.

9 **2.** Page 70, line 4: delete “**(2)**” and substitute “**(3)**”.

10 **3.** Page 70, line 5: delete “(1)” and substitute “(2)”.

11 **4.** Page 70, line 8: delete “**(3)**” and substitute “**(4)**”.

12 **5.** Page 70, line 17: after that line insert:

1 “(5) PROTECTION OF FINANCIAL INSTITUTIONS. (a) In this subsection:

2 1. “Account” has the meaning given in s. 705.01 (1) or 710.05 (1) (a).

3 2. “Financial institution” has the meaning given in s. 705.01 (3).

4 (b) Notwithstanding sub. (2), in addition to the protections afforded a financial
5 institution under ss. 701.19 (11) and 710.05 and chs. 112 and 705 a financial
6 institution is not liable for having transferred an account to a beneficiary designated
7 in a governing instrument who, under this chapter, is not entitled to the account, or
8 for having taken any other action in reliance on the beneficiary’s apparent
9 entitlement under the terms of a governing instrument, regardless of whether the
10 financial institution received written notice of a claimed lack of entitlement under
11 this chapter.

12 (c) If a financial institution has reason to believe that a dispute exists as to the
13 rights of parties, or their successors, to an account subject to a governing instrument,
14 the financial institution may, but is not required to, do any of the following:

15 1. Deposit the account with a court as provided in sub. (4).

16 2. Refuse to transfer the account to any person.

17 (d) The protection afforded a financial institution under this subsection does
18 not affect the rights of parties or their successors in disputes concerning the
19 beneficial ownership of accounts.”.

20 **6.** Page 70, line 22: delete “(2)” and substitute “(3)”.

21 **7.** Page 90, line 5: delete lines 5 and 6 and substitute:

22 **“861.11 Protection of payers and other 3rd parties. (1) DEFINITION.** In
23 this section, “governing instrument” includes a filed verified statement under s.

1 865.201, a certificate under s. 867.046 (1m) or a recorded application under s.
2 867.046 (5).

3 (2) PAYER NOT LIABLE UNTIL NOTICE RECEIVED. (a) Upon a beneficiary's request
4 for payment, a payer or other".

5 **8.** Page 90, line 19: delete "(2)" and substitute "(3)".

6 **9.** Page 91, line 1: delete "(3)" and substitute "(4)".

7 **10.** Page 91, line 23: after that line insert:

8 "(5) PROTECTION OF FINANCIAL INSTITUTIONS. (a) In this subsection:

- 9 1. "Account" has the meaning given in s. 705.01 (1) or 710.05 (1) (a).
10 2. "Financial institution" has the meaning given in s. 705.01 (3).

11 (b) Notwithstanding sub. (2), in addition to the protections afforded a financial
12 institution under ss. 701.19 (11) and 710.05 and chs. 112 and 705 a financial
13 institution is not liable for having transferred an account included in the augmented
14 deferred marital property estate under s. 861.03 to a beneficiary designated in a
15 governing instrument, or for having taken any other action in reliance on the
16 beneficiary's apparent entitlement under the terms of a governing instrument,
17 regardless of whether the financial institution received written notice of an intent
18 to file, or the filing of, a petition for the deferred marital property elective share.

19 (c) If a financial institution has reason to believe that a dispute exists as to the
20 rights of parties, or their successors, to an account subject to a governing instrument,
21 the financial institution may, but is not required to, do any of the following:

- 22 1. Deposit the account with a court as provided in sub. (4).
23 2. Refuse to transfer the account to any person.

