

When does the emergency rule expire? NA

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes No

5. Is this a new rule? Yes No

If yes, please provide a brief summary explaining the regulation. This rule sets out procedures a bank may take before transferring ownership of a deposit account, closing a deposit account, and distributing the proceeds to a person designated by the account documents as a beneficiary in accordance with A.C.A. § 23-47-204(e)(4).

Does this repeal an existing rule? Yes No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

NA

Is this an amendment to an existing rule? Yes No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give Arkansas Code citation.

ACA § 23-46-205(B)(1) Grants power to make regulations

7. What is the purpose of this proposed rule? Why is it necessary? To comply with ACA § 23-47-204(e)(4) setting out identification requirements banks must take regarding pay on death deposit accounts

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

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9. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: June 11, 2015

Time: 10:00 AM

Place: 400 HARDIN ROAD, SUITE 100, LITTLE ROCK, AR 72211

10. When does the public comment period expire for permanent promulgation? (Must provide a date.) August 4, 2015

11. What is the proposed effective date of this proposed rule? (Must provide a date.) November 2, 2015

12. Do you expect this rule to be controversial? Yes No

If yes, please explain. NA

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules?
Please provide their position (for or against) if known.

ALL ARKANSAS STATE-CHARTERED BANKS

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT ARKANSAS STATE BANK DEPARTMENT
DIVISION LEGAL
PERSON COMPLETING THIS STATEMENT BARBARA MAHONEY
TELEPHONE NO. 324-9019 **FAX NO.** 324-9028 **EMAIL:** bmahoney@banking.state.ar.us

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE IDENTIFICATION REQUIREMENTS FOR THE TRANSFER OR CLOSURE OF PAY ON DEATH DEPOSIT ACCOUNTS

1. Does this proposed, amended, or repealed rule have a financial impact? Yes No
2. Does this proposed, amended, or repealed rule affect small businesses? Yes No
If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

3. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

NA

4. If the purpose of this rule is to implement a federal rule or regulation, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue	<u>0</u>
Federal Funds	<u>0</u>
Cash Funds	<u>0</u>
Special Revenue	<u>0</u>
Other (Identify)	<u>0</u>
Total	<u>0</u>

Next Fiscal Year

General Revenue	<u>0</u>
Federal Funds	<u>0</u>
Cash Funds	<u>0</u>
Special Revenue	<u>0</u>
Other (Identify)	<u>0</u>
Total	<u>0</u>

5. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

NA

6. What is the total estimated cost by fiscal year to the agency to implement this rule? Is this the cost of the program or grant? Please explain.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

NA



Arkansas State Bank Department

Candace A. Franks
Commissioner

Asa Hutchinson
Governor

MEMORANDUM

DATE: JUNE 29, 2015
TO: DONNA K. DAVIS, BUREAU OF LEGISLATIVE RESEARCH
FROM: CANDACE A. FRANKS, BANK COMMISSIONER
SUBJECT: REGULATIONS

Please find below a brief synopsis of the Arkansas State Bank Department regulation:

IDENTIFICATION REQUIREMENTS FOR THE TRANSFER OR CLOSURE OF PAY ON DEATH DEPOSITS ACCOUNTS

This rules sets out procedures a bank may take before transferring ownership of a deposit account, closing a deposit account, and distributing the proceeds to a person designated by the account documents as a beneficiary in accordance with A.C.A. § 23-47-204(e)(4).

PROPOSED RULE

47-204.1 IDENTIFICATION REQUIREMENTS FOR THE TRANSFER OR CLOSURE OF PAY ON DEATH DEPOSIT ACCOUNTS (Reference A.C.A. §23-47-204)

A.C.A. § 23-47-204 (e)(4) states: "The State Bank Department shall promulgate rules that set out procedures a bank may take before transferring ownership of a deposit account, closing a deposit account and distributing the proceeds to a person designated by the account documents as a beneficiary."

- (a) Before ownership of a deposit account is transferred, or a pay on death account is closed and the funds disbursed, a bank may require:
 - (1) For pay on death accounts: Legal evidence of the death of all other account holder(s)
 - (2) Identification from each designated beneficiary.
- (b) If a designated beneficiary is a non-natural person, the bank may require:
 - (1) The non-natural person to provide proof of legal existence and/or good standing as an entity; and
 - (2) Individuals representing the non-natural person to provide identification, and evidence demonstrating their authority to collect the account on the non-natural person's behalf.