

# 2011 SESSION

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## SENATE BILL NO. 1304

Offered January 12, 2011

Prefiled January 12, 2011

A *BILL to amend the Code of Virginia by adding a section numbered 6.2-602.1, relating to authorization to disburse funds from a consumer deposit account.*

Patron—Ruff

Referred to Committee on Commerce and Labor

### **Be it enacted by the General Assembly of Virginia:**

#### **1. That the Code of Virginia is amended by adding a section numbered 6.2-602.1 as follows:**

*§ 6.2-602.1. Authorization to automatically disburse funds.*

*A. If a financial institution receives instructions from a person not a party to a consumer deposit account directing the financial institution to electronically transfer funds held at the financial institution in the consumer deposit account whereby funds will be paid to any person who is not a party to the consumer deposit account, and the instructions do not include or contain the signature of an individual who is a party to the consumer deposit account evidencing his consent to or approval of the transfer, the financial institution shall notify the depositor in writing two weeks prior to honoring the instructions. If the depositor does not notify the financial institution within such two-week period that the depositor has not authorized the electronic transfer of funds, the financial institution may, but shall not be required to, honor the instructions. If the depositor at any time notifies the financial institution that he has not authorized the electronic transfer of funds, the financial institution shall cease making such transfers until it has determined that the transfers have been authorized by a party to the account or are otherwise legally required or permitted.*

*B. This section shall not apply to electronic fund transfers from a consumer deposit account pursuant to an order of a court of proper jurisdiction.*

*C. As used in this section, "consumer deposit account" has the meaning assigned thereto in § 6.2-600.*

*D. For purpose of this section, an individual's electronic signature as defined in § 59.1-480 constitutes the individual's signature.*

*E. A financial institution shall have no liability to any person for refusing to honor instructions to make an electronic funds transfer received from a person not a party to a consumer deposit account if the instructions do not include or contain the signature of an individual who is a party to the consumer deposit account evidencing his consent to or approval of the transfer.*

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