

Legislative History for Connecticut Act

SB 106	PA 951	scanned	1958
House 2271			(1)
Senate 81, 521, 1471, 1633-1634			(5)
Banks 28-30			(3)
			(9)

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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CONNECTICUT  
GEN. ASSEMBLY

HOUSE

PROCEEDINGS  
1955

VOL. 6  
PART 5

2211-2875

May 31, 1955.

(Continued from "C" Take of Alice Miller. Nothing omitted.)

The Clerk:

Substitute for Senate Bill No. 106, "An Act concerning Payment of Small Bank Deposits, Equity in Shares, Wages and Death Benefits." Favorable report of the Committee on Banks. Calendar No. 1406. File No. 1055.

Mr. Gideon (West Hartford):

Mr. Speaker, I move the acceptance of the Committee's favorable report and passage of the bill.

The Speaker:

Question is on acceptance and passage.

Mr. Gideon (West Hartford):

Mr. Speaker, this bill only changes the present law by increasing the maximum amount which can be paid directly from five hundred to one thousand dollars. This is a good bill and should pass.

The Speaker:

Are there further remarks? Question is on the acceptance of the Committee's favorable report and passage of the bill. Those in favor will say "aye". Opposed? The "ayes" have it. The bill is passed.

The Clerk:

Senate Bill No. 1187, "An Act concerning the Listing by Tax Collectors of Persons From Whom Taxes Have Been Collected." Favorable report of the Committee on Cities and Boroughs. Calendar No. 1407. File No. 1088.

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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1955

VOL. 6

PART 1

1-239

1955

8 page.  
The Senate was called to order at 11:15 a.m. on Thursday, January 20, 1955 by the President.

The following prayer was offered by the Chaplain:

In the name of the Father, of the Son and of the Holy Ghost.

O Lord, give us wisdom to renounce earthly possessions and pleasure in order to dedicate ourselves wholly to Thee.

Thou hast shown us the vanity of this world, grant that we may<sup>organize</sup> our lives in accordance with this knowledge. Forgive us for having temporal things to Thee and for having thus offendede Thee. Give us strength to abandon all, to give ourselves completely to Thee. Amen

ASSISTANT CLERK: Senate Bills 104 Making an appropriation to the Conn. Development Commission or its successor for the production of a Motion Picture.

THE PRESIDENT: Appropriations Committee

ASSISTANT CLERK: SB 105 making an appropriation to the State Development Commission for the fiscal year ending 6/30/55.

THE PRESIDENT: Appropriations.

ASSISTANT CLERK: SB 106 concerning payment of small bank deposits.

THE PRESIDENT: Banks

ASSISTANT CLERK: SB 107 concerning power of industrial banks

THE PRESIDENT: Banks

ASSISTANT CLERK: SB 108 concerning adverse claims to bank deposits.

THE PRESIDENT: Banks.

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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1955

VOL. 6  
PART 2  
240-642

March 30

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SENATOR LONGO OF THE NINETEENTH DISTRICT: Mr. President, may I on behalf of my Democratic colleagues in the senate and on behalf of the administration, welcome in our midst the new senator. We certainly hope that your stay with us will be a most pleasant one and that you will enjoy working with us. We are happy to have you with us.

SENATOR WARD OF THE FIRST DISTRICT: Mr. President and members, I want to offer my congratulations to the senator from the 34th and welcome him and as he said, we are all trying to work together and will cooperate with him to the greatest extent.

(resolution adopted unanimously)

(Upon request of Senator Ryan of the 31st district for unanimous consent for immediate transmittal to the House, unanimous consent was granted and the resolution transmitted to the House.

(Picture of the Senate taken)

SENATOR RYAN OF THE THIRTY FIRST DISTRICT: My attention is called to the fact that we have a very distinguished lady in the gallery today and I think the senate would be most welcome to know and see Mrs. James McConaughy.

FAVORABLE REPORTS: HB 716, 333, 428 tabled for the calendar and printing. HB 1457, 1454, 1793, 502, 70, 1431, 419, 1407 tabled for the Calendar; SB 526, 121, 697, 834, 106, 937, 202, 212, 506, 498, 522 tabled for the calendar and printing; SB 508, 519, 232, <sup>H.P.</sup>1349, <sup>H.B.</sup>831, <sup>H.B.</sup>834, <sup>H.B.</sup>199 tabled for the calendar and printing;

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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1955

VOL. 6

PART 5

1436-1809

MAY 20, 1955

The Senate was called to order at 11:15 a.m. on May 20, 1955, the President presiding.

The following prayer was offered by the Chaplain:  
Protect us from human respect, O Lord, lest the desire to shine in the company of our fellows ever displace the reverence that we owe to Thee. Remind us of Thy presence and Thy control, motivate our activities with love for Thee, keep us anxious to please Thee. Thus living, so shall we also die loving Thee, desiring Thee, straining to reach Thee with every power of our being. Amen.

COMMITTEE BILLS: House Bill 2043 and 2044 referred to Committee on Cities and Boroughs. House Bill 746 referred to committee on Roads, Rivers and Bridges.

FAVORABLE REPORTS: House Bills Nos. 2011, 1952, 727 and 2025 tabled for the Calendar and printing.

THE CLERK: Cal. 1017, please change the file number from 913 to 1028.

SENATOR LONGO OF THE NINETEENTH DISTRICT: I move that we stand in recess until 12:30 (there being no objection, the Senate recessed until 12:30)

The Senate reconvened at 1:25 p.m. the President in the Chair.

THE CLERK: Senate Bills 1302, 1303, 1304, 1305, 1306 and 1307 were referred to Committee on Finance.

FAVORABLE REPORTS: Senate Bills Nos. 568, 616, 565, 106, 938, 18, 756, 1240, 896, 631, 133, 440 were tabled for the Calendar and printing.

UNFAVORABLE REPORTS: Senate Bills Nos. 215, 1239, 593, 476 were tabled for the Calendar.

MAY 25, 1955

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SENATOR REINHARD: Mr. President, this bill allows for a Board of Public Works consisting of five electors in the Town of Berlin and it makes it responsible for the maintenance, operation, control and extension of the water, sewer and sewerage systems of the town. It further provides that this shall become effective upon approval of the majority of electors at a special election. It is a good bill and I urge its adoption.

THE PRESIDENT: Question is on acceptance of the committee's favorable report and passage of the bill. Will you remark further?

SENATOR BAUER OF THE FIFTH DISTRICT: The Senator from the 23rd announced the town's name as Berlin. May I correct him. The Town's name is Berlin.

THE PRESIDENT: Will you remark further? If not, question is on acceptance of the committee's favorable report and passage of the bill. Those in favor signify by saying AYE. Opposed NO. The "aye's" have it and the report is accepted and the bill passed.

THE CLERK: Cal. 1178. Substitute for Senate Bill 106. An Act concerning payment of small bank deposits, equity in shares, wages and death benefits. File 1055.

SENATOR STOCK OF THE TWENTY FIRST DISTRICT: I move acceptance of the committee's favorable report and passage of the bill.

THE PRESIDENT: Question is on acceptance of the committee's favorable report and passage of the bill. Will you remark?

MAY 25, 1955

SENATOR STOCK: Mr. President, this bill changes the present exemption of five hundred dollars to one thousand dollars in so far as exemption from the necessity for providing the estate of an individual which is held in the form of a bank deposit or savings by adding the category of credit unions. However, this is also a provision which says "no single claimant can receive more than five hundred dollars. This is a bill which will mean expeditious settlement of small estates which are exempt five hundred dollars and is in line with the increased costs of living and the decreased value of the dollar.

THE PRESIDENT: Will you remark further? If not, question is on acceptance of the committee's favorable report and passage of the bill. Those in favor signify by saying AYE. Opposed No. "The "aye's" have it and the report is accepted and the bill passed.

THE CLERK: Ca l. 1179. Senate Bill No. 756. An Act authorizing payment of the claim of Piotr A. Feszler against the State. File 1054.

SENATOR FOLEY OF THE EIGHTH DISTRICT: I move acceptance of the committee's favorable report and passage of the bill.

THE PRESIDENT: Question is on acceptance of the committee's favorable report and passage of the bill. Will you remark?

SENATOR FOLEY: Mr. President, this committee voted to reimburse Piotr A. Feszler in the amount of one hundred ninety

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JOINT  
STANDING  
COMMITTEE  
HEARINGS

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BANKS

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CONN  
GENERAL  
ASSEMBLY  
1955

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VII  
SPECIAL  
SESSION

WEDNESDAY

BANKS COMMITTEE

FEBRUARY 23, 1955

Commissioner: Each member of the committee has a copy of the banking department's statement and position on these bills and other bills to be heard. Elmore: today, and following the pattern and with your approval, I will not comment on these individual bills further. If you have any questions at any time, I will be glad to try to answer them.

Rep. Kerrigan: Are there any other proponents for H.B. 560 (Conard) - AN ACT CONCERNING DIRECT REDUCTION LOANS OF BUILDING AND SAVINGS AND LOAN ASSOCIATIONS? Any opponents? I declare the hearing on H.B. 560 closed. Are there any other proponents for H.B. 561 (Conard) - AN ACT CONCERNING BUILDING OR SAVINGS AND LOAN ASSOCIATIONS MAKING CHARITABLE CONTRIBUTIONS? Any opponents? I declare the hearing closed on H.B. 561. Any proponents on H.B. 562 (Conard) - AN ACT CONCERNING POWERS OF BUILDING OR SAVINGS AND LOAN ASSOCIATIONS? Any opponents? I declare the hearing closed on H.B. 562. Are there any proponents on H.B. 564 (Conard) - AN ACT CONCERNING THE DEFINITION OF THE TERMS "BUILDING OR SAVINGS AND LOAN ASSOCIATIONS"? Are there any opponents? I declare the hearing closed on H.B. 564.

Rep. Kerrigan: We will now go back to our regular agenda and take up the hearing on S.B. 106 (Cahill) - AN ACT CONCERNING PAYMENT OF SMALL BANK DEPOSITS, EQUITY IN BUILDING AND LOAN ASSOCIATIONS, WAGES AND DEATH BENEFITS. We will first listen to the proponents.

H.E. Rothwell: Ladies and gentlemen of the committee, this bill has been introduced at the request of the Connecticut Bankers Association. Its purpose is to increase from \$500 to \$1000 the amount of the bank account of the value of stock in a building and loan association, wages or death benefit wages that may be paid upon the death of the decedent where administration and probate of the estate is not taken out within 30 days. These are small accounts on estates that are normally very small and sometimes there is never any administration or probate taken out. The increase asked reflects the effect of inflation. There are increasing number of accounts now. The banks and the building and savings loan, I am sure, also have found that between \$500 and \$1000 - the widow comes in and says, can't I draw that out, there isn't going to be any administration taken out, it's the only asset of the estate. They don't want to take out administration. The banks would like to be able to pay over the money to the widow or as the statute also provides, it may pay it over to the funeral director or doctor or the next of kin, without the necessity of administration being taken out. It is a convenience to people who have these small amounts due them whether it is wages, death benefits, whether it is because they own stock in a building and savings loan association or have small bank accounts. It is a public service we would like to see the amount that may be paid out under these circumstances increased from \$500. to \$1000.

Rep. Kerrigan: Are there any proponents of this bill?

Richard B. Haskell, Chr. Legis. Comm. Savings Bank Association: I would like to record our association favor this bill as being advantageous to the conduct of our business.

WEDNESDAYBANKS COMMITTEEFEBRUARY 23, 1955

Rep. Kerrigan: Other proponents:

Thos. E. Egan: I would like to register in favor of the bill as just announced.  
Southington

Rep. Kerrigan: Any other proponents? Any opponents?

Patrick Healey: Let me say in the first place that from a selfish standpoint every Judge of Probate would be delighted to have such a bill as this passed, simply because it would relieve each Judge of Probate from doing a tremendous amount of work, where the fee, as you all know is limited to \$10. in an estate up to \$1000. Even though that be our selfish attitude toward the matter, we do feel that we ought to call to the attention of this committee as a matter of public concern some angles that we think are important. In the first place, the one and only advantage of this bill would be to save the probate fee of \$10. The way that small estates of this kind are handled is this - the widow or whoever may be interested goes into Probate Court and makes an application which recites in addition to the usual matters, that the assets are no more than sufficient to meet the funeral bills, the expenses of the last illness, and the expenses of administration. That application is granted forthwith. There is no delay, there is no notice in the newspaper, there is no notice on the sign-post. The appointment is made immediately. The appointment, however, is of a real administrate, and that administrator is required in the usual way to file bond, so that there is that protection immediately for anybody and everybody concerned. Then the rest of the procedure is likewise very simple. A short form inventory is filed and just as soon as the money is distributed, the administrator may file a final account which again is accepted forthwith - no notice in the newspaper, no notice at all. The account is filed and is accepted. Now, the advantages of all this are these: It has been our experience again and again that people will come into the Probate Court and say that there is nothing in this estate except a small bank account, but then they will come back in a week or so and say - oh, we are sorry, but there was an automobile and we are having trouble trying to get the registration transferred, or there was a joint and survivorship interest in real estate, and that has to be cleared. And this and that and the other. Now, if administration is taken out in the first place, in the first instance, you have an orderly arrangement. The whole situation may be expanded to take care of any developments that may occur. Under this law here, the responsibility and burden is placed upon the banker or whoever it may be - the employer or whoever holds the funds. To determine priorities and to determine the fairness, for instance, of the undertakers bill or of the doctor's bill or whatever it may be, and to determine which one of the family is entitled to money, and if so, how much. It would be a great relief to the judges of probate not to have to go into these things, but we feel that in the interest of orderly administration, it is desirable not to increase the present amount of \$500.

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WEDNESDAYBANKS COMMITTEEFEBRUARY 23, 1955

Rep. Kerrigan: Are there any other opponents? Are there any other questions?  
I declare the hearing closed on this bill.

S.B. 106 (Cahill) - AN ACT CONCERNING PAYMENT OF SMALL BANK DEPOSITS, EQUITY IN BUILDING AND LOAN ASSOCIATIONS, WAGES AND DEATH BENEFITS.

S.B. 108 (Whelan) - AN ACT CONCERNING ADVERSE CLAIMS TO BANK DEPOSITS.

Rep. Kerrigan: Any opponents?

H. E. Rothwell:  
Representing  
Conn. Bankers  
Association

This is another bill that has been introduced at the request of the association. At the present time, when someone deposits money in a bank, the bank obligates itself to pay the money to that depositor when he demands it. We often have the situation in writing where someone has a bank account and then someone else who is not one of the owners of the account calls up the bank, stops in the bank or writes in to the bank and says: don't pay that money over to your depositor, since that money, in affect, belongs to me. The law today is this - when that happens, when the bank receives an adverse claim to an account in the name of somebody else, it is required by court decision to give this claimant an opportunity to assert his claim. In the interim, however, it cannot safely pay the money over the named depositor. So the bank is put in this dilemma - it has to first give the claimant an opportunity, a reasonable opportunity to establish his claim. During that time it cannot pay out to the depositor. If it pays out to the depositor during this period, it may be liable to the adverse claimant. If it does not pay out to the depositor, it may be liable to the depositor for not paying out - for wrongfully dishonoring the depositor's checks. So it is put in a position in all these situations of, in affect, having to determine two things. What is a reasonable opportunity for the claimant to assert his claim, and secondly, the validity of the claim. Now, banks are not courts. They make those decisions at their own risks, and they can be liable either to the claimant or to the depositor in either event. Because of this, what was considered an unfair situation in which to put a bank, over 24 states, including New York, Massachusetts, Michigan, Texas, California, New Jersey, etc. have enacted statutes similar to this statute which provides a set procedure by which an adverse claimant can insert a claim to a bank account. It seems to me this is a desirable statute. It rescues the banks from its present dilemma and still gives an adverse claimant proper protection if he wishes to prevent a bank from paying out an account that is in the name of somebody else. Of course, even today with a claimant making a claim against an account, could, if he brought suit, prevent the bank from paying it out. But these are cases where they don't bring suit - they write a letter - call up - stop in - and say: don't pay that account, that money belongs to me and he shouldn't have put it in that account. So