

House Bill 220

By: Representative Wiles of the 34th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 7-1-352 of the Official Code of Georgia Annotated, relating to bank
2 deposits by agents, trustees, or other fiduciaries, so as to provide for certain duties of
3 financial institutions regarding lawyers' trust accounts; to define a certain term; to repeal
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Code Section 7-1-352 of the Official Code of Georgia Annotated, relating to bank deposits
8 by agents, trustees, or other fiduciaries, is amended by striking subsection (a) and inserting
9 in lieu thereof the following:

10 "(a)(1) Whenever any agent, administrator, executor, guardian, trustee, either express or
11 implied, or other fiduciary, whether bona fide or mala fide, shall deposit any money in
12 any bank to his or her credit as an individual, or as such agent, trustee, or other fiduciary,
13 whether the name of the person or corporation for whom he or she is acting or purporting
14 to act be given or not, such bank shall be authorized to pay the amount of such deposit,
15 or any part thereof, upon the order of such agent, administrator, executor, guardian,
16 trustee, or other fiduciary, signed with the name in which such deposit was entered,
17 without being accountable in any way to the principal, cestui que trust, or other person
18 or corporation who may be entitled to or interested in the amount so deposited.

19 (2) Whenever a check has been endorsed and presented to a financial institution for
20 deposit into a lawyer's trust account, the financial institution upon which such check is
21 drawn, upon subsequent inquiry by the lawyer or law firm which is the named account
22 holder, shall promptly verify to the same whether such check has been honored. Such
23 inquiry may be made and verification obtained by telephone call to the financial
24 institution placed by the holder of the lawyer's trust account, provided that the inquirer's
25 identity as the account holder is established to the financial institution's satisfaction. For
26 purposes of this paragraph, 'lawyer's trust account' means a trust account in the name of

the lawyer or law firm and into which funds received by the lawyer on behalf of a client
or in any other fiduciary capacity are deposited."

SECTION 2.

4 All laws and parts of laws in conflict with this Act are repealed.