

ESTATES CODE

TITLE 2. ESTATES OF DECEDENTS; DURABLE POWERS OF ATTORNEY
SUBTITLE J. ADDITIONAL MATTERS RELATING TO THE ADMINISTRATION OF
CERTAIN ESTATES

CHAPTER 456. DISBURSEMENT AND CLOSING OF LAWYER TRUST OR ESCROW
ACCOUNTS

Sec. 456.001. DEFINITION. In this chapter, "eligible institution" means a financial institution or investment company in which a lawyer has established an escrow or trust account for purposes of holding client funds or the funds of third persons that are in the lawyer's possession in connection with representation as required by the Texas Disciplinary Rules of Professional Conduct. Added by Acts 2015, 84th Leg., R.S., Ch. 949 (S.B. 995), Sec. 45, eff. September 1, 2015.

Sec. 456.002. AUTHORITY TO DESIGNATE LAWYER ON CERTAIN TRUST OR ESCROW ACCOUNTS. (a) When administering the estate of a deceased lawyer who established one or more trust or escrow accounts for client funds or the funds of third persons that are in the lawyer's possession in connection with representation as required by the Texas Disciplinary Rules of Professional Conduct, the personal representative may hire through written agreement a lawyer authorized to practice in this state to:

- (1) be the authorized signer on the trust or escrow account;
- (2) determine who is entitled to receive the funds in the account;
- (3) disburse the funds to the appropriate persons or to the decedent's estate; and
- (4) close the account.

(b) If the personal representative is a lawyer authorized to practice in this state, the personal representative may state that fact and disburse the trust or escrow account funds of a deceased lawyer in accordance with Subsection (a).

(c) An agreement under Subsection (a) or a statement under Subsection (b) must be made in writing, and a copy of the agreement

or statement must be delivered to each eligible institution in which the trust or escrow accounts were established.

Added by Acts 2015, 84th Leg., R.S., Ch. 949 (S.B. 995), Sec. 45, eff. September 1, 2015.

Sec. 456.003. DUTY OF ELIGIBLE INSTITUTIONS. Not later than the seventh business day after the date an eligible institution receives a copy of a written agreement under Section 456.002(a) or a statement from a personal representative under Section 456.002(b) and instructions from the lawyer identified in the agreement or statement, as applicable, regarding how to disburse the funds or close a trust or escrow account, the eligible institution shall disburse the funds and close the account in compliance with the instructions.

Added by Acts 2015, 84th Leg., R.S., Ch. 949 (S.B. 995), Sec. 45, eff. September 1, 2015.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 844 (H.B. 2271), Sec. 35, eff. September 1, 2017.

Sec. 456.004. LIABILITY OF ELIGIBLE INSTITUTIONS. An eligible institution is not liable for any act respecting an account taken in compliance with this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 949 (S.B. 995), Sec. 45, eff. September 1, 2015.

Sec. 456.0045. PRIVATE CAUSE OF ACTION. (a) If an eligible institution violates Section 456.003, a person aggrieved by the violation may bring an action against the eligible institution to:

(1) obtain declaratory or injunctive relief to enforce the section; and

(2) recover damages to the same extent the person would be entitled to damages had the eligible institution acted in the same manner with respect to the deceased lawyer before the lawyer's death.

(b) A person who prevails in an action under this section may recover court costs and reasonable attorney's fees.

Added by Acts 2017, 85th Leg., R.S., Ch. 844 (H.B. [2271](#)), Sec. 36, eff. September 1, 2017.

Sec. 456.005. RULES. The supreme court may adopt rules regarding the administration of funds in a trust or escrow account subject to this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 949 (S.B. [995](#)), Sec. 45, eff. September 1, 2015.