

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
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As Engrossed: H2/24/21

A Bill

HOUSE BILL 1376

By: Representative Haak

For An Act To Be Entitled

AN ACT TO AMEND THE REQUIREMENTS IN AN APPLICATION
FOR A MOTOR VEHICLE CERTIFICATE OF TITLE WITH
BENEFICIARY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE REQUIREMENTS IN AN
APPLICATION FOR A MOTOR VEHICLE
CERTIFICATE OF TITLE WITH BENEFICIARY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

*SECTION 1. Arkansas Code § 27-14-727 is amended to read as follows:
27-14-727. Certificate of title with beneficiary – Definitions.*

(a) As used in this section:

(1)(A) “Beneficiary” means one (1) individual who is designated to become the owner of a vehicle or watercraft upon the death of the current owner as indicated on the certificate of title issued under this chapter.

(B) “Beneficiary” does not include a business, firm, partnership, corporation, association, or any other legally created entity;

(2) “Certificate of title with beneficiary” means a certificate of title for a vehicle or watercraft issued under this chapter that indicates the present owner of the vehicle or watercraft and designates a beneficiary as provided under this section;

(3)(A) “Owner” means an individual who holds legal title of a vehicle or watercraft and can include more than one (1) person but not more than three (3) persons.

(B) “Owner” does not include a business, firm,



partnership, corporation, association, or any other legally created entity;
~~and~~

(4) "Vehicle" means a motorized or nonmotorized piece of equipment with wheels that is:

(A) Primarily used to transport persons or property on the streets, roads, or highways; and

(B) Required to be registered, licensed, and titled by the Office of Motor Vehicle under this chapter; and

(5) "Watercraft" means a vessel:

(A) That uses an inboard motor or outboard motor powering a water jet pump as its primary source of motive power; and

(B) Manufactured on and after January 1, 2020.

(b) If the owner or joint owners want to transfer a vehicle or watercraft upon death by operation of law, the owner or joint owners may request that the Office of Motor Vehicle issue a certificate of title with beneficiary that includes a directive to the office to transfer the certificate of title upon the death of the owner or upon the death of all joint owners to the beneficiary named on the face of the certificate of title with beneficiary.

(c)(1) The owner of a vehicle or watercraft may submit a transfer on death application to the office to request the issuance of a certificate of title with beneficiary or a change to a certificate of title with beneficiary.

(2) The owner shall provide the following information in the application:

(A) Whether the applicant seeks to add, remove, or change a beneficiary;

(B) The full legal name of the beneficiary;

(C) The last four (4) digits of the Social Security number of the beneficiary;

(D) The address of the beneficiary;

(E) The vehicle identification number of the vehicle or watercraft;

(F) The year, make, model, and body type of the vehicle or watercraft;

(G) The printed full legal name of the owner of the

vehicle or watercraft;

(H) The Arkansas driver's license or identification card number for the owner of the vehicle or watercraft; and

(I) The signature of the owner of the vehicle or watercraft.

(3) The owner shall include the following with the application:

(A) The certificate of title for the vehicle or watercraft issued under this chapter;

(B) The certificate of title application fee as provided under § 27-14-705(c) and the certificate of title fee under § 27-14-602(b); and

(C) The certificate of title with beneficiary processing fee of ten dollars (\$10.00).

(4)(A) The fee remitted under subdivision (c)(3)(C) of this section shall be deposited into the State Central Services Fund for the benefit of the Revenue Division of the Department of Finance and Administration.

(B) The fee shall be credited as supplemental and in addition to all other funds as may be deposited for the benefit of the division.

(C) The fee shall not be considered or credited to the office as direct revenue.

(d)(1) The office shall not issue a certificate of title with beneficiary to an owner of a vehicle or watercraft if:

(A) The vehicle or watercraft is encumbered by a lien; or

(B) The owner holds his or her interest in the vehicle or watercraft as a tenant in common with another person.

(2) If a lien request is made for a certificate of title with beneficiary, the beneficiary shall be removed and the lien added.

(e) The certificate of title with beneficiary issued by the office shall include after the name of the owner the words "transfer on death to" or the abbreviation "TOD" followed by the name of the beneficiary.

(f) During the lifetime of the sole owner or before the death of the last surviving joint owner:

(1) The signature or consent of the beneficiary is not required for any transaction relating to the vehicle or watercraft for which a

certificate of title with beneficiary has been issued; and

(2) The certificate of title with beneficiary is revoked by:

(A) Selling the vehicle or watercraft with proper assignment and delivery of the certificate of title to another person; or

(B) Filing an application with the office to remove or change a beneficiary as provided under subsection (c) of this section.

(g) Except as provided in subsection (f) of this section, the designation of the beneficiary in a certificate of title with beneficiary shall not be changed or revoked:

(1) By will or any other instrument;

(2) Because of a change in circumstances; or

(3) In any other manner.

(h) The interest of the beneficiary in a vehicle or watercraft on the death of the sole owner or on the death of the last surviving joint owner is subject to any contract of sale, assignment, or security interest to which the owner of the vehicle or watercraft was subject during his or her lifetime.

(i)(1)(A) Upon the death of the owner, the office shall issue a new certificate of title for the vehicle or watercraft to the surviving owner or, if no surviving owner, to the beneficiary if the surviving owner or beneficiary presents the following:

(i) Proof of death of the owner that includes a death certificate issued by the state or a political subdivision of the state;

(ii) Surrender of the outstanding certificate of title with beneficiary; and

(iii) Application and payment of the title application fee and title fee.

(B) A certificate of title issued under this subsection will be subject to any existing security interest.

(2) If the surviving owner or beneficiary chooses, he or she can submit a completed certificate of title with beneficiary application as provided under this section, along with the ten dollar (\$10.00) processing fee, at the time of the application for a new title under this subsection.

(3) The transfer under this subsection is a transfer by operation of law, and § 27-14-907 applies to the extent practicable and not

in conflict with this section.

(j) The transfer of a vehicle or watercraft upon the death of the owner under this section is not testamentary and is not subject to administration under Title 28 of the Arkansas Code.

(k) The procedures and fees under § 27-14-720 shall apply for obtaining a duplicate title with beneficiary.

(1)(1) The office may promulgate rules for the administration of this section.

(2) If rules are promulgated, the office shall consult with the Arkansas State Game and Fish Commission about the rules.

/s/Haak