

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

As Engrossed: H2/24/21

# A Bill

HOUSE BILL 1376

5 By: Representative Haak  
6

## For An Act To Be Entitled

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

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13 TO AMEND THE REQUIREMENTS IN AN  
14 APPLICATION FOR A MOTOR VEHICLE  
15 CERTIFICATE OF TITLE WITH BENEFICIARY.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 *SECTION 1. Arkansas Code § 27-14-727 is amended to read as follows:*  
22 *27-14-727. Certificate of title with beneficiary – Definitions.*

23 *(a) As used in this section:*

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

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

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

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

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



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

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

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

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

9 (5) "Watercraft" means a vessel:

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

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

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

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

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

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

28 (B) The full legal name of the beneficiary;

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

31 (D) The address of the beneficiary;

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

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

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

1 vehicle or watercraft;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 certificate of title with beneficiary has been issued; and

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

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

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

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

10 (1) By will or any other instrument;

11 (2) Because of a change in circumstances; or

12 (3) In any other manner.

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

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

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

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

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

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

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

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

1 *in conflict with this section.*

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

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

7 *(l)(1) The office may promulgate rules for the administration of this*  
8 *section.*

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

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*/s/Haak*

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