

State of Arkansas  
88th General Assembly  
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# A Bill

SENATE BILL 292

By: Senator D. Wyatt  
By: Representatives McLean, Wren

## For An Act To Be Entitled

AN ACT TO ALLOW THE TRANSFER ON DEATH TO A  
BENEFICIARY OF CERTAIN VEHICLES AND MOTORBOATS THAT  
ARE REGISTERED WITH THE DEPARTMENT OF FINANCE AND  
ADMINISTRATION; AND FOR OTHER PURPOSES.

## Subtitle

TO ALLOW THE TRANSFER ON DEATH TO A  
BENEFICIARY OF CERTAIN VEHICLES AND  
MOTORBOATS THAT ARE REGISTERED WITH THE  
DEPARTMENT OF FINANCE AND ADMINISTRATION.

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

SECTION 1. Arkansas Code § 27-14-705(a)(1), regarding the application for registration and certificate of title for a vehicle, is amended to read as follows:

(a)(1) Every owner of a vehicle subject to the registration under this chapter shall make application to the Office of Motor Vehicle for the registration ~~thereof~~ of the vehicle and issuance of a certificate of title or a certificate of title with beneficiary under § 27-14-727 for ~~such the~~ vehicle upon the appropriate forms furnished by the office.

SECTION 2. Arkansas Code § 27-14-713(c), regarding the issuance of registration certificates and certificates of title, is amended to add an additional subsection to read as follows:

(c)(1)(A) The certificate of title shall contain, upon ~~the~~ its face



1 ~~thereof~~, the identical information required upon the face of the registration  
2 certificate.

3 (B) In addition, it shall contain:

4 (i) a A statement of the owner's title; and

5 (ii) A statement of all liens and encumbrances upon  
6 on the vehicle therein described; and

7 (iii) A statement as to whether possession is held  
8 by the owner under a lease, contract of conditional sale, or other like  
9 agreement; and

10 (iv) If a certificate of title is issued as a  
11 certificate of title with beneficiary, the information required under § 27-  
12 14-727.

13 (2) The certificate shall bear the seal of the office.  
14

15 SECTION 3. Arkansas Code § 27-14-713(d)(1), regarding the issuance of  
16 registration certificates and certificates of title, is amended to add an  
17 additional subsection to read as follows:

18 (d)(1) The certificate of title shall contain upon the front side a  
19 space for the signature of the owner, and the owner shall write his or her  
20 name with pen and ink in such space upon receipt of the certificate, except  
21 when a surviving owner or a beneficiary applies for a new title under § 27-  
22 14-727.

23  
24 SECTION 4. Arkansas Code Title 27, Chapter 14, Subchapter 7 is amended  
25 to add an additional section to read as follows:

26 27-14-727. Certificate of title with beneficiary.

27 (a) As used in this section:

28 (1)(A) "Beneficiary" means one (1) individual who is designated  
29 to become the owner of a vehicle upon the death of the current owner as  
30 indicated on the certificate of title issued under this chapter.

31 (B) "Beneficiary" does not include a business, firm,  
32 partnership, corporation, association, or any other legally-created entity;

33 (2) "Certificate of title with beneficiary" means a certificate  
34 of title for a vehicle issued under this chapter that indicates the present  
35 owner of the vehicle and designates a beneficiary as provided under this  
36 section;

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

4           (B) "Owner" does not include a business, firm,  
5 partnership, corporation, association, or any other legally-created entity;  
6 and

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

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

11           (B) Required to be registered, licensed, and titled by the  
12 Office of Motor Vehicle of the Revenue Division of the Department of Finance  
13 and Administration under this chapter.

14           (b)(1) If the owner or joint owners want to transfer a vehicle upon  
15 death by operation of law, the owner or joint owners may request that the  
16 office issue a certificate of title with beneficiary which includes a  
17 directive to the office to transfer the certificate of title upon the death  
18 of the owner or upon the death of all joint owners to the beneficiary named  
19 on the face of the certificate of title with beneficiary.

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

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

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

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

28           (C) The social security number of the beneficiary;

29           (D) The address of the beneficiary;

30           (E) The vehicle identification number of the vehicle;

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

32           (G) The printed full legal name of the owner of the  
33 vehicle;

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

36           (I) The signature of the owner of the vehicle.

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

2                   (A) The certificate of title for the vehicle issued under  
3 this chapter;

4                   (B) The title application fee of four dollars (\$4.00) as  
5 provided under § 27-14-705; and

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

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

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

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

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

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

20                   (B) The owner holds his or her interest in the vehicle as  
21 tenants in common with another person.

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

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

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

29                   (1) The signature or consent of the beneficiary is not required  
30 for any transaction relating to the vehicle for which a certificate of title  
31 with beneficiary has been issued; and

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

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

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

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

4               (1) By will or any other instrument;

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

6               (3) In any other manner.

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

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

15                       (i) Proof of death of the owner which includes a  
16 death certificate issued by the state or a political subdivision of the  
17 state;

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

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

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

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

28       (3) The transfer under this subsection is a transfer by  
29 operation of law and § 27-14-907 applies to the extent practicable and not in  
30 conflict with this section.

31       (j) The transfer on death of a vehicle under this section is not  
32 testamentary and is not subject to administration under Title 28 of the  
33 Arkansas Code.

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

36       (l)(1) The office may promulgate rules for the administration of this

1 section.

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

4  
5 SECTION 5. Arkansas Code Title 27, Chapter 101, Subchapter 3 is  
6 amended to add an additional section to read as follows:

7 27-101-313. Certificate of number with beneficiary.

8 (a) As used in this section:

9 (1)(A) "Beneficiary" means one (1) individual who is designated  
10 to become the owner of a motorboat upon the death of the current owner as  
11 indicated on the certificate of number issued under this chapter.

12 (B) "Beneficiary" does not include a business, firm,  
13 partnership, corporation, association, or any other legally-created entity;

14 (2) "Certificate of number with beneficiary" means a certificate  
15 issued for a motorboat under this chapter that indicates the present owner of  
16 the motorboat and designates a beneficiary as provided under this section;

17 (3) "Motorboat" means a boat registered and numbered under this  
18 chapter; and

19 (4)(A) "Owner" means an individual who holds legal title to a  
20 motorboat and can include more than one (1) person but not more than three  
21 (3) persons.

22 (B) "Owner" does not include a business, firm,  
23 partnership, corporation, association, or any other legally-created entity.

24 (b)(1) If the owner or joint owners want to transfer a motorboat upon  
25 death by operation of law, the owner or joint owners may request that the  
26 Revenue Division of the Department of Finance and Administration issue a  
27 certificate of number with beneficiary which includes a directive to the  
28 division to transfer the certificate of number upon the death of the owner or  
29 upon the death of all joint owners to the beneficiary named on the face of  
30 the certificate of number with beneficiary.

31 (c)(1) To obtain a certificate of number with beneficiary, the owner  
32 of a motorboat shall submit a transfer on death application to the Revenue  
33 Division of the Department of Finance and Administration to request the  
34 issuance of a certificate of number with beneficiary or a change to a  
35 certificate of number with beneficiary.

36 (2) The owner shall provide the following information in the

1 application:

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

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

5 (C) The social security number of the beneficiary;

6 (D) The address of the beneficiary;

7 (E) The identification number of the motorboat;

8 (F) The year, make, model, and length of the motorboat;

9 (G) The printed full legal name of the owner of the  
10 motorboat;

11 (H) The Arkansas driver's license or identification card  
12 number for the owner of the motorboat; and

13 (I) The signature of the owner of the motorboat.

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

15 (A) The certificate of number for the motorboat issued  
16 under this chapter;

17 (B) The certificate of number application fee as provided  
18 under § 27-101-306; and

19 (C) The certificate of number with beneficiary application  
20 fee of ten dollars (\$10.00).

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

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

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

30 (d)(1) The division shall not issue a certificate of number with  
31 beneficiary to an owner of a motorboat if:

32 (A) The motorboat is encumbered by a lien; or

33 (B) The owner holds his or her interest in the motorboat  
34 as tenants in common with another person.

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

1  
2       (e) The certificate of number with beneficiary issued by the division  
3 shall include after the name of the owner the words "transfer on death to" or  
4 the abbreviation "TOD" followed by the name of the beneficiary.

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

7           (1) The signature or consent of the beneficiary is not required  
8 for any transaction relating to the motorboat for which a certificate of  
9 number with beneficiary has been issued; and

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

11           (A) Selling the motorboat with completion of the  
12 application for transfer of the certificate of number as provided under § 27-  
13 101-309 and transferring to another person; or

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

16       (g) Except as provided in subsection (f) of this section, the  
17 designation of the beneficiary in a certificate of number with beneficiary  
18 shall not be changed or revoked by will:

19           (1) By will or any other instrument;

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

21           (3) In any other manner.

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

26       (i)(1)(A) Upon the death of the owner, the division shall issue a new  
27 certificate of number for the motorboat to the surviving owner or, if no  
28 surviving owners, to the beneficiary if the surviving owner or beneficiary  
29 presents the following:

30           (i) Proof of death of the owner which includes a  
31 death certificate issued by the state or a political subdivision of the  
32 state;

33           (ii) Surrender of the outstanding certificate of  
34 number with beneficiary; and

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



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

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

8                   (j) The transfer on death of a motorboat under this section is not  
9 testamentary and is not subject to administration under Title 28.

10                   (k) The procedures and fees under § 27-101-304(e)(2) shall apply for  
11 obtaining a duplicate certificate with beneficiary.

12                   (l)(1) The division may promulgate rules for the administration of  
13 this section.

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