Second Regular Session Seventieth General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House HOUSE BILL 16-1051

LLS NO. 16-0534.01 Richard Sweetman x4333

HOUSE SPONSORSHIP

Van Winkle,

Holbert,

SENATE SPONSORSHIP

House Committees Business Affairs and Labor

Senate Committees Judiciary

A BILL FOR AN ACT

101 **CONCERNING THE ISSUANCE OF BENEFICIARY DESIGNATION FORMS TO**

102 FACILITATE THE TRANSFER OF OWNERSHIP OF A VEHICLE UPON

103 THE DEATH OF AN OWNER.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://www.leg.state.co.us/billsummaries.</u>)

On and after the effective date of the bill, the department of revenue (department) shall make available a beneficiary designation form (form) that allows the owner or joint owners of a vehicle to arrange to transfer ownership of the vehicle to a named beneficiary upon the death of the owner or upon the death of all joint owners of the vehicle. Upon



Reading Unamended March 7, 2016

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the death of the owner or of the last surviving joint owner, the beneficiary may present the form to the department and request a new title of ownership of the vehicle in the beneficiary's name. The request must be accompanied by:

Proof of the death of the vehicle's owner or proof of the death of the last surviving joint owner of the vehicle; and

! The statutory fee for an application for a certificate of title.

Upon the presentation of a properly executed and notarized form and the accompanying documents and fee, the department, subject to any security interest, shall issue a new certificate of title to the beneficiary.

The transfer of ownership of a vehicle via a form is not considered testamentary and is not subject to the provisions of the "Colorado Probate Code".

1 Be it enacted by the General Assembly of the State of Colorado:

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2 SECTION 1. In Colorado Revised Statutes, add 42-6-110.5 as
3 follows:

4 42-6-110.5. Certificates of title - arrangements for transfer of 5 title upon death - beneficiary designation forms - definitions. 6 (1) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS ACT, THE 7 DEPARTMENT SHALL MAKE AVAILABLE A BENEFICIARY DESIGNATION FORM 8 THAT ALLOWS THE OWNER OR JOINT OWNERS OF A VEHICLE TO ARRANGE 9 FOR THE TRANSFER OF THE VEHICLE'S TITLE TO A NAMED BENEFICIARY 10 UPON THE DEATH OF THE OWNER OR UPON THE DEATH OF ALL JOINT 11 OWNERS OF THE VEHICLE. AT A MINIMUM, THE FORM MUST INCLUDE 12 FIELDS FOR THE FOLLOWING INFORMATION:

13 (I) THE MANUFACTURER, MODEL, YEAR, AND VEHICLE
14 IDENTIFICATION NUMBER OF THE VEHICLE;

15 (II) THE NAME OF THE OWNER OR EVERY JOINT OWNER OF THE
16 VEHICLE;

17 (III) THE WORDS "TRANSFER ON DEATH TO", OR THE
18 ABBREVIATION "TOD", FOLLOWED BY THE NAME OF THE BENEFICIARY;

-2-

- (IV) THE SIGNATURE OF THE OWNER OF THE VEHICLE OR OF EACH
 JOINT OWNER OF THE VEHICLE; AND
- 3 (V) THE SIGNATURE AND SEAL OF A REGISTERED NOTARY.
- 4 (b) THE DEPARTMENT SHALL MAKE BENEFICIARY DESIGNATION
 5 FORMS AVAILABLE:
- 6 (I) IN EACH OFFICE OF THE DEPARTMENT THAT IS OPEN TO THE
 7 PUBLIC FOR CONDUCTING BUSINESS RELATING TO MOTOR VEHICLES AND
 8 DRIVERS' LICENSES; AND
- 9

(II) ON THE DEPARTMENT'S PUBLIC WEBSITE.

(2) (a) UPON THE DEATH OF THE OWNER, OR OF THE LAST
SURVIVING JOINT OWNER, OF A VEHICLE FOR WHICH A BENEFICIARY
DESIGNATION FORM HAS BEEN PROPERLY EXECUTED AND NOTARIZED, AS
DESCRIBED IN PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION, THE
BENEFICIARY MAY PRESENT THE FORM TO THE DEPARTMENT AND REQUEST
A NEW TITLE OF OWNERSHIP OF THE VEHICLE IN THE BENEFICIARY'S NAME.
THE REQUEST MUST BE ACCOMPANIED BY:

(I) PROOF OF THE DEATH OF THE VEHICLE'S OWNER OR PROOF OF
THE DEATH OF THE LAST SURVIVING JOINT OWNER OF THE VEHICLE; AND
(II) THE FEE FOR AN APPLICATION FOR A CERTIFICATE OF TITLE, AS
DESCRIBED IN SECTION 42-6-137 (1).

(b) UPON THE PRESENTATION OF A PROPERLY EXECUTED AND
NOTARIZED BENEFICIARY DESIGNATION FORM AND ACCOMPANYING
DOCUMENTS, AS DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (2),
THE DEPARTMENT, SUBJECT TO ANY SECURITY INTEREST, SHALL ISSUE A
NEW CERTIFICATE OF TITLE TO THE BENEFICIARY. FOR THE PURPOSES OF
THIS PARAGRAPH (b), THE DEPARTMENT MAY RELY ON A DEATH
CERTIFICATE, RECORD, OR REPORT THAT CONSTITUTES PRIMA FACIE

1 EVIDENCE OF DEATH.

2 (3) DURING THE LIFETIME OF THE OWNER OF A VEHICLE FOR WHICH
3 A BENEFICIARY DESIGNATION FORM HAS BEEN PROPERLY EXECUTED AND
4 NOTARIZED, OR BEFORE THE DEATH OF THE LAST SURVIVING JOINT OWNER
5 OF SUCH A VEHICLE:

6 (a) THE SIGNATURE OR CONSENT OF THE BENEFICIARY IS NOT
7 REQUIRED FOR ANY TRANSACTION RELATING TO THE VEHICLE; AND

8 (b) THE OWNER OR SURVIVING JOINT OWNERS OF THE VEHICLE MAY
9 REVOKE THE BENEFICIARY DESIGNATION FORM OR CHANGE THE
10 BENEFICIARY OF THE BENEFICIARY DESIGNATION FORM AT ANY TIME BY:

(I) SELLING THE VEHICLE WITH PROPER ASSIGNMENT AND
 DELIVERY OF THE CERTIFICATE OF TITLE TO ANOTHER PERSON; OR

13 (II) PROPERLY EXECUTING A SUBSEQUENT BENEFICIARY
14 DESIGNATION FORM THAT DESIGNATES A NEW BENEFICIARY.

(4) UPON THE DEATH OF THE OWNER OR UPON THE DEATH OF THE
LAST SURVIVING JOINT OWNER OF A VEHICLE FOR WHICH A BENEFICIARY
DESIGNATION FORM HAS BEEN PROPERLY EXECUTED AND NOTARIZED, THE
INTEREST OF THE BENEFICIARY IN THE VEHICLE IS SUBJECT TO ANY
CONTRACT OF SALE, ASSIGNMENT, OR OWNERSHIP OR SECURITY INTEREST
TO WHICH THE OWNER OR JOINT OWNERS OF THE VEHICLE WERE SUBJECT
DURING THEIR LIFETIME.

(5) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF SUBSECTION (3) OF
THIS SECTION, THE DESIGNATION OF A BENEFICIARY IN A BENEFICIARY
DESIGNATION FORM MAY NOT BE CHANGED OR REVOKED BY WILL OR BY
ANY OTHER INSTRUMENT OR BY A CHANGE IN CIRCUMSTANCES.

26 (6) THE TRANSFER ON DEATH OF A VEHICLE PURSUANT TO THIS
 27 SECTION IS NOT CONSIDERED TESTAMENTARY AND IS NOT SUBJECT TO THE

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PROVISIONS OF THE "COLORADO PROBATE CODE", ARTICLES 10 TO 17 OF
 TITLE 15, C.R.S.

3 (7) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
4 REQUIRES:

5 (a) "BENEFICIARY" MEANS A PERSON OR PERSONS DESIGNATED TO
6 BECOME THE OWNER OR OWNERS OF A VEHICLE UPON THE DEATH OF THE
7 PRECEDING OWNER OR JOINT OWNERS.

8 (b) "BENEFICIARY DESIGNATION FORM" MEANS A FORM THAT 9 INDICATES THE INTENTION OF A PRESENT OWNER OR JOINT OWNERS OF A 10 VEHICLE TO TRANSFER OWNERSHIP OF THE VEHICLE TO A NAMED 11 BENEFICIARY UPON THE DEATH OF THE OWNER OR LAST SURVIVING JOINT 12 OWNER OF THE VEHICLE.

13 SECTION 2. Act subject to petition - effective date. This act 14 takes effect at 12:01 a.m. on the day following the expiration of the 15 ninety-day period after final adjournment of the general assembly (August 16 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a 17 referendum petition is filed pursuant to section 1 (3) of article V of the 18 state constitution against this act or an item, section, or part of this act 19 within such period, then the act, item, section, or part will not take effect 20 unless approved by the people at the general election to be held in 21 November 2016 and, in such case, will take effect on the date of the 22 official declaration of the vote thereon by the governor.