



AN ACT GENERALLY REVISING VEHICLE AND VESSEL TITLE TRANSFER LAWS; ALLOWING FOR TIME OF DEATH TRANSFER OF VEHICLE AND VESSEL TITLES; PROVIDING FOR A BENEFICIARY DESIGNATION; SPECIFYING METHODS FOR REVOKING A BENEFICIARY DESIGNATION; SPECIFYING METHOD OF EFFECTING TRANSFER; SPECIFYING TRANSFER AS NONPROBATE TRANSFER; AND AMENDING SECTIONS 61-3-202 AND 72-6-111, MCA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1. Certificate of title -- transfer on death.** (1) The owner or joint owners of a vehicle or vessel may arrange for nonprobate transfer of the vehicle's or vessel's title at the time of death of the owner or last surviving joint owner by completing the beneficiary designation on the application for certificate of title prescribed by the department.

(2) The beneficiary designation must include fields for the following information:

(a) the make, model, year, and vehicle identification number of the vehicle or vessel;

(b) the name and signature of the owner or every joint owner of the vehicle or vessel, signed under penalty of unsworn falsification as provided in 45-7-203; and

(c) the name of the beneficiary or the names of the beneficiaries of the vehicle or vessel.

(3) (a) A beneficiary designation is perfected when it is submitted to the department with an application for certificate of title and if it provides the information and signatures required in subsection (2).

(b) An instrument for the testamentary transfer of a vehicle or vessel does not invalidate a perfected beneficiary designation.

(4) The owner or joint owners of a vehicle or vessel may revoke a perfected beneficiary designation by:

(a) transferring the vehicle or vessel to the beneficiary or a third party before death; or

(b) submitting a new beneficiary designation with an application for certificate of title.

(5) (a) After the death of the owner or last surviving joint owner of a vehicle or vessel subject to a perfected beneficiary designation, the beneficiary may present the proof of death of the owner or joint owners of the vehicle or vessel listed as a beneficiary and identification of the beneficiary to the department, to the county treasurer's office, or to an authorized agent and:

- (i) request a replacement title for the vehicle or vessel; or
- (ii) effect transfer of the title of the vehicle or vessel as required by 61-3-220.

(b) The beneficiary does not acquire any use, ownership, economic, or other interest in the vehicle or vessel until the beneficiary has filed the documents required by subsection (4) and the department, the county treasurer's office, or an authorized agent has either issued a replacement title or effected the transfer of the title.

(6) This section does not limit the rights of a lienholder whose lien attached to the vehicle or vessel prior to the death of the owner or last surviving joint owner named on the beneficiary designation.

**Section 2.** Section 61-3-202, MCA, is amended to read:

**"61-3-202. Certificate of title -- issuance -- contents -- joint ownership.** (1) A certificate of title issued by the department must contain:

- (a) the date issued;
- (b) the name and address of the owner;
- (c) the mileage disclosed by the transferor when ownership of the motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile was transferred, including a notation that the record mileage is actual, not actual, or exceeds mechanical limits;
- (d) the name and address of each secured party and lienholder, in the order of priority and perfection or, if the application was based on a surrendered certificate of title, in the order that the names and addresses are shown on the certificate of title;
- (e) the title number assigned to the motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile;
- (f) the name of the jurisdiction in which the motor vehicle, trailer, semitrailer, pole trailer, camper,

motorboat, personal watercraft, sailboat, or snowmobile owner resides, the words "certificate of title", the motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile identification number, the manufacturer's designated model year of manufacture, make, and model of the motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile, and any required or carried-forward brands;

(g) the unique transaction record number, if available and assigned by the department; and

(h) any other data that the department prescribes.

(2) A certificate of title issued by the department is valid until canceled by the department upon:

(a) a transfer, in the electronic record, of title of any ownership interest shown in the certificate of title;

(b) notice received by the department of the surrender of the certificate of title to a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile to a title-issuing agency of another jurisdiction for an issuance of a title in that jurisdiction;

(c) the issuance of a duplicate certificate of title; or

(d) a determination by the department that the certificate of title contains a substantial error or that the person who requested issuance of the certificate of title paid the required fees and taxes with an insufficient funds check.

(3) (a) Whenever the conditions described in subsection (2)(d) occur, the department shall:

(i) give prompt written notice of the cancellation of the certificate of title to any owner, secured party, or lienholder of record; and

(ii) stop any change to the electronic record of title.

(b) The action taken by the department under subsection (3)(a) prevents the transfer of any ownership interest until the error is corrected or the fees and taxes have been paid.

(4) If the names and addresses of more than one owner are listed on the certificate of title, joint ownership with right of survivorship, and not as tenants in common, and not as transfer on death, is presumed."

**Section 3.** Section 72-6-111, MCA, is amended to read:

**"72-6-111. Nonprobate transfers on death.** (1) A provision for a nonprobate transfer on death in an insurance policy, contract of employment, bond, mortgage, promissory note, certificated or uncertificated

security, account agreement, custodial agreement, deposit agreement, compensation plan, pension plan, individual retirement plan, employee benefit plan, trust, conveyance, deed of gift, transfer on death deed, as defined in 72-6-402, marital property agreement, beneficiary designation, as provided in [section 1], or other written instrument of a similar nature is nontestamentary. This subsection includes a written provision that:

(a) money or other benefits due to, controlled by, or owned by a decedent before death must be paid after the decedent's death to a person whom the decedent designates either in the instrument or in a separate writing, including a will, executed either before or at the same time as the instrument or later;

(b) money due or to become due under the instrument ceases to be payable in the event of death of the promisee or the promisor before payment or demand; or

(c) any property controlled by or owned by the decedent before death that is the subject of the instrument passes to a person the decedent designates either in the instrument or in a separate writing, including a will, executed either before or at the same time as the instrument or later.

(2) This section does not limit rights of creditors under other laws of this state."

**Section 4. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 61, chapter 3, part 2, and the provisions of Title 61, chapter 3, part 2, apply to [section 1].

- END -

I hereby certify that the within bill,  
HB 141, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

HOUSE BILL NO. 141

INTRODUCED BY C. KEOGH, S. FITZPATRICK, T. MANZELLA

AN ACT GENERALLY REVISING VEHICLE AND VESSEL TITLE TRANSFER LAWS; ALLOWING FOR TIME OF DEATH TRANSFER OF VEHICLE AND VESSEL TITLES; PROVIDING FOR A BENEFICIARY DESIGNATION FORM; SPECIFYING METHODS FOR REVOKING A BENEFICIARY DESIGNATION FORM; SPECIFYING METHOD OF EFFECTING TRANSFER; SPECIFYING TRANSFER AS NONPROBATE TRANSFER; AND AMENDING SECTION 72-6-111, MCA.