

HOUSE BILL NO. 256

INTRODUCED BY C. KEOGH, B. BENNETT, K. DUDIK, R. FARRIS-OLSEN, D. HARVEY, T. JACOBSON,
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A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING VEHICLE AND VESSEL TITLE TRANSFER
LAWS; ALLOWING FOR TIME OF DEATH TRANSFER OF VEHICLE TITLE 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."

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

NEW SECTION. 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 executing and notarizing a beneficiary designation form prescribed by
the department.

(2) (a) The beneficiary designation form prescribed by the department must include fields for the following
information:

- (i) the make, model, year, and vehicle identification number, IF APPLICABLE, of the vehicle OR VESSEL;
- (ii) the name and signature of the owner or every joint owner of the vehicle OR VESSEL;
- (iii) the name of the beneficiary or the names of the beneficiaries of the vehicle OR VESSEL; and
- (iv) the signature and seal of a notary public.

(b) The department shall provide the beneficiary designation form on its website and to the county
treasurer's offices of every county.

(3) (a) A beneficiary designation form is properly executed if it provides the information, signatures, and
notarization required in subsection (2).

(b) The owner or joint owners of a vehicle OR VESSEL may revoke a beneficiary designation form by:

- (i) transferring the vehicle OR VESSEL to the beneficiary or a third party before death;
- (ii) properly executing a subsequent beneficiary designation form; or
- (iii) destroying the beneficiary designation form.

1 (c) An instrument for the testamentary transfer of a vehicle OR VESSEL does not invalidate a beneficiary
2 designation form.

3 (4) After the death of the owner or last surviving joint owner of a vehicle OR VESSEL subject to a properly
4 executed beneficiary designation form, the beneficiary may present the beneficiary designation form, proof of
5 death of the owner or joint owners of the vehicle OR VESSEL listed on the form, and identification of the beneficiary
6 at the county treasurer's office and:

7 (a) request a replacement ~~vehicle~~ title FOR THE VEHICLE OR VESSEL; or

8 (b) effect transfer of the ~~vehicle's~~ title OF THE VEHICLE OR VESSEL.

9 (5) THE BENEFICIARY DOES NOT ACQUIRE ANY USE, OWNERSHIP, ECONOMIC, OR OTHER INTEREST IN THE VEHICLE
10 OR VESSEL UNTIL THE BENEFICIARY HAS FILED THE DOCUMENTS REQUIRED BY SUBSECTION (4) AND THE DEPARTMENT HAS
11 EITHER ISSUED A REPLACEMENT TITLE OR EFFECTED THE TRANSFER OF THE TITLE.

12 ~~(5)(6)~~ This section does not limit the rights of a lienholder whose lien attached to the vehicle OR VESSEL
13 prior to the death of the owner or last surviving joint owner named on the beneficiary designation form.

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15 **Section 2.** Section 72-6-111, MCA, is amended to read:

16 **"72-6-111. Nonprobate transfers on death.** (1) A provision for a nonprobate transfer on death in an
17 insurance policy, contract of employment, bond, mortgage, promissory note, certificated or uncertificated security,
18 account agreement, custodial agreement, deposit agreement, compensation plan, pension plan, individual
19 retirement plan, employee benefit plan, trust, conveyance, deed of gift, beneficiary deed, as defined in 72-6-121,
20 marital property agreement, beneficiary designation form, as provided for in [section 1], or other written instrument
21 of a similar nature is nontestamentary. This subsection includes a written provision that:

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

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

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

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

