

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 925

Short Title: Create Beneficiary on Motor Vehicle Titles. (Public)

Sponsors: Senator Cowell.

Referred to: Commerce, Small Business and Entrepreneurship.

March 20, 2007

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE A TRANSFER ON DEATH PROVISION FOR MOTOR  
3 VEHICLES TITLED IN NORTH CAROLINA TO ALLOW BENEFICIARIES TO  
4 TAKE TITLE OF THE MOTOR VEHICLE UPON THE DEATH OF AN OWNER  
5 OR OWNERS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 20-57(e) reads as rewritten:  
8 "§ 20-57. Division to issue certificate of title and registration card.

9 ...  
10 (e) The certificate of title shall contain upon the reverse side an assignment of  
11 title or interest and warranty by registered owner or registered dealer. The purchaser's  
12 application for North Carolina certificate of title shall be made on a form prescribed by  
13 the Commissioner and shall include a space for notation of liens and encumbrances on  
14 the vehicle at the time of transfer. The certificate of title shall contain upon the reverse  
15 side a place for the registered owner or owners to provide the name of a beneficiary for  
16 a transfer on death, pursuant to Article 9 of Chapter 47 of the General Statutes, of any  
17 interest held by the owner or owners in the motor vehicle. The designation shall state  
18 the beneficiary is entitled to any interest held by the owner or owners and is to be  
19 transferred on death. This transfer shall be subject to any liens attached by law or any  
20 security interest properly recorded and perfected on the title pursuant to G.S. 20-58. The  
21 rights of any lienholder shall not be affected by the designation of a beneficiary under  
22 this section or Article 9 of Chapter 47 of the General Statutes. Nothing in this  
23 subsection shall require the designation of a beneficiary.

24 ..."

25 SECTION 2. Chapter 47 of the General Statutes is amended by adding a new  
26 Article to read:

27 "Article 9.  
28 "Transfer of Motor Vehicles on Death.  
29 "§ 47-121. Motor vehicles; transfer-on-death.

1        A motor vehicle, as defined by G.S. 20-4.01(23), which is required to be titled under  
2 Chapter 20 of the General Statutes, may be titled in transfer-on-death, TOD, form by  
3 including on the certificate of title a designation of a beneficiary or beneficiaries to  
4 whom the motor vehicle shall be transferred on death of the owner or the last survivor  
5 of the joint tenant with right of survivorship owners, subject to the rights of all  
6 lienholders. Nothing in this Article shall require the designation of a beneficiary on a  
7 certificate of title.

8 **"§ 47-122. Designation of a beneficiary on the certificate of title.**

9        A motor vehicle is registered in transfer-on-death form by designating on the  
10 certificate of title the name of a beneficiary in the place provided on the certificate of  
11 title for such designation by the Division of Motor Vehicles.

12 **"§ 47-123. Beneficiaries; interest; change.**

13        The transfer-on-death beneficiary or beneficiaries shall have no interest in the motor  
14 vehicle until the death of the owner or the last survivor of the joint tenant with right of  
15 survivorship owners. A beneficiary designation may be changed at any time by the  
16 owner or all of the joint tenants with right of survivorship owners then surviving,  
17 without the consent of the beneficiary or beneficiaries, by filing an application for a  
18 subsequent certificate of title. An application for a new title to change a beneficiary is  
19 subject to the application and fee provisions for certificates of title provided in Chapter  
20 20 of the General Statutes.

21 **"§ 47-124. Vesting of ownership in beneficiary.**

22        Ownership of a motor vehicle titled in transfer-on-death form, for which an  
23 application for a subsequent certificate of title has not been filed, shall vest in the  
24 designated beneficiary or beneficiaries on the death of the owner or the last of the joint  
25 tenants with right of survivorship owners, subject to the rights of all lienholders.

26 **"§ 47-125. Nontestamentary disposition.**

27        A certificate of title in transfer-on-death form shall not be considered a testamentary  
28 disposition or be invalidated due to nonconformity with the provisions of Chapter 31 of  
29 the North Carolina General Statutes."

30        **SECTION 3.** This act becomes effective January 1, 2008, and applies to all  
31 titles issued or reissued on or after that date.