

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH10155-MA-95 (2/5)

Short Title: Beneficiaries on Motor Vehicle Titles. (Public)

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Sponsors: Representative Harrison.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO CREATE A TRANSFER ON DEATH PROVISION FOR MOTOR  
VEHICLES TITLED IN NORTH CAROLINA TO ALLOW BENEFICIARIES TO  
TAKE TITLE OF THE MOTOR VEHICLE UPON THE DEATH OF AN OWNER  
OR OWNERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 20-57(e) reads as rewritten:

**"§ 20-57. Division to issue certificate of title and registration card.**

...

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

..."

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

"Article 9.

1                   "Transfer of Motor Vehicles on Death.

2   "**§ 47-121. Motor vehicles; transfer-on-death.**

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

10 "**§ 47-122. Designation of a beneficiary on the certificate of title.**

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

14 "**§ 47-123. Beneficiaries; interest; change.**

15       The transfer-on-death beneficiary or beneficiaries shall have no interest in the motor  
16 vehicle until the death of the owner or the last survivor of the joint tenant with right of  
17 survivorship owners. A beneficiary designation may be changed at any time by the  
18 owner or all of the joint tenants with right of survivorship owners then surviving,  
19 without the consent of the beneficiary or beneficiaries, by filing an application for a  
20 subsequent certificate of title. An application for a new title to change a beneficiary is  
21 subject to the application and fee provisions for certificates of title provided in Chapter  
22 20 of the General Statutes.

23 "**§ 47-124. Vesting of ownership in beneficiary.**

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

28 "**§ 47-125. Nontestamentary disposition.**

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

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