

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2072  
**Version:** First engrossment

**DATE:** March 23, 2016

**Authors:** Albright and others

**Subject:** Transfer-on-death title for watercrafts and motor vehicles

**Analyst:** Mary Mullen

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

---

### Overview

This bill creates a transfer-on-death title that can be used to transfer a motor vehicle or watercraft to a named beneficiary when the owner of the motor vehicle or watercraft dies.

#### Section

**1** **Transfer-on-death title to watercraft.** Allows the owner of a watercraft, when the owner is a natural person, to designate a beneficiary on the title of a watercraft to allow the beneficiary to own the watercraft after the death of the owner or last surviving joint owner, allowing the watercraft to transfer to a beneficiary outside of the estate.

This bill:

- Allows the beneficiary to be changed at any time by the owner.
- Provides that transfer is subject to the rights of third parties and the rights of a third party continue after the transfer.
- Requires a secured interest or lien on the watercraft to remain attached until it is paid or sold to a third party who is unaware of the security interest or lien.
- Does not require the beneficiary to pay any money for the beneficiary designation or transfer, other than the cost of a new title when the previous owner has died.
- Does not require the beneficiary to agree to the beneficiary designation.
- Provides that the watercraft would become part of the decedent's estate if the beneficiary died before the decedent.

## Section

**2**        **Transfer-on-death title to motor vehicle.** Allows the owner of a motor vehicle, when the owner is a natural person, to designate a beneficiary to a motor vehicle on the title of a motor vehicle, allowing the vehicle to transfer to a beneficiary outside of the estate.

This bill:

- Allows the beneficiary to be changed at any time by the owner.
- Provides that transfer is subject to the rights of third parties and the rights of a third party continue after the transfer.
- Requires spouses signature for beneficiary designation to be effective.
- Requires a secured interest or lien on the vehicle to remain attached until it is paid or sold to a third party who is unaware of the security interest or lien.
- Does not require the beneficiary to pay any money for the beneficiary designation or transfer, other than the cost of a new title when the previous owner has died.
- Does not require the beneficiary to agree to the beneficiary designation.
- Provides that the vehicle would become part of the decedent's estate if the beneficiary died before the decedent.
- Clarifies that claims for medical assistance, from the county social service agencies, or the department of revenue against the decedent's vehicle are all claims from a creditor and continue to apply against the beneficiary after the vehicle has been transferred.

**3**        **Client's estate.** Requires transfer on death titled vehicles, such as a car or boat, to be considered as part of the value of an estate for the purposes of a claim against an individual receiving services in a state institution.

**4**        **Estates subject to claims.** Adds transfer on death titled vehicles, such as a car or boat, to the list of assets to be considered as a part of decedent's estate to determine medical assistance claims by the state.

**5**        **Support, maintenance, care, or burial.** Allows the value of transfer of death titled vehicles, such as a car or boat, to be included in the estate for the purposes of determining if there are assets to be recovered for support, maintenance, or care provided by the state or for a burial paid for by the county.

**6**        **Sales, sells, selling, purchase, purchased, or acquired.** Excludes a vehicle transferred by a transfer on death deed from the definition of "sales, sells, selling, purchase, purchased, or acquired" for the purposes of the motor vehicle sales tax statute, which allows the vehicle to transfer to a beneficiary without paying the motor vehicle sales tax.