

HB 110

TRANSFER UPON DEATH

April 11th, 2019

House State Affairs Committee

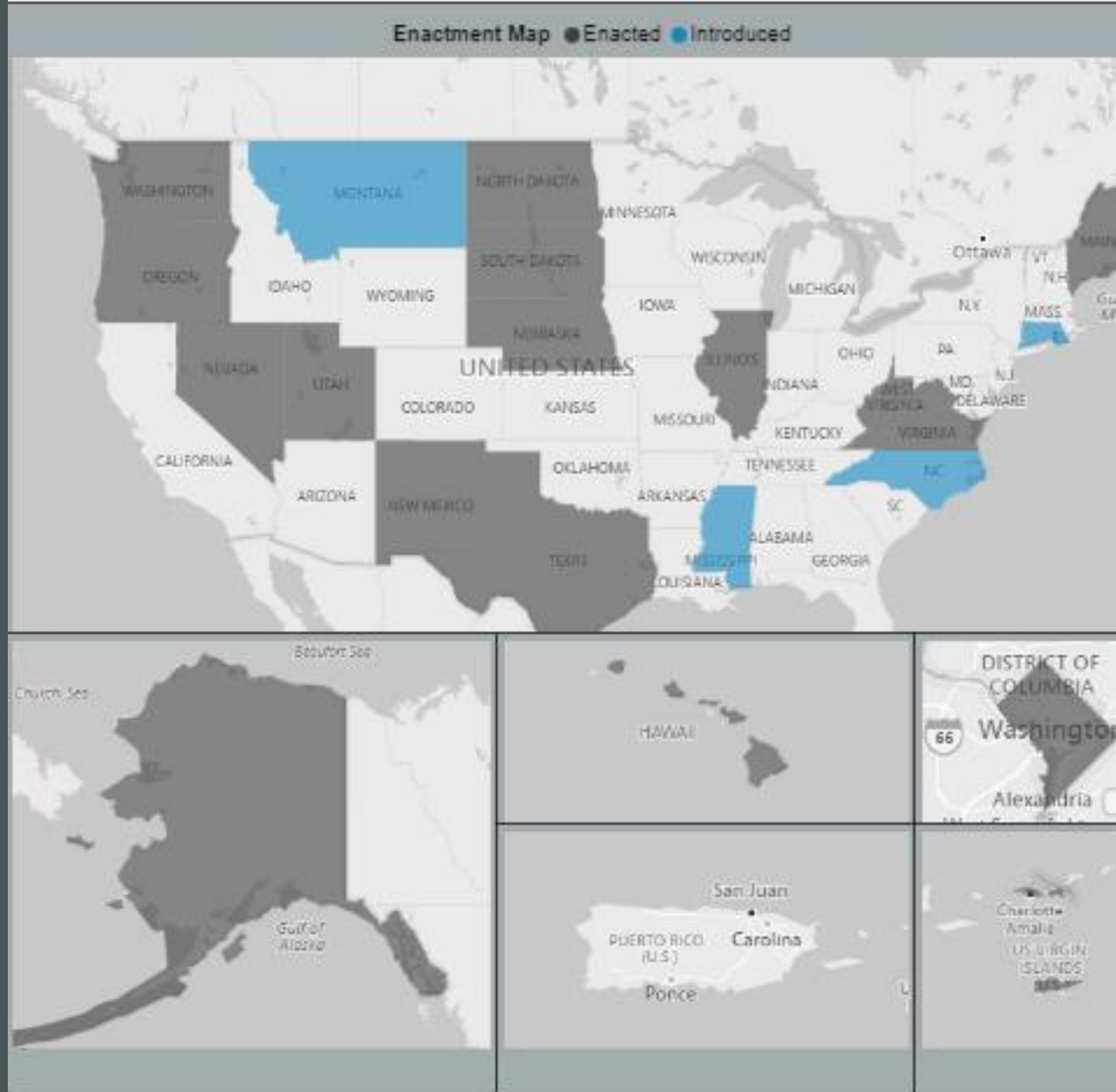
Office of Representative Ivy Spohnholz

LEGISLATIVE HISTORY

- **Uniform Law Commission**
 - **Approved URPTODA in 2009**
- **Alaska**
 - **URPTODA – Unanimously passed the House and Senate in 2014**
 - **Created the TOD Deed**
 - **HB 273 in 2016**
 - **Created TOD title for vehicles**
 - **Unanimously passed the house**
- **U.S.**
 - **11 other states have TOD titles for vehicles**
 - **7 other states authorize TOD titles for boats**

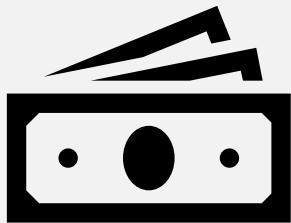
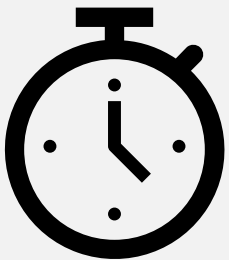
2009 | Real Property Transfer on Death Act

| Real Property, Mortgages, & Liens | Probate, Trusts, & Estates



WHAT'S THE PROBLEM?

- Probate in the state of Alaska:
 - Can take anywhere from six months to several years, and;
 - Can cost thousands, potentially tens of thousands of dollars in legal fees.



EXISTING REMEDIES FOR NONPROBATE TRANSFERS OF PROPERTY

- Joint Ownership
 - Requires joint tenancy which means present equal rights of ownership
- Affidavit for Collection of Personal Property
 - Only when the value of all vehicles is \$100,000 or less and;
 - Only when the value of all other personal property owned by the decedent is \$50,000 or less
- Living Trust
 - Names a trustee to manage your property after death
 - More complicated than wills, typically requires an estate planning lawyer, which means it will likely be expensive

WHY TOD TITLES?



Reduce the need for probate



Provide streamlined estate planning services to Alaskans at little cost to the state



Speed up the process of transferring property to beneficiaries

HOW DOES IT WORK?

1. Owner(s) file a form with the DMV and pay a small fee. Each joint owner signs.



2. The designated beneficiary(ies) survives the owner by 120 hours



3. The designated beneficiary(ies) submits proof of death to the DMV, files an application, and pays associated fees



4. The designated beneficiary(ies) is issued a new title in their name(s)

SECTIONAL



Boats in the harbor. Valdez, Alaska.

- Section 1
 - Allows for owners of boats for which the Department of Administration issues titles to obtain a TOD title.
 - Boats exempt from title requirement described in AS 05.25.055
 - Boats less than 24 feet long
 - Boats documented by the U.S. Coast Guard
 - Foreign boats passing through in less than 90 days
 - Etc.
- Section 2
 - Adds TOD title transfers of boats and vehicles to the existing list of properties that can be transferred outside of probate.

SECTION 3



- Creates the mechanism of TOD titles for boats and vehicles titled through the DMV
 - How to obtain TOD titles
 - How to change or revoke TOD titles
 - Subjects TOD titles to decedent's creditors, contracts, liens, etc., and lays out how liability will be enforced upon TOD titles
 - Rights of the owner and beneficiary(ies)

SECTIONS 4-5



- **Section 4**
 - Clarifies that a person acting on behalf of the surviving spouse of the decedent may demand to enforce liability against the decedent's property.
- **Section 5**
 - Clearly states under statute related to vehicle titles that owners of vehicles for which the DMV issues titles may obtain a TOD title.
 - Conforming language

SECTIONS 6-8

Authority to implement regulations

Effective dates

- Section 6
 - Gives the DoA authority to develop necessary regulations to implement TOD titles.
- Section 7
 - Applies an immediate effective date to section 6.
- Section 8
 - Applies an effective date of July 1, 2020 to the bill with exception to sections 6 and 7.
 - DoA will need time to determine fee amounts, develop forms, train staff, etc.

QUESTIONS?