

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

April 25, 2024

3:30 p.m.

**MEMBERS PRESENT**

Senator Scott Kawasaki, Chair  
Senator Matt Claman, Vice Chair  
Senator Jesse Bjorkman  
Senator Bill Wielechowski  
Senator Kelly Merrick

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 81

"An Act relating to the transfer of a title on the death of the owner; and providing for an effective date."

- HEARD AND HELD -

**PREVIOUS COMMITTEE ACTION**

BILL: HB 81

SHORT TITLE: VEHICLES/BOATS: TRANSFER ON DEATH TITLE

SPONSOR(S): REPRESENTATIVE(S) RAUSCHER

02/22/23	(H)	READ THE FIRST TIME - REFERRALS
02/22/23	(H)	TRA, STA
03/02/23	(H)	TRA AT 1:00 PM BARNES 124
03/02/23	(H)	Heard & Held
03/02/23	(H)	MINUTE(TRA)
03/07/23	(H)	TRA AT 1:00 PM BARNES 124
03/07/23	(H)	Moved HB 81 Out of Committee
03/07/23	(H)	MINUTE(TRA)
03/08/23	(H)	TRA RPT 6DP 1NR
03/08/23	(H)	DP: C.JOHNSON, SUMNER, MCKAY, MINA, VANCE, MCCABE
03/08/23	(H)	NR: STUTES
03/21/23	(H)	STA AT 3:00 PM GRUENBERG 120
03/21/23	(H)	Heard & Held
03/21/23	(H)	MINUTE(STA)

04/11/23	(H)	STA AT 3:00 PM GRUENBERG 120
04/11/23	(H)	Moved HB 81 Out of Committee
04/11/23	(H)	MINUTE(STA)
04/14/23	(H)	STA RPT 7DP
04/14/23	(H)	DP: ARMSTRONG, STORY, ALLARD, C.JOHNSON, CARPENTER, WRIGHT, SHAW
04/24/23	(H)	FIN REFERRAL ADDED AFTER STA
04/24/23	(H)	BILL REPRINTED
05/04/23	(H)	FIN AT 1:30 PM ADAMS 519
05/04/23	(H)	Heard & Held
05/04/23	(H)	MINUTE(FIN)
02/01/24	(H)	FIN AT 1:30 PM ADAMS 519
02/01/24	(H)	Heard & Held
02/01/24	(H)	MINUTE(FIN)
02/14/24	(H)	FIN RPT 10DP 1NR
02/14/24	(H)	DP: STAPP, GALVIN, HANNAN, ORTIZ, COULOMBE, CRONK, TOMASZEWSKI, D.JOHNSON, EDGMON, FOSTER
02/14/24	(H)	NR: JOSEPHSON
02/14/24	(H)	FIN AT 8:30 AM ADAMS 519
02/14/24	(H)	Moved HB 81 Out of Committee
02/14/24	(H)	MINUTE(FIN)
03/06/24	(H)	TRANSMITTED TO (S)
03/06/24	(H)	VERSION: HB 81
03/07/24	(S)	READ THE FIRST TIME - REFERRALS
03/07/24	(S)	TRA, STA
03/21/24	(S)	TRA AT 1:30 PM BUTROVICH 205
03/21/24	(S)	Heard & Held
03/21/24	(S)	MINUTE(TRA)
03/26/24	(S)	TRA AT 1:30 PM BUTROVICH 205
03/26/24	(S)	Moved HB 81 Out of Committee
03/26/24	(S)	MINUTE(TRA)
03/27/24	(S)	TRA RPT 1DP 3NR
03/27/24	(S)	DP: KAUFMAN
03/27/24	(S)	NR: MYERS, TOBIN, WILSON
03/27/24	(S)	FIN REFERRAL ADDED AFTER STA
04/23/24	(S)	STA AT 3:30 PM BELTZ 105 (TSBldg)
04/23/24	(S)	Scheduled but Not Heard

**WITNESS REGISTER**

REPRESENTATIVE GEORGE RAUSCHER, District 29  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 81.

RYAN MCKEE, Staff  
Representative George Rauscher  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for HB 81.

LINDA HULBERT, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 81.

MARIAM HALL, Marketing and Communications Coordinator  
Peak Trust Company  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 81.

#### **ACTION NARRATIVE**

[3:30:39 PM](#)

**CHAIR SCOTT KAWASAKI** called the Senate State Affairs Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Claman, Merrick, and Chair Kawasaki. Senators Wielechowski and Bjorkman arrived thereafter.

#### **HB 81-VEHICLES/BOATS: TRANSFER ON DEATH TITLE**

[3:31:10 PM](#)

**CHAIR KAWASAKI** announced the consideration of HOUSE BILL NO. 81, "An Act relating to the transfer of a title on the death of the owner; and providing for an effective date."

[3:31:54 PM](#)

**REPRESENTATIVE GEORGE RAUSCHER**, District 29, Alaska State Legislature, Juneau, Alaska, sponsor of HB 81, read from the following sponsor statement:

[Original punctuation provided.]

#### **House Bill 81 Sponsor Statement**

*"An act relating to the transfer of a title on the death of the owner; and providing for an effective date."*

The process of probate in the state of Alaska can take anywhere from six months to several years, and can

cost family members and beneficiaries thousands, potentially tens of thousands of dollars in legal and filing fees. While the State Legislature has already taken great strides to reduce the costs of probate, there is still much room for improvement.

[3:33:11 PM](#)

REPRESENTATIVE RAUSCHER continued to read from the sponsor statement for HB 81:

[Original punctuation provided.]

HB 81 continues in spirit with the Uniform Real Property Transfer on Death Act (URPTDA), which unanimously passed both the House and Senate in 2014. URPTDA created the Transfer on Death (TOD) deed, which allows for nonprobate transfers of real property. TOD deeds allow Alaskans to select a beneficiary who will receive the property at their passing and removes that property from the process of probate.

In 2016, legislation similar to HB 81 was introduced but the legislation failed to pass that session. HB81 is nearly identical, although it expands the concept to apply both to vehicles and boats that are issued titles through the state.

HB 81 continues the ongoing effort to reduce the costs of probate for Alaskans and creates a streamlined service through the DMV through which they can designate beneficiaries for both cars and boats through a simple form. The TOD titles will be available for all boats and vehicles for which the DMV provides titles, which also includes some mobile manufactured homes under AS 45.29.102(66). The program will be self-sustaining through fees.

At no cost to the state, HB 81 will allow countless Alaskans to pass down boats, vehicles, and some manufactured homes to beneficiaries with more ease, and will help simplify and streamline the potentially complicated, costly, and painful process of probate following the death of a loved one.

[3:34:37 PM](#)

RYAN MCKEE, Staff, Representative George Rauscher, Alaska State Legislature, Juneau, Alaska, presented the sectional analysis for HB 81:

[Original punctuation provided.]

**House Bill 81 -  
Vehicles/Boats: Transfer on Death Title**

**Sectional Analysis**

**Section 1:**

Adds a new section under AS 05.25 that allows owners of boats, for which the Department of Administration (DoA) issues titles, to obtain a transfer on death (TOD) title.

**Section 2:**

Amends AS 13.33.101(a) to add a transfer of a boat or vehicle by a TOD title to the existing list of acceptable nonprobate transferable property.

**Section 3:**

Creates a provision under AS 13.33 for a transfer on death (TOD) title for boats and vehicles. Creates and defines the mechanism through the Division of Motor Vehicles (DMV), by which individuals will obtain, revoke, or change their transfer on death title and defines the parameters of the transfer on death title.

**(a) - (c) Obtaining a TOD Title**

- Creates a provision under AS 13.33 for a transfer on death title for vehicles and boats for which DoA issues titles.
  - This includes some manufactured homes for which the DMV issues titles under AS 45.29.102(66). These homes are without a permanent foundation and transportable in one or more sections. Requires that the transfer of title to the designated beneficiary occurs when the sole owner or last surviving joint owner of the vehicle dies.
- Requires that owners of the boats or vehicles file a form through the DMV and pay associated fees to apply for a TOD title.
- Limits the TOD titles to two beneficiaries.

[3:36:29 PM](#)

MR. MCKEE continued his presentation of the sectional analysis for HB 81:

[Original punctuation provided.]

**(d) TOD titles effective without notice or consideration**

- Provides that TOD titles will not require notice or acceptance by the designated beneficiary.
- Provides that TOD titles will not be subject to consideration, the process by which there is an exchange or "quid pro quo" required from the recipient of the assets.
  - *Language taken from TOD deed statute under AS 13.48.060.*

**(e) TOD titles are nontestamentary**

- States that TOD titles are nontestamentary, meaning that the associated vehicles do not need to be provided for in the decedents will.

**(f) - (g) Revocation or Change to TOD titles**

- Provides that the owner may revoke or change the designated beneficiary on the TOD at any time without the beneficiary's consent.
- Explains the process by which owners may revoke or change a TOD title.
  - The owner can either assign and deliver the certificate of title for the vehicle to another person, thereby revoking the TOD title, or;
  - file with the DMV to reissue the title without a designated beneficiary or with a different designated beneficiary.

**(h) Designated beneficiaries right to disclaim interest**

- Allows designated beneficiaries to refuse the boat or vehicle designated to them in a TOD title.
  - *Language taken from TOD deed statute under AS 13.48.100.*

**(i) TOD titles subject to decedent's creditors, contracts, etc.**

[3:38:10 PM](#)

MR. MCKEE continued his presentation of the sectional analysis for HB 81:

[Original punctuation provided.]

- Subjects the TOD title to creditor's claims against the owner's estate, as well as to other interests, contracts, liens, encumbrances, assignments, and other interests.
- These interests remain attached to the boat or vehicle after it is transferred to the designated beneficiary.

**(j-m) Enforcing liability upon TOD titles**

- Imposes the same procedures for enforcing liability upon TOD titles that is applied to TOD deeds under AS 13.48.110 and AS 13.48.088.
- Provides that the estate may enforce liability against boats or vehicles with TOD titles if the owner's estate does not cover an allowed claim.
- States that if there are multiple vehicles and/or boats, and a liability exists in the deceased's estate, the liability will be apportioned to each asset in proportion to its net value. Requires that a proceeding to enforce a liability must begin within 12 months of the owner's passing and can only begin once proper notification to beneficiaries has occurred.
- Stipulates that TOD titles do not affect rights of ownership before the owner's death, and do not affect rights of the designated beneficiary or creditors of the owner(s).
- TOD titles do not give legal or equitable preference to the designated beneficiary.
- TOD titles do not affect designated beneficiaries' eligibility for state public assistance.

**(n-p) Uniform standard of survivorship, requirements to receive TOD title**

- Requires that the designated beneficiary survive the previous owner by 120 hours.
- Requires that the designated beneficiary submit proof of the owner's death and an application and

associated fees to the DMV. If there are two beneficiaries listed on the TOD title, they become joint owners.

[3:40:08 PM](#)

MR. MCKEE continued his presentation of the sectional analysis for HB 81:

[Original punctuation provided.]

**(q) TOD titles may not be changed by other instruments**

- Provides that TOD titles may only be changed by the process outlined in section 3 and not by a will or any other instrument.

**(r)**

Gives the DoA authority to develop regulations to implement the TOD titles, establish necessary forms and fees, etc.

**(s) Definitions**

**Section 4:**

Amends AS 13.48.110(c) to add a person acting on behalf of the surviving spouse of the decedent to the list of people who may demand to enforce liability against the decedents' property.

**Section 5:**

Adds a new section to AS 28.10.275, relating to vehicle titles, to clearly state that owners of vehicles for which the DMV issues titles may obtain a TOD title.

**Section 6:**

Gives the DoA authority to develop necessary regulations.

**Section 7:**

Applies an immediate effective date to section 5 of the bill to allow the department to develop regulations.

**Section 8:**

Applies an effective date of July 1, 2024 to the legislation except for sections 5 and 7.

[3:41:30 PM](#)

SENATOR CLAMAN said that this is essentially the same structure as an Individual Retirement Account (IRA) or a bank account. He briefly explained how this process works for banking. He commented that banks or IRA companies provide a certain level of confidence, because the signed documents are held by these companies, rather than by individuals. He asked if there is anticipation for the signed documents associated with titles to be on file with the DMV or whether they would be held by individuals in their homes.

MR. MCKEE deferred this question to invited testifiers.

[3:43:19 PM](#)

SENATOR CLAMAN explained that he is concerned about potential document fraud. He said he supports HB 81 but would like to ensure identity protection. He suggested that DMV holding the documents could be a solution.

[3:44:32 PM](#)

REPRESENTATIVE RAUSCHER offered his understanding that ensuring that the correct name is on the title prior to the owner's death would address this issue.

[3:44:58 PM](#)

SENATOR CLAMAN stated that this does not address his concern and added that, once the owner is deceased, there is a risk of forgery. This is not an issue with the banks, because action must be taken through the bank in order to change one's beneficiary. He reiterated his concern that someone could forge the documents if they are not held in a safe location and suggested that measures could be put in place to ensure that this does not occur.

[3:46:14 PM](#)

REPRESENTATIVE RAUSCHER replied that he could provide further information to the committee.

SENATOR CLAMAN expressed willingness to consider an amendment that would address this issue.

[3:46:49 PM](#)

CHAIR KAWASAKI asked why HB 81 is limited to boats and motor vehicles.

[3:47:06 PM](#)

MR. MCKEE replied that aircraft are regulated by the Federal Aviation Administration (FAA) and are thus not eligible for state regulation. He added that boats that are over 24 feet must be dealt with by the coast guard.

[3:47:39 PM](#)

CHAIR KAWASAKI asked to whom - or to which entity - TOD is transferred to.

[3:48:15 PM](#)

MR. MCKEE replied that TOD would be transferred to a family member. However, any associated debts owed on the title would follow. He explained that the recipient is not required to accept the gift. With respect to the question of title forgery, he said that TOD is a new license that is issued through the DMV. He explained that this would require the owners of the boat or vehicle to fill out new forms and pay fees at the DMV. If someone were to simply write their name on the title and claim it as their own, it would not be on file with the DMV office (and fees would not have been paid), and therefore would not be valid.

[3:49:47 PM](#)

SENATOR CLAMAN opined that unless the title on file with the DMV states who the title is transferring to, the issue remains. The owner could potentially take a blank document home, to be filled in at a later date. He surmised that being required to provide the name of the individual receiving the title transfer when the paperwork is filled out (and fees are paid) at the DMV would be a better safeguard. He said the banks have rules and regulations, which provide higher confidence that a transfer on death title would not be manipulated.

[3:51:29 PM](#)

MR. MCKEE said he would seek clarification. He added that if this is not already addressed by HB 51, he would work on an amendment to create specific guidelines.

[3:51:43 PM](#)

SENATOR CLAMAN commented that there may be other alternatives. He reiterated that part of the transfer on death title process could require that the title recipient be on file with the DMV in order to mitigate the risk.

[3:52:31 PM](#)

SENATOR BJORKMAN joined the meeting.

[3:52:37 PM](#)

CHAIR KAWASAKI announced invited testimony for HB 81.

[3:52:46 PM](#)

LINDA HULBERT, representing self, Fairbanks, Alaska, testified in support of HB 81. She said she has worked in the life insurance industry for the past 35 years. She stated she consults with people who need to plan for retirement and the transfer of assets. These assets often include boats and motorhomes, which muddy up the probate process. She suggested that not having to go through probate would mitigate these issues. She said that the transfer on death title process is simple and inexpensive. She opined that this process makes sense. She explained the practical benefits this change would provide her clients, including financial savings that results from avoiding probate. She stated that this method of asset transfer is efficient - and the recipient is simple to change.

[3:55:05 PM](#)

MS. HULBERT said that many Alaskans desire a straightforward estate transfer process that does not create extra work for their loved ones. She reiterated that avoiding probate is one way to achieve this goal. She emphasized that HB 81 creates an easier, more positive process for Alaskans. She suggested that the TOD should be kept on file somewhere - and others should be informed of the TOD. She stated that proper planning is key - and this requires the ability to create a TOD for a boat or motorhome. She emphasized the benefit of TOD as a part of the beneficiary designation process. She stated that many people would benefit from the simplification that HB 81 would provide.

[3:57:26 PM](#)

CHAIR KAWASAKI asked when it is necessary to go through probate.

[3:57:42 PM](#)

MS. HULBERT replied that "probate" means that someone is changing a title - and it is a question of value. She acknowledged that someone with a legal background would need to be consulted to explain this in detail and shared her understanding that probate applies to undesignated estate assets that are over \$60,000. She briefly described the probate process. She noted that this is an expensive process and shared a story to illustrate this.

[4:01:44 PM](#)

CHAIR KAWASAKI asked how simple the process is to transfer a minivan.

[4:02:17 PM](#)

SENATOR CLAMAN explained that if there is a will and no other measures to avoid probate were taken, the transfer of the title would be addressed in probate court. He noted that the intent of a transfer on death title is to avoid this, along with other mechanisms in the estate plan that are designed to avoid probate. He stated that the goal is to transfer assets (e.g. an IRA or savings account) based on instructions. He commented that not everyone has a will and briefly explained the process that occurs when the deceased did not have a will. He explained that the transfer on death title would avoid both the instance of a will that results in probate and the process that occurs when the deceased did not have a will.

[4:04:30 PM](#)

MARIAM HALL, Marketing and Communications Coordinator, Peak Trust Company, Anchorage, Alaska, testified in support of HB 81. She said that she also represents Alaska Trust and Estate Professionals (ATEP). She stated that HB 81 has the potential to reduce probate costs in Alaska and added that, with appropriate planning, would potentially reduce the administrative burden within the court system.

[4:06:00 PM](#)

CHAIR KAWASAKI opened public testimony on HB 81; finding none, he closed public testimony.

[4:07:02 PM](#)

REPRESENTATIVE RAUSCHER expressed gratitude for the hearing on HB 81. He stated that there have been several requests for this legislation, which has taken several years to draft. He explained that during this time, the scope of HB 81 was expanded to include cars and boats.

[4:07:33 PM](#)

CHAIR KAWASAKI held HB 81 in committee.

[4:08:58 PM](#)

There being no further business to come before the committee, Chair Kawasaki adjourned the Senate State Affairs Standing Committee meeting at 4:08 p.m.