



May 17, 2018

Registration and Title Bulletin # 001-18 Policy and Procedure

TO: All County Tax Assessor-Collectors and Motor Vehicle Dealers

SUBJECT: **Beneficiary Designation on Title**

PURPOSE

To inform about the new beneficiary designation established by the 85th Legislative Session.

DETAILS

Effective September 1, 2017, Senate Bill 869 enacted Transportation Code, Section 501.0315, to allow the owner(s) of a motor vehicle to designate a single beneficiary to whom ownership of the vehicle would transfer upon the death of the owner or last surviving owner.

The beneficiary designation, unlike survivorship rights, does not give the beneficiary any ownership interest in the vehicle until the death of the owner(s). As such, the beneficiary is not required to sign the title if the motor vehicle is sold, encumbered, or otherwise transferred. Further, the beneficiary designation can be added, changed, or revoked without the consent of the beneficiary.

The beneficiary designation can only be applied when all the recorded owners are individuals. Therefore, "Individual" must be selected as the Title Owner Type in the Registration and Title System (RTS) or webDEALER when adding a beneficiary. A beneficiary cannot be added to any other Title Owner Type. Additionally, if multiple individuals are listed as owners, they must have a rights of survivorship agreement recorded on the Texas title to designate a beneficiary. Joint owners and any other individuals listed as rights of survivorship on the title must all consent to the beneficiary designation. Transfer to the beneficiary can only occur upon the death of the last surviving owner.

The beneficiary designation is not valid unless recorded on the Texas title. A will does not revoke or supersede a beneficiary designation. Upon the death of the last surviving owner, the beneficiary has 180 days to apply for title in their name, but may not apply within 120 hours (5 days) of the owner's death. If the beneficiary does not apply for title within 180 days, all other operation of law transfer options are valid. A beneficiary must obtain a title in their name prior to any subsequent transfer.

We are providing the *Beneficiary Designation for a Motor Vehicle* (Form VTR-121) to facilitate the owner(s) adding, changing, or revoking a beneficiary designation. The designation may be added at the time of initial title or through a title correction and can be changed or revoked through a title correction. Adding, changing, or revoking the designation requires an *Application for Texas Title and/or Registration* (Form 130-U), Form VTR-121, valid ownership evidence and payment of the \$28 or \$33 title application fee.

Any change in ownership automatically removes the beneficiary designation. The new owner(s) may add a beneficiary to the record by completing a new Form VTR-121 in conjunction with the title transfer.

To claim the vehicle, the beneficiary must submit Form 130-U, the \$28 or \$33 title application fee, the Texas title in the deceased owner's name listing the beneficiary, and the death certificate(s) of the owner(s) listed on the title. If the Texas title in the deceased owner's name is not available, it is not necessary for the beneficiary to obtain a Texas Certified Copy of Title (CCO). In lieu of a CCO, the beneficiary may use a printout of the motor vehicle record obtained from the county tax assessor-collector. Additionally, a release of lien from the lienholder on record is required if the current record reflects a lien unless the lien carries forward.

Alternatively, a beneficiary may disclaim their interest upon the death of the owner(s) by completing a notarized affidavit. The affidavit must contain the name of the beneficiary and vehicle identification number. Transfer of the motor vehicle occurs through existing operation of law procedures if the beneficiary disclaims their interest.

COUNTY ACTION

Please review the attached Form VTR-121 including the information sections on Page 2.

When processing Form VTR-121, please ensure all sections are complete unless indicated as optional. Ensure all individuals listed as an owner or as a survivor (under rights of survivorship) have signed Form VTR-121. This applies whether adding or removing a beneficiary.

When processing an ownership transfer to the beneficiary, please ensure the last surviving owner has been deceased for more than 5 days, but not more than 180 days. Ensure a release of lien from the lienholder on record accompanies the transaction if the current record reflects a lien unless the lien carries forward.

Please ensure an ownership transfer to anyone other than the beneficiary does not occur within 180 days of the last surviving owner's death unless the beneficiary disclaims interest in the motor vehicle.

When a printout of the motor vehicle record is used in lieu of a Texas title or Texas CCO in the deceased owner's name, please select "OTHER" as the Ownership Evidence Type in RTS.

CONTACT

If you have any questions, please contact your local TxDMV Regional Service Center.

Sincerely,



Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Attachment

JK:TT:TH