# As Reported by the House Transportation and Public Safety Committee

# **132nd General Assembly**

Regular Session 2017-2018

Sub. H. B. No. 297

#### **Representative Hagan**

Cosponsors: Representatives Becker, Dean, Riedel, Vitale, Goodman, Green, Sheehy, Householder, Hughes, West

## A BILL

| То | amend sections 2131.12, 2131.13, 4519.55, and   | 1  |
|----|---|----|
|    | 4519.60 of the Revised Code to allow persons to | 2  |
|    | establish a joint ownership with right of       | 3  |
|    | survivorship with respect to an all-purpose     | 4  |
|    | vehicle or off-highway motorcycle and to allow  | 5  |
|    | owners of a motor vehicle, all-purpose vehicle, | 6  |
|    | off-highway motorcycle, watercraft, or outboard | 7  |
|    | motor who have joint ownership with right of    | 8  |
|    | survivorship to transfer title through a        | 9  |
|    | transfer-on-death designation.                  | 10 |

#### BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

| Section 1. That sections 2131.12, 2131.13, 4519.55, and         | 11 |
|---|----|
| 4519.60 of the Revised Code be amended to read as follows:      | 12 |
| Sec. 2131.12. (A) As used in this section:                      | 13 |
| (1) "Motor vehicle" has the same meaning as in section          | 14 |
| 4505.01 of the Revised Code.                                    | 15 |
| (2) "Joint ownership with right of survivorship" means a        | 16 |
| form of ownership of a motor vehicle, all-purpose vehicle, off- | 17 |

| under Chapter 1548. <u>, 4505., or 4519.</u> of the Revised Code, and if |  |  |  |  |
|--|--|--|--|--|
| one of those persons dies, the interest of the deceased person           |  |  |  |  |
| in the motor vehicle, all-purpose vehicle, off-highway                   |  |  |  |  |
| motorcycle, watercraft, or outboard motor shall pass to the              |  |  |  |  |
| survivor of them upon transfer of title to the motor vehicle—or—         |  |  |  |  |
| , all-purpose vehicle, off-highway motorcycle, watercraft, or            |  |  |  |  |
| outboard motor in accordance with section 1548.11, 4505.10, or           |  |  |  |  |
| 1548.11-4519.60 of the Revised Code. The motor vehicle, all-             |  |  |  |  |
| purpose vehicle, off-highway motorcycle, watercraft, or outboard         |  |  |  |  |
| motor shall not be considered an estate asset and shall not be           |  |  |  |  |
| included and stated in the estate inventory.                             |  |  |  |  |
|  |  |  |  |  |

#### Sec. 2131.13. (A) As used in this section:

- (1) "Designate or designation in beneficiary form" means to designate, or the designation of, a motor vehicle, an all-purpose vehicle, an off-highway motorcycle, a watercraft, or an outboard motor in a certificate of title that indicates the present owner of the motor vehicle, all-purpose vehicle, off-highway motorcycle, watercraft, or outboard motor and the intention of the present owner with respect to the transfer of ownership on the present owner's death by designating one or more persons as the beneficiary or beneficiaries who will become the owner or owners of the motor vehicle, all-purpose vehicle, off-highway motorcycle, watercraft, or outboard motor upon the death of the present owner.
- (2) "Motor vehicle" has the same meaning as in section 4505.01 of the Revised Code.
- (3) "Person" means an individual, a corporation, an73organization, or other legal entity.74
  - (4) "Transfer-on-death beneficiary or beneficiaries" means

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| certificate of title under section 1548.07, 4505.06, or 4519.55             | 105 |  |
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| of the Revised Code to designate that motor vehicle, all-purpose            | 106 |  |
| vehicle, off-highway motorcycle, watercraft, or outboard motor              |     |  |
| in beneficiary form pursuant to this section.                               |     |  |
| (C) (1) A motor vehicle, all-purpose vehicle, off-highway                   | 109 |  |
| motorcycle, watercraft, or outboard motor is designated in                  | 110 |  |
| beneficiary form if the certificate of title of the motor                   | 111 |  |
| vehicle, all-purpose vehicle, off-highway motorcycle,                       | 112 |  |
| watercraft, or outboard motor includes the name or names of the             | 113 |  |
| transfer-on-death beneficiary or beneficiaries.                             | 114 |  |
| (2) The designation of a motor vehicle, <u>all-purpose</u>                  | 115 |  |
| vehicle, off-highway motorcycle, watercraft, or outboard motor              | 116 |  |
| in beneficiary form is not required to be supported by                      | 117 |  |
| consideration, and the certificate of title in which the                    | 118 |  |
| designation is made is not required to be delivered to the                  | 119 |  |
| transfer-on-death beneficiary or beneficiaries in order for the             | 120 |  |
| designation in beneficiary form to be effective.                            | 121 |  |
| (D) The designation of a motor vehicle, <u>all-purpose</u>                  | 122 |  |
| vehicle, off-highway motorcycle, watercraft, or outboard motor              | 123 |  |
| in beneficiary form may be shown in the certificate of title by             | 124 |  |
| the words "transfer-on-death" or the abbreviation "TOD" after               | 125 |  |
| the name of the owner of a motor vehicle, <u>all-purpose vehicle</u> ,      | 126 |  |
| off-highway motorcycle, watercraft, or outboard motor and before            | 127 |  |
| the name or names of the transfer-on-death beneficiary or                   | 128 |  |
| beneficiaries.  | 129 |  |
| (E) The designation of a transfer-on-death beneficiary or                   | 130 |  |
| beneficiaries on a certificate of title has no effect on the                |     |  |
| ownership of a motor vehicle, all-purpose vehicle, off-highway              | 132 |  |
| <pre>motorcycle, watercraft, or outboard motor until the death of the</pre> | 133 |  |
| owner of the motor vehicle, all-purpose vehicle, off-highway                | 134 |  |

(G) (1) Any transfer of a motor vehicle, <u>all-purpose</u>

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a certificate of title may be filed electronically by any

electronic means approved by the registrar in any county with

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the clerk of the court of common pleas of that county.

If an application for a certificate of title is filed 195 electronically by an electronic dealer on behalf of the 196 purchaser of an off-highway motorcycle or all-purpose vehicle, 197 the clerk shall retain the completed electronic record to which 198 the dealer converted the certificate of title application and 199 other required documents. The registrar, after consultation with 200 the attorney general, shall adopt rules that govern the location 201 at which, and the manner in which, are stored the actual 202 application and all other documents relating to the sale of an 203 off-highway motorcycle or all-purpose vehicle when an electronic 204 dealer files the application for a certificate of title 205 electronically on behalf of the purchaser. 206

The application shall be accompanied by the fee prescribed 207 in section 4519.59 of the Revised Code. The fee shall be 208 retained by the clerk who issues the certificate of title and 209 shall be distributed in accordance with that section. If a clerk 210 of a court of common pleas, other than the clerk of the court of 211 common pleas of an applicant's county of residence, issues a 212 certificate of title to the applicant, the clerk shall transmit 213 data related to the transaction to the automated title 214 215 processing system.

If a certificate of title previously has been issued for 216 an off-highway motorcycle or all-purpose vehicle, the 217 application also shall be accompanied by the certificate of 218 title duly assigned, unless otherwise provided in this chapter. 219 If a certificate of title previously has not been issued for the 220 off-highway motorcycle or all-purpose vehicle, the application, 221 unless otherwise provided in this chapter, shall be accompanied 222 by a manufacturer's or importer's certificate; by a sworn 223

| statement of ownership; or by a certificate of title, bill of   | 224 |
|---|-----|
| sale, or other evidence of ownership required by law of another | 225 |
| state from which the off-highway motorcycle or all-purpose      | 226 |
| vehicle was brought into this state. The registrar, in          | 227 |
| accordance with Chapter 119. of the Revised Code, shall         | 228 |
| prescribe the types of additional documentation sufficient to   | 229 |
| establish proof of ownership, including, but not limited to,    | 230 |
| receipts from the purchase of parts or components, photographs, | 231 |
| and affidavits of other persons.                                | 232 |

If the application is made by two persons regarding an 233 off-highway motorcycle or an all-purpose vehicle in which they 234 wish to establish joint ownership with right of survivorship, 235 they may do so as provided in section 2131.12 of the Revised 236 Code. If the applicant requests a designation of the off-highway 237 motorcycle or all-purpose vehicle in beneficiary form so that 238 upon the death of the owner of the off-highway motorcycle or 239 all-purpose vehicle, ownership of the off-highway motorcycle or 240 all-purpose vehicle will pass to a designated transfer-on-death 241 beneficiary or beneficiaries, the applicant may do so as 242 provided in section 2131.13 of the Revised Code. A person who 243 establishes ownership of an off-highway motorcycle or an all-244 purpose vehicle that is transferable on death in accordance with 245 section 2131.13 of the Revised Code may terminate that type of 246 ownership or change the designation of the transfer-on-death 247 beneficiary or beneficiaries by applying for a certificate of 248 title pursuant to this section. 249

For purposes of the transfer of a certificate of title, if
the clerk is satisfied that a secured party has duly discharged
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a lien notation but has not canceled the lien notation with a
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clerk, the clerk may cancel the lien notation on the automated
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title processing system and notify the clerk of the county of
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| origin. | 255 |
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| origin. | 255 |

In the case of the sale of an off-highway motorcycle or 256 all-purpose vehicle by a dealer to a general purchaser or user, 257 the certificate of title shall be obtained in the name of the 258 purchaser by the dealer upon application signed by the 259 purchaser. In all other cases, the certificate shall be obtained 260 by the purchaser. In all cases of transfer of an off-highway 261 motorcycle or all-purpose vehicle, the application for 262 certificate of title shall be filed within thirty days after the 263 264 later of the date of purchase or assignment of ownership of the 265 off-highway motorcycle or all-purpose vehicle. If the application for certificate of title is not filed within thirty 266 days after the later of the date of purchase or assignment of 267 ownership of the off-highway motorcycle or all-purpose vehicle, 268 the clerk shall charge a late filing fee of five dollars in 269 addition to the fee prescribed by section 4519.59 of the Revised 270 Code. The clerk shall retain the entire amount of each late 271 filing fee. 272

Except in the case of an off-highway motorcycle or allpurpose vehicle purchased prior to July 1, 1999, the clerk shall
refuse to accept an application for certificate of title unless
the applicant either tenders with the application payment of all
taxes levied by or pursuant to Chapter 5739. or 5741. of the
Revised Code based on the purchaser's county of residence, or
submits either of the following:

- (A) A receipt issued by the tax commissioner or a clerk of 280 courts showing payment of the tax; 281
- (B) An exemption certificate, in any form prescribed by
  the tax commissioner, that specifies why the purchase is not
  subject to the tax imposed by Chapter 5739. or 5741. of the

Revised Code. 285

Payment of the tax shall be made in accordance with 286 division (E) of section 4505.06 of the Revised Code and any 287 rules issued by the tax commissioner. When a dealer submits 288 payment of the tax to the clerk, the dealer shall retain any 289 discount to which the dealer is entitled under section 5739.12 290 of the Revised Code. The clerk shall issue a receipt in the form 291 prescribed by the tax commissioner to any applicant who tenders 292 payment of the tax with the application for a certificate of 293 294 title. If the application for a certificate of title is for an off-highway motorcycle or all-purpose vehicle purchased prior to 295 July 1, 1999, the clerk shall accept the application without 296 payment of the taxes levied by or pursuant to Chapter 5739. or 297 5741. of the Revised Code or presentation of either of the items 298 listed in division (A) or (B) of this section. 299

For receiving and disbursing such taxes paid to the clerk 300 by a resident of the clerk's county, the clerk may retain a 301 poundage fee of one and one-hundredth per cent of the taxes 302 collected, which shall be paid into the certificate of title 303 administration fund created by section 325.33 of the Revised 304 Code. The clerk shall not retain a poundage fee from payments of 305 taxes by persons who do not reside in the clerk's county. 306

A clerk, however, may retain from the taxes paid to the 307 clerk an amount equal to the poundage fees associated with 308 certificates of title issued by other clerks of courts of common 309 pleas to applicants who reside in the first clerk's county. The 310 registrar, in consultation with the tax commissioner and the 311 clerks of the courts of common pleas, shall develop a report 312 from the automated title processing system that informs each 313 clerk of the amount of the poundage fees that the clerk is 314

permitted to retain from those taxes because of certificates of title issued by the clerks of other counties to applicants who reside in the first clerk's county.

In the case of casual sales of off-highway motorcycles or all-purpose vehicles that are subject to the tax imposed by Chapter 5739. or 5741. of the Revised Code, the purchase price for the purpose of determining the tax shall be the purchase price on an affidavit executed and filed with the clerk by the seller on a form to be prescribed by the registrar, which shall be prima-facie evidence of the price for the determination of the tax.

In addition to the information required by section 4519.57 of the Revised Code, each certificate of title shall contain in bold lettering the following notification and statements:

"WARNING TO TRANSFEROR AND TRANSFEREE (SELLER AND BUYER): You are required by law to state the true selling price. A false statement is in violation of section 2921.13 of the Revised Code and is punishable by six months imprisonment or a fine of up to one thousand dollars, or both. All transfers are audited by the department of taxation. The seller and buyer must provide any information requested by the department of taxation. The buyer may be assessed any additional tax found to be due."

The clerk shall forward all payments of taxes, less poundage fees, to the treasurer of state in a manner to be prescribed by the tax commissioner and shall furnish information to the commissioner as the commissioner may require.

Every clerk shall have the capability to transact by

electronic means all procedures and transactions relating to the

issuance of certificates of title for off-highway motorcycles

and all-purpose vehicles that are described in the Revised Code

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as being accomplished by electronic means.

Sec. 4519.60. (A) In the event of the transfer of 346 ownership of an off-highway motorcycle or all-purpose vehicle by 347 operation of law, as upon inheritance, devise, bequest, order in 348 bankruptcy, insolvency, replevin, or execution of sale, or when 349 repossession is had upon default in performance of the terms of 350 a security agreement as provided in Chapter 1309. of the Revised 351 Code, a clerk of a court of common pleas, upon the surrender of 352 the prior certificate of title or the manufacturer's or 353 354 importer's certificate, or, when that is not possible, upon presentation to the clerk of satisfactory proof of ownership and 355 rights of possession to the off-highway motorcycle or all-356 purpose vehicle, and upon payment of the fee prescribed in 357 section 4519.59 of the Revised Code and presentation of an 358 application for certificate of title, may issue to the applicant 359 a certificate of title to the off-highway motorcycle or all-360 purpose vehicle. Only an affidavit by the person or agent of the 361 person to whom possession of the off-highway motorcycle or all-362 purpose vehicle has passed, setting forth the facts entitling 363 the person to the possession and ownership, together with a copy 364 of the journal entry, court order, or instrument upon which the 365 claim of possession and ownership is founded, is satisfactory 366 proof of ownership and right of possession. If the applicant 367 cannot produce that proof of ownership, the applicant may apply 368 directly to the registrar of motor vehicles and submit the 369 evidence the applicant has, and the registrar, upon finding the 370 evidence sufficient, may authorize the clerk to issue a 371 certificate of title. If, from the records in the office of the 372 clerk, there appears to be any lien on the off-highway 373 motorcycle or all-purpose vehicle, the certificate of title 374 shall contain a statement of the lien unless the application is 375

| accompanied by proper evidence of its extinction.                |     |
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| (B) Upon the death of one of the persons who have                | 377 |
| established joint ownership with right of survivorship under     | 378 |
| section 2131.12 of the Revised Code in an off-highway motorcycle | 379 |
| or all-purpose vehicle and the presentation to the clerk of the  | 380 |
| title and the certificate of death of the deceased person, the   | 381 |
| clerk shall enter into the records the transfer of the off-      | 382 |
| highway motorcycle or all-purpose vehicle to the surviving       | 383 |
| person, and the title to the off-highway motorcycle or all-      | 384 |
| purpose vehicle immediately passes to the surviving person. The  | 385 |
| transfer does not affect any liens on the off-highway motorcycle | 386 |
| or all-purpose vehicle.  | 387 |
| (C) Upon the death of an owner of an off-highway                 | 388 |
| motorcycle or all-purpose vehicle designated in beneficiary form | 389 |
| under section 2131.13 of the Revised Code, upon application of   | 390 |
| the transfer-on-death beneficiary or beneficiaries designated    | 391 |
| pursuant to that section, and upon presentation to the clerk of  | 392 |
| the certificate of title and the certificate of death of the     | 393 |
| deceased owner, the clerk shall transfer the off-highway         | 394 |
| motorcycle or all-purpose vehicle and issue a certificate of     | 395 |
| title to the transfer-on-death beneficiary or beneficiaries. The | 396 |
| transfer does not affect any liens upon any off-highway          | 397 |
| motorcycle or all-purpose vehicle so transferred.                | 398 |
| Section 2. That existing sections 2131.12, 2131.13,              | 399 |
| 4519.55, and 4519.60 of the Revised Code are hereby repealed.    | 400 |