

OHIO LEGISLATIVE SERVICE COMMISSION

**Bill Analysis** 

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# Sub. H.B. 297\*

132nd General Assembly (As Reported by S. Local Gov't, Public Safety and Veterans Affairs)

**Reps.** Hagan, Becker, Dean, Riedel, Vitale, Goodman, Green, Sheehy, Householder, Hughes, West, Anielski, Arndt, Brown, Craig, Cupp, Dever, Gavarone, Ginter, Holmes, Landis, Lang, Leland, Manning, Miller, Pelanda, Perales, Rezabek, Rogers, Romanchuk, Ryan, Schaffer, Schuring, Seitz, Stein, Thompson, Wiggam, Young

### **BILL SUMMARY**

- Permits two persons who wish to establish joint ownership with right of survivorship to an all-purpose vehicle or off-highway motorcycle to make a joint application for the certificate of title.
- Specifies that ownership to an all-purpose vehicle or off-highway motorcycle that is titled between two owners who have joint ownership with right of survivorship passes immediately to the surviving owner upon the death of the other owner.
- Permits owners of a motor vehicle, all-purpose vehicle, off-highway motorcycle, watercraft, and outboard motor who have title through joint ownership with right of survivorship to transfer that title through a transfer-on-death designation.

### CONTENT AND OPERATION

#### Joint ownership with right of survivorship

Current law permits two persons who wish to establish joint ownership with right of survivorship to a motor vehicle, watercraft, or outboard motor to make a joint application for the certificate of title. The bill expressly extends the right to establish joint ownership with right of survivorship to two people who own an all-purpose vehicle or an off-highway motorcycle (current law is silent regarding whether a joint ownership with right of survivorship may be established for those vehicles). By having

<sup>&</sup>lt;sup>\*</sup> This analysis was prepared before the report of the Senate Local Gov't, Public Safety and Veterans Affairs Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

joint ownership with right of survivorship, if one of the owners dies, the deceased owner's interest to the all-purpose vehicle or off-highway motorcycle passes to the other owner outside of the probate process.<sup>1</sup>

#### Transfer-on-death designation

The bill permits owners of a motor vehicle, all-purpose vehicle, off-highway motorcycle, watercraft, and outboard motor who have title showing joint ownership with right of survivorship to transfer the title to a person or persons other than the owners through a transfer-on-death (TOD) designation.<sup>2</sup> Current law permits only an individual with sole ownership to transfer the title through a TOD designation and only with regard to a motor vehicle, watercraft, or outboard motor. Current law is silent regarding whether a sole owner of an all-purpose vehicle or off-highway motorcycle may transfer that vehicle through a TOD designation.<sup>3</sup>

A TOD designation is a mechanism to transfer title to property, both real property and certain forms of personal property, outside of the probate process after the owner of the property dies.<sup>4</sup> The designation is noted on the certificate of title.<sup>5</sup> Specifically, the words "transfer-on-death" or the abbreviation "TOD" is placed after the name of the current owner and before the name or names of the TOD beneficiary or beneficiaries on the certificate of title.<sup>6</sup> The designation of a TOD beneficiary or beneficiaries has no effect on the ownership until the owner dies, and the owner may change or cancel the designation at any time before his or her death.<sup>7</sup>

<sup>7</sup> R.C. 2131.13(E).

<sup>&</sup>lt;sup>1</sup> R.C. 2131.12, 4519.55, and 4519.60. Without joint ownership with right of survivorship, a motor vehicle, all-purpose vehicle, off-highway motorcycle, watercraft, or outboard motor could still potentially be transferred outside of the probate process if it were a part of a trust or a similar nonprobate asset.

<sup>&</sup>lt;sup>2</sup> R.C. 2131.13(B)(2).

<sup>&</sup>lt;sup>3</sup> R.C. 2131.13(B)(1).

<sup>&</sup>lt;sup>4</sup> R.C. 2131.13(F).

<sup>&</sup>lt;sup>5</sup> R.C. 2131.13(C)(1).

<sup>&</sup>lt;sup>6</sup> R.C. 2131.13(D).

# HISTORY

ACTION	DATE
Introduced Reported, H. Transportation & Public Safety Passed House (88-0) Reported, S. Local Gov't, Public Safety & Veterans Affairs	06-28-17 12-07-17 06-07-18

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