

CHAPTER 274
FORMERLY
HOUSE BILL NO. 293
AS AMENDED BY
HOUSE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 21 OF THE DELAWARE CODE RELATING TO MOTOR VEHICLES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 2302(a), Title 21 of the Delaware Code by making insertions as shown by underlining as follows:

§ 2302. Application for certificate of title.

(a) Every application for an original certificate of title shall be made upon the appropriate form furnished or approved by the Department and shall contain a full description of the motor vehicle including the name of the maker, the vehicle serial number or any number as may be assigned by the Department and any distinguishing marks thereon and whether the vehicle is new or used, together with a full and complete statement of each and all liens or encumbrances, if any, upon the motor vehicle. The application shall also contain a statement of the name and address of the person to whom the certificate of title shall be delivered and such other information as the Department may require. If the applicant desires a certificate of title in transfer-on-death form, the application shall contain the information required pursuant to § 2304 of this Title. Every application shall be accompanied by the required fee. Whenever a new motor vehicle is purchased from a dealer the application for a certificate of title shall also include a statement of transfer by the dealer and a certificate of origin therefor.

Section 2. Amend § 2304, Title 21 of the Delaware Code by making insertions as shown by underlining and deletions as shown by strike through as follows:

§ 2304. ~~Reserved~~. Certificate of Title; transfer-on-death.

(a) A motor vehicle may be titled in transfer-on-death form by including in the certificate of title a designation of a beneficiary or beneficiaries to whom the motor vehicle shall be transferred on death of the owner or the last to die of 2 or more owners with right of survivorship, subject to the rights of all lien holders, whether created before, simultaneously with, or after the creation of the transfer-on-death interest. A trust may be the beneficiary of a transfer-on-death certificate of title.

(b) A motor vehicle is titled in transfer-on-death form by designating in the certificate of title, the name of the sole owner, or the names of the owners who own the motor vehicle as tenants in common, tenants by the entirety or joint tenants with right of survivorship, followed in substance by the words "transfer on death to [name of beneficiary or beneficiaries]." Instead of the words "transfer on death to" the abbreviation "TOD" may be used.

(c) The transfer-on-death beneficiary or beneficiaries shall have no interest in the motor vehicle until the death of the owner or the last to die of all multiple owners with right of survivorship. A beneficiary designation may be changed at any time by the owner or all then surviving multiple owners with right of survivorship, without the consent of the beneficiary or beneficiaries, by filing an application for a subsequent certificate of title.

(d) Ownership of a motor vehicle titled in transfer-on-death form, for which an application for a subsequent certificate of title has not been filed, shall vest in the designated beneficiary or beneficiaries on the death of the owner or the last to die of all multiple owners with right of survivorship, subject to the rights of all lien holders. If no beneficiary survives the death of the owner or the last to die of all multiple owners with right of survivorship, then such interest in the motor vehicle belongs to the estate of the deceased owner or the last to die of all multiple owners with right of survivorship.

(e) A certificate of title in transfer-on-death form shall not be considered a testamentary disposition.

Section 3. Amend § 2306(b), Title 21 of the Delaware Code by making insertions as shown by underlining as follows:

§ 2306. Certificate of title; issuance.

(b) The certificate of title shall also contain a space for the signature of the owner in order to validate the same and forms for assignment of title or interest and warranty thereof by the owner with a space for notation of liens and encumbrances upon the vehicle at the time of a transfer. If an owner has elected to have a title issued in transfer-on-death form, then the title shall also contain the designations made by the owner pursuant to § 2304 of this Title.

Section 4. Amend § 2506, Title 21 of the Delaware Code by making insertions as shown by underlining as follows:

§ 2506. Transfer by operation of law; duty of transferee.

In the event of the transfer by operation of law of the title or interest of an owner in and to a vehicle as upon transfer-on-death, inheritance, devise or bequest, order in bankruptcy or insolvency or execution sale, the registration thereof shall expire and the vehicle shall not be operated upon the highways until and unless the person entitled thereto applies for and obtains the registration and inspection thereof and a transfer of title therefor. The surviving spouse, the child or children of any deceased person and the immediate members of the deceased's family residing in the household, after giving due and proper notice to the Department in such manner and on such form as may be provided therefor by the Department, may operate such vehicle and the current registration thereof shall continue in full force and effect until normal expiration thereof at which time the registration of such vehicle shall expire. An administrator, executor, trustee or other representative of the owner, or a sheriff or other officer or the assignee or legal representative of any such person may operate or cause to be operated any vehicle upon the

highways for a distance not exceeding 125 miles from the place where formerly kept by the owner, to a garage, warehouse or other place of keeping or storage, upon displaying upon such vehicle the number plates issued for it and obtaining a temporary or limited permit for such operation as provided by this title.

Section 5. This Act shall take effect 180 days after its enactment into law.

Approved June 26, 2012