

SUBJECT: Expanding survivorship agreements on automobile and mobile home titles.

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 8 ayes — Brimer, Dukes, Corte, George, Ritter, Siebert, Solomons, Woolley
0 nays
1 absent — Giddings

WITNESSES: For — Bill Cummings, Texas Silver Haired Legislature; Allan Rushing, Tax Assessor-Collectors Association of Texas; Max Wheeler, Tax Assessor-Collectors Association of Texas
Against — None

BACKGROUND: Texas Transportation Code Sec. 501.031 allows right of survivorship agreements on automobile titles between husband and wife. If a survivorship agreement is signed by the spouses, a vehicle registered in either or both of their names can only be transferred by the spouses acting jointly as long as they are both alive. When one spouses dies, the other spouse may transfer ownership of the vehicle by presenting the survivorship agreement and a copy of the death certificate. A survivorship agreement can be revoked only by joint application of the spouses. The Texas Department of Transportation is required to include right of survivorship forms with every certificate of title.

The Texas Manufactured Housing Standards Act (Art. 5221f, VACS) allows the same survivorship agreements for manufactured home titles.

DIGEST: CSHB 381 would extend the ability to enter a right of survivorship agreement on the title to a motor vehicle or manufactured home to any two or more persons, not just spouses.

CSHB 381 would take effect September 1, 1999.

SUPPORTERS
SAY:

Children whose parents die now have to go through probate and other legal proceedings to gain title to the automobiles and mobile homes registered to their parents. This causes unnecessary expense and delay for the children. CSHB 381 would provide a quick and easy way for parents to leave their automobiles and mobile homes to their children.

CSHB 381 allows for right of survivorship agreements between more than two persons to account for situations such as when both parents were alive when the agreement was signed between the parents and a child, but one parent subsequently died. In this situation, the remaining parent and the child would not have to sign another right of survivorship agreement. Allowing multiple parties on a right of survivorship agreement would eliminate additional paperwork.

The bill should not limit to children or other immediate family members those persons who could be included in a survivorship agreement. A parent may want to leave the automobile or mobile home to a friend of the family or an in-law. These decisions should be left to the individuals involved.

OPPONENTS
SAY:

The right of survivorship is a special right historically granted only to married couples to avoid unnecessary legal burdens when one spouse dies. This special right should not be extended further even if children are the intended beneficiaries, and it certainly should not be extended to everyone.

OTHER
OPPONENTS
SAY:

CSHB 381 could lead to confusion since it does not anticipate the situation in which a survivorship agreement involves three or more parties and one party dies. Under CSHB 381, it is unclear whether the two or more surviving parties could transfer the ownership of the vehicle individually or if they would have to act jointly. CSHB 381 provides that transfer must be done jointly while all parties are alive, but does not specify joint action by the surviving parties when one of the parties dies.

NOTES:

The committee substitute changed the number of parties to a right of survivorship agreement from two persons to two or more persons.

The companion bill, SB 108 by Truan, is scheduled for public hearing in the Senate Jurisprudence Committee on April 7.

A similar bill, HB 3502 by Hawley, which would allow only two persons to be parties to a right of survivorship agreement and would not apply to mobile homes, is scheduled for a public hearing in the House Transportation Committee today. The companion bill, SB 1837 by Sibley, has been referred to the Senate Jurisprudence Committee.