## Local Government Mandate Statement Kentucky Legislative Research Commission 2024 Regular Session

## **Part I: Measure Information**

Bill Request #: 228							
Bill #: HB 50							
<b>Document ID #:</b> 2127							
Bill Title: AN ACT relating to the administration of estates and creating an emergency.							
Sponsor: Representative Steve Rawlings							
Unit of Government:CityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment							
Office(s) Impacted: County Clerks							
Requirement: <u>X</u> Mandatory Optional							
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing							

## Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 50 **Section 2** would create a new section of KRS Chapter 391 to authorize an individual to transfer real property located in Kentucky by transfer on death ("TOD") deed, effective at the transferor's death.

The TOD deed must be recorded before the transferor's death. A TOD deed may be revoked by instrument recorded with the county clerk of the county where the deed is recorded.

Section 7 of the bill would create a new section of KRS Chapter 391 to require each county clerk offer a form to individuals who wish to effect a TOD deed. The form set out in that Section and is titled, "Revocable Transfer On Death Deed." On the back side of the form are "Common Questions About the Use Of This Form." Section 8 would create the "Revocation Of Transfer On Death Deed" form.

**Section 22** would require the Transportation Cabinet to create a beneficiary designation form that provides for the transfer of ownership of a vehicle's title to a named beneficiary upon the death of the vehicle's owner or joint owner. The cabinet would be required to make beneficiary forms available in each county clerk's office. Upon presentation of a properly executed beneficiary form, proof of death of the vehicle's owner, proof of payment of ad valorem taxes for the current year, and the fee for the certificate of title transfer, the county clerk would be required to issue a new certificate of title to the beneficiary.

**Section 25** of HB 50 would repeal KRS 140.130, Levy of estate tax, and KRS 140.140, Payment of estate tax under protest.

**HB 50 would have a minimal positive fiscal impact on county clerks' offices**. Recording real property deeds has long been a duty of county clerks. HB 50 would not change that duty, but would have clerks recording a new kind of deed.

It is not known how many TOD deeds would be presented to county clerks for recording or revocation, but it is not expected to be a large number. The information required for a valid TOD deed is very similar to that required for a standard real property deed.

County clerks would need to be trained on the TOD deed requirements. However, county clerks already undergo monthly training so it is not likely that TOD deed training would be unduly burdensome or expensive.

Recording TOD deeds would be a source of income to county clerks just as other deeds are. According to the Kentucky County Clerks Association website (https://kentuckycountyclerks.com/recording-fees/) the current Standard Recording Fee for deeds is \$50, plus \$3.00 for each page over 5. The county clerk's office may retain \$27.00 of that amount, plus \$3.00 for postage.

Clerks are entitled to collect \$9.00 in the event of a title transfer on a vehicle; however, it is not known how many of such transfers upon death may occur.

Data Source(s):		Kentucky	y County	Clerks Association; LRC Staff		
Preparer:	Jacob	Blevins (M	IS)	Reviewer:	Date:	1/8/23