



Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

February 12, 2026

BILL NUMBER: **HOUSE BILL 174**

SHORT TITLE: **MOTOR VEHICLES AND MARINE VESSELS - TRANSFER-ON-DEATH DESIGNATIONS**

DEPARTMENT'S POSITION: **SUPPORT**

EXPLANATION OF DEPARTMENT'S POSITION

This legislation will allow for more enhanced customer service by giving individuals the ability to designate a beneficiary on their vessel title. The bill also expands the statute to allow multiple co-owners collectively and/or the last surviving co-owner to make beneficiary changes to their vessel title.

The Motor Vehicle Administration's ("MVA") system allows an individual to designate a transfer-on-death ("TOD") beneficiary on the certificate of title for the motor vehicle. This allows for a streamlined title transfer process in the case of the last surviving co-owner's death.

DNR does not have the authority to incorporate TODs into the initial registration process for vessels. Therefore, an individual or multiple individuals who co-own a vessel as joint tenants with right of survivorship, looking to transfer a title after the passing of their loved one, either the sole owner or the last surviving co-owner, must obtain additional paperwork from their local Register of Wills office to complete the transfer. This often results in back-and-forth with the individual as they navigate this process, and can be confusing as it differs from the process associated with vehicles. By granting this same authority to the Department of Natural Resources for vessel titles, it aligns with MDOT's policies and makes it easier for sole owners or multiple individuals who co-own a vessel as joint tenants with right of survivorship to transfer ownership of a vessel.

BACKGROUND INFORMATION

Under current law, upon the death of a sole vessel owner or last surviving co-owner, the ownership of the vessel reverts to the estate of the decedent. In order to transfer a vessel title, the Executor of the Estate is required to obtain a Letter of Administration from the Register of Wills. The department would then need to see the original version of that letter, in addition to the Certificate of Title for the vessel in order to complete the transfer.

The Department of Natural Resources (DNR) does not have the authority under current law to offer the option to name a beneficiary on a vessel's certificate of title.

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BILL EXPLANATION

This bill would allow sole vessel owners or multiple individuals who co-own a vessel as joint tenants with right of survivorship the ability to designate a beneficiary on their vessel title for ease of vessel ownership transfer upon the vessel owner's death. It allows the beneficiary to be changed at any time, should the current vessel owner(s) choose to do so. It also requires the beneficiary who survives the current vessel's sole owner or last surviving co-owner to put in an application to the Department to acquire a new certificate of title in their name. If the designated beneficiary does not survive the death of the sole vessel owner or the last surviving co-owner, the vessel then becomes part of the deceased sole owner or last surviving co-owner's estate.

This bill does not exempt individuals from paying an excise tax or the certificate of title fee associated with the vessel where required.