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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**House Bill 174**

Motor Vehicles and Marine Vessels – Transfer–on–Death Designations

**Support**

Each session, I agree to sponsor several bills on behalf of the Estates and Trusts Committee of the Maryland State Bar Association. HB 174 is one of the bills that I have agreed to sponsor and cross file with Senator West. The Estates and Trusts Committee represents all the estates and trusts lawyers throughout the State, and its bills are the result of extensive work and collaborative efforts by the State’s most experienced lawyers in this field.

This bill addresses what transpires following the death of the owner of motor vehicles and vessels.

Currently, Maryland law provides that an individual who is the sole owner of a motor vehicle may designate a beneficiary in the Motor Vehicle Administration’s system. The so-called “transfer on death” or TOD designation will then appear on the certificate of title for the motor vehicle. Upon the death of the sole owner, the vehicle will not be a part of the probate estate. Instead, the beneficiary can retitle the motor vehicle directly through the MVA. Avoiding probate in these situations is convenient and enables the heirs of a decedent to get on with their lives quickly and without the hassles of dealing with the probate court. Other assets that can pass automatically without going through probate if properly titled are checking and savings accounts, brokerage accounts, and residences.

Turning to vessels, the law in Maryland currently fails to enable the owner of a vessel to designate a beneficiary and thereby avoid probate as to the vessel after the death of the owner. House Bill 174 has been introduced to deal with two issues. First, under the motor vehicle laws, if a vehicle is owned by two people either as joint tenants or as tenants by the entirety, there is no mechanism in the law currently for them to designate a beneficiary and thus avoid probate at the death of the survivor of the two co-owners. Second, the owner or owners of a vessel have no mechanism available to them at all to designate a beneficiary and thereby avoid probate.

House Bill 174 rectifies this situation by authorizing the sole owner or the co-owners of a marine vessel to apply to the Department of Natural Resources to designate a beneficiary to take ownership of the vessel upon the death of the sole owner or upon the death of the survivor of the co-owners. The bill also alters transfer-on-death designations for motor vehicles to allow two individuals who co-own a vehicle to designate a beneficiary who, once again, will take ownership of the vehicle upon the death of the sole owner or upon the death of the survivor of the co-owners.

If passed, this bill will save both time and money for the beneficiaries of Maryland estates. Enabling vehicles and vessels to pass to beneficiaries in the same way that bank accounts, brokerage accounts and residences can currently pass to beneficiaries without going through the time and expense of probate will be a salutary development.