

SENATE BILL 998

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0lr2298
CF HB 55

By: **Senator Lee**

Introduced and read first time: February 6, 2020

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Vessels – Certificate of Title – Transfer-on-Death Beneficiary Designation**

3 FOR the purpose of requiring that a certificate of title issued for a vessel by the Department
4 of Natural Resources contain a certain notation indicating a beneficiary under
5 certain circumstances; requiring that an application for a certificate of title for a
6 vessel contain certain information on a beneficiary under certain circumstances;
7 authorizing a sole owner of a vessel to designate a beneficiary to take ownership of
8 the vessel on the death of the owner; providing that a beneficiary may be indicated
9 on a certificate of title for a vessel in a certain manner; providing that designating a
10 beneficiary does not affect ownership of a vessel until the death of the owner;
11 authorizing the owner of a vessel to cancel or change the designation of a beneficiary
12 without the consent of the beneficiary; providing that the designation of a beneficiary
13 is not required to be supported by consideration and the certificate of title for which
14 the designation is made is not required to be delivered to a designated beneficiary
15 for the designation to be effective; establishing that, on the death of an owner of a
16 vessel who has designated a beneficiary, ownership passes to the surviving
17 beneficiary under certain circumstances; requiring a beneficiary to apply for a new
18 certificate of title on the death of the owner within a certain time period; establishing
19 certain requirements for an application for a certificate of title by a beneficiary;
20 providing for the disposition of a vessel if a designated beneficiary does not survive
21 the owner of a vessel; authorizing the Department to charge a certain fee for issuing
22 a certificate of title to a beneficiary; authorizing the Department to adopt certain
23 regulations; providing for the construction of this Act; making conforming changes;
24 and generally relating to the designation of beneficiaries on certificates of title for a
25 vessel.

26 BY repealing and reenacting, without amendments,
27 Article – Natural Resources
28 Section 8–715(a)
29 Annotated Code of Maryland
30 (2012 Replacement Volume and 2019 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Natural Resources
3 Section 8–715(b) and (e) and 8–720(a)
4 Annotated Code of Maryland
5 (2012 Replacement Volume and 2019 Supplement)

6 BY adding to
7 Article – Natural Resources
8 Section 8–715.1
9 Annotated Code of Maryland
10 (2012 Replacement Volume and 2019 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
12 That the Laws of Maryland read as follows:

13 **Article – Natural Resources**

14 8–715.

15 (a) Except as provided in subsection (d) of this section, any owner of a vessel
16 principally used on the waters of the State and to be numbered shall apply to the
17 Department for a certificate of title for the vessel.

18 (b) **(1)** Each certificate of title shall contain the information and shall be issued
19 in a form the Department prescribes.

20 **(2) IF APPLICABLE, A CERTIFICATE OF TITLE SHALL CONTAIN A**
21 **NOTATION INDICATING THE DESIGNATION OF A TRANSFER–ON–DEATH**
22 **BENEFICIARY UNDER § 8–715.1 OF THIS SUBTITLE.**

23 (e) Every owner of a vessel subject to titling under the provisions of this subtitle
24 shall apply to the Department for issuance of a certificate of title for the vessel within 30
25 days after acquisition. The application shall be on forms the Department prescribes, and
26 accompanied by the required fee and tax. The application shall be signed and sworn to
27 before a notary public or other person who administers oaths, or a certification signed in
28 writing containing substantially the representation that statements made are true and
29 correct to the best of the applicant’s knowledge, information, and belief, under penalty of
30 perjury. The application shall contain the date of sale and gross price of the vessel or the
31 fair market value if no sale immediately preceded the transfer, and any additional
32 information the Department requires. If the application is made for a vessel last previously
33 registered or titled in another state or foreign country, the application shall contain this
34 information and any other the Department requires. **IF THE SOLE INDIVIDUAL OWNER**
35 **OF A VESSEL DESIGNATES A TRANSFER–ON–DEATH BENEFICIARY UNDER § 8–715.1**
36 **OF THIS SUBTITLE, THE APPLICATION SHALL CONTAIN THE NAME AND MAILING**
37 **ADDRESS OF THE BENEFICIARY.**

1 8-715.1.

2 (A) AN INDIVIDUAL WHO IS THE SOLE OWNER OF A VESSEL MAY APPLY TO
3 THE DEPARTMENT TO DESIGNATE A BENEFICIARY TO TAKE OWNERSHIP OF THE
4 VESSEL ON THE DEATH OF THE OWNER.

5 (B) THE DESIGNATION OF A BENEFICIARY MAY BE SHOWN BY THE WORDS
6 "TRANSFER-ON-DEATH" OR THE ABBREVIATION "TOD" AFTER THE NAME OF THE
7 REGISTERED OWNER ON A CERTIFICATE OF TITLE.

8 (C) (1) THE DESIGNATION OF A BENEFICIARY FOR A VESSEL DOES NOT
9 AFFECT THE OWNERSHIP OF THE VESSEL UNTIL THE DEATH OF THE OWNER OF THE
10 VESSEL.

11 (2) THE OWNER OF A VESSEL MAY CANCEL OR CHANGE THE
12 DESIGNATION OF A BENEFICIARY AT ANY TIME WITHOUT THE CONSENT OF THE
13 BENEFICIARY BY APPLYING TO THE DEPARTMENT.

14 (D) THE DESIGNATION OF A BENEFICIARY IS NOT REQUIRED TO BE
15 SUPPORTED BY CONSIDERATION, AND THE CERTIFICATE OF TITLE OF THE VESSEL
16 FOR WHICH THE DESIGNATION IS MADE IS NOT REQUIRED TO BE DELIVERED TO THE
17 BENEFICIARY IN ORDER FOR THE DESIGNATION TO BE EFFECTIVE.

18 (E) ON THE DEATH OF THE OWNER OF A VESSEL WHO HAS DESIGNATED A
19 BENEFICIARY, OWNERSHIP OF THE VESSEL SHALL PASS TO THE BENEFICIARY IF THE
20 BENEFICIARY SURVIVES THE OWNER.

21 (F) (1) A DESIGNATED BENEFICIARY WHO SURVIVES THE OWNER SHALL
22 APPLY TO THE DEPARTMENT FOR A NEW CERTIFICATE OF TITLE FOR THE VESSEL
23 WITHIN 30 DAYS AFTER THE DEATH OF THE OWNER.

24 (2) AN APPLICATION FOR A CERTIFICATE OF TITLE BY A BENEFICIARY
25 FOLLOWING THE DEATH OF THE OWNER SHALL INCLUDE:

26 (I) THE ORIGINAL CERTIFICATE OF TITLE DESIGNATING THE
27 BENEFICIARY;

28 (II) A DEATH CERTIFICATE FOR THE DECEASED OWNER;

29 (III) PROOF OF THE IDENTITY OF THE BENEFICIARY; AND

30 (IV) ANY APPLICABLE TAXES OR FEES.

1 **(G) IF A DESIGNATED BENEFICIARY DOES NOT SURVIVE THE DEATH OF THE**
2 **OWNER, THE VESSEL IS PART OF THE ESTATE OF THE DECEASED OWNER.**

3 **(H) THIS SECTION DOES NOT LIMIT THE RIGHTS OF CREDITORS OF VESSEL**
4 **OWNERS AGAINST BENEFICIARIES AND OTHER TRANSFEREES UNDER OTHER LAWS**
5 **OF THE STATE.**

6 **(I) THE DEPARTMENT MAY CHARGE A FEE, NOT TO EXCEED ITS COSTS, FOR**
7 **ISSUING A CERTIFICATE OF TITLE UNDER THIS SECTION.**

8 **(J) THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THIS**
9 **SECTION.**

10 8-720.

11 (a) If ownership of a vessel is transferred by operation of law, such as by
12 inheritance, **A TRANSFER-ON-DEATH BENEFICIARY DESIGNATION UNDER § 8-715.1**
13 **OF THIS SUBTITLE**, order in bankruptcy, insolvency, replevin, or execution sale, the
14 transferee, within 30 days after the transferee has acquired the right to possession of the
15 vessel by operation of law, shall mail or deliver to the Department satisfactory proof of the
16 transferee's ownership as the Department requires, together with his application for a new
17 certificate of title, and the required fee. A title tax is not required on these transactions.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2020.