

# **SB145 (House).pdf**

Uploaded by: Christopher West

Position: FAV

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Judicial Proceedings Committee



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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

March 31, 2026

The Maryland State House Environment and Transportation Committee  
The Honorable Marc Korman  
250 Taylor House Office Building  
Annapolis, Maryland 21401

**RE: Senate Bill 145 – Motor Vehicles and Marine Vessels – Transfer-on-Death Designations**

Chair Korman, Vice-Chair Guyton, and Members of the Environment and Transportation Committee,

This is one of the bills this year that I agreed to sponsor on behalf of the Estates and Trusts Committee of the Maryland State Bar Association. The Estates and Trusts Committee represents all of the estates and trusts lawyers throughout the State, and its bills each year reflect a considerable amount of work by the State's most experienced lawyers in this field.

The subject of this bill is what happens to motor vehicles and vessels after the owner of the vehicle or the vessel dies.

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.

Senate Bill 145 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 at this time 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.

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Senate Bill 145 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.

The bill passed unanimously in the Senate 42-0 and it's corresponding House bill (HB174) also passed unanimously 136-0.

I appreciate the Committee's consideration of Senate Bill 145 and will be happy to answer any questions the Committee may have.

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Uploaded by: Lydia McPherson

Position: FAV



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

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March 31, 2026

**BILL NUMBER: SENATE BILL 145 - THIRD READER**

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

**DEPARTMENT'S POSITION: SUPPORT**

### **EXPLANATION OF DEPARTMENT'S POSITION**

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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**

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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**

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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.

# **SB 145\_HB 174\_ Motor Vehicles and Marine Vessels**

Uploaded by: Trudy Tibbals

Position: FAV

**SB 145/HB 174:** Motor Vehicles and Marine Vessels - Transfer-on-Death Designations: Please vote to **SUPPORT** this BIPARTISAN bill.

Dear Environment & Transportation Committee:

I am writing as a resident of Maryland to express my strong support for **SB 145/HB 174**, the Motor Vehicles and Marine Vessels - Transfer-on-Death Designations legislation. This is a sensible, bipartisan measure that modernizes Maryland law and provides practical relief to families.

Currently, Maryland allows a sole owner of a motor vehicle to designate a transfer-on-death (TOD) beneficiary. This bill thoughtfully expands that option in two important ways:

- It allows co-owners of a motor vehicle (as joint tenants with right of survivorship or tenants by the entirety) to designate a beneficiary who will receive the vehicle upon the death of the last surviving co-owner, bypassing probate.
- It extends similar TOD beneficiary designations to marine vessels (boats), for both sole owners and qualifying co-owners.

These changes will make it significantly easier and less expensive for Maryland families to pass on vehicles and boats to loved ones without the delays, legal fees, and court involvement of probate. The designation is simple, revocable at any time by the owner(s), and does not affect ownership or use of the asset during the owner's lifetime. It is fully consistent with how TOD designations already work for other assets in Maryland.

This is common-sense legislation that reduces unnecessary government and court interference in private family matters, saves families time and money, and aligns Maryland with practices in many other states. I especially appreciate that it addresses a gap for co-owned assets, which is a common situation for married couples and family members.

I respectfully urge you to **support SB 145/HB 174** and vote in favor of its final passage. Bills like this demonstrate how the General Assembly can deliver meaningful, low-cost improvements to residents' lives.

Thank you for your time and for considering this important consumer-friendly reform.

Sincerely,

Trudy Tibbals