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To: Members of Senate Judicial Proceedings Committee

From: MSBA Estate & Trust Law Section

Date: January 28, 2026

Subject: **SB 0145** – Estates and Trusts – Motor Vehicles and Marine Vessels – Transfer-on-Death Designations

Position: Support

The Estate & Trust Law Section of the Maryland State Bar Association (MSBA) **supports Senate Bill 0145 – Estates and Trusts – Motor Vehicles and Marine Vessels – Transfer-on-Death Designations.** Senate Bill 0145 creates an accessible non-probate solution for Marylanders to pass motor vehicles and marine vessels to whom they choose.

Problem with Current Law

Regarding Motor Vehicles

Maryland law (Md *Transportation* Code §13-115) currently provides that only an individual/sole owner may designate one transfer-on-death (“TOD”) beneficiary in the Motor Vehicle Administration’s (“MVA”) system on the certificate of title for the motor vehicle. The TOD beneficiary designation is non-testamentary/non-probate. If the sole owner still owns the motor vehicle, still has the same TOD beneficiary designation and the TOD beneficiary survives the sole owner, then the TOD beneficiary can retitle to the TOD beneficiary’s name the motor vehicle directly through the MVA.

However, the problem is current Maryland law does not provide any option for co-owners (joint tenants with rights of survivorship or tenants by the entirety) to designate one transfer-on-death (“TOD”) beneficiary in the MVA’s system on the certificate of title for the motor vehicle. As a result, many owners of motor vehicles never have the opportunity to utilize the TOD beneficiary option to pass on their vehicle via non-testamentary/non-probate means. Otherwise, to pass a motor vehicle via non-testamentary/non-probate means, a certificate of title would need to be issued to the Trustee of a trust, but for many people it is impractical: 1) to make a trust or have the MVA issue certificate of title to the Trustee of a trust); or 2) the surviving co-owner later to make a TOD beneficiary designation. Another aspect of this problem is when all co-owners pass away at the same time; at that point, the opportunity to plan is over, as well.

Regarding Marine Vessels

Maryland law currently provides no option whatsoever for any owner of a marine vessel to designate a TOD beneficiary in the Department of Natural Resources (“DNR”) on the certificate of title for the marine vessel. So, the problem is even more pronounced regarding marine vessels than motor vehicles.

The complete absence in Maryland of a TOD beneficiary option for marine vessels titled through the DNR forces marine vessel owners desiring to pass a marine vessel via non-testamentary/non-probate means either: 1) to create a trust and title the marine vessel to the Trust (which again can be impractical); or 2) to add a co-owner to the certificate of title (which disregards the adverse ramifications that can come with co-owning an asset, such as if the marine vessel is sold while all co-owners are alive: the result being sale proceeds shared by all owners, even though the originating owner only intended to give the right to benefit when the originating owner dies).

How SB 0145 Solves the Problem

Regarding Motor Vehicles

SB 0145 solves this problem, as to motor vehicles, by enabling co-owners (such as spouses) to be able to designate a TOD beneficiary (such as a child of the spouses) via an MVA certificate of title while all the co-owners are still living, while still retaining the exclusive ability to sell or otherwise deal with the motor vehicle, without the TOD beneficiary’s involvement while any of the co-owners are living. As a result, a motor vehicle will be able to pass via non-testamentary/non-probate means much like other common assets, such as checking/savings accounts or brokerage accounts. This cost-effective and expedient tool can be invaluable for motor vehicles owners who desire to pass on a motor vehicle at death.

Regarding Marine Vessels

SB 0145 solves this problem by enabling TOD designations regarding marine vessels both for sole owners and for co-owners via a DNR certificate of title. As a result, non-testamentary/non-probate means will be available regarding marine vessels the same as already is available for motor vehicles (i.e., a sole owner of a motor vehicle already can designate a TOD beneficiary), as well as will be available to co-owners (i.e., this legislation makes TOD beneficiary designation available both to co-owners of motor vehicles and co-owners of marine vessels). The same as described for motor vehicles above, this cost-effective and expedient tool can be invaluable for marine vessel owners who desire to pass on a marine vessel at death.

For the reasons stated above, the Estate & Trust Law Section of the MSBA **supports SB 0145 and urges a favorable committee report.**

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