

HOUSE BILL 954

M1
HB 55/20 – ENT

2lr1833

By: **Delegate Clark**

Introduced and read first time: February 10, 2022

Assigned to: Environment and Transportation

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 notation indicating a transfer–on–death beneficiary
5 under certain circumstances; authorizing a sole owner of a vessel to designate a
6 beneficiary to take ownership of the vessel on the death of the owner; authorizing
7 the owner of a vessel to cancel or change the designation of a beneficiary without the
8 consent of the beneficiary; providing for the disposition of a vessel if a designated
9 beneficiary does not survive the owner of a vessel; and generally relating to the
10 designation of transfer–on–death beneficiaries on certificates of title for vessels.

11 BY repealing and reenacting, without amendments,
12 Article – Natural Resources
13 Section 8–715(a)
14 Annotated Code of Maryland
15 (2012 Replacement Volume and 2021 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Natural Resources
18 Section 8–715(b) and (e) and 8–720(a)
19 Annotated Code of Maryland
20 (2012 Replacement Volume and 2021 Supplement)

21 BY adding to
22 Article – Natural Resources
23 Section 8–715.1
24 Annotated Code of Maryland
25 (2012 Replacement Volume and 2021 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Natural Resources

1
2 8–715.

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

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

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

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

26 **8–715.1.**

27 **(A) AN INDIVIDUAL WHO IS THE SOLE OWNER OF A VESSEL MAY APPLY TO**
28 **THE DEPARTMENT TO DESIGNATE A BENEFICIARY TO TAKE OWNERSHIP OF THE**
29 **VESSEL ON THE DEATH OF THE OWNER.**

30 **(B) THE DESIGNATION OF A BENEFICIARY MAY BE SHOWN BY THE WORDS**
31 **“TRANSFER-ON-DEATH” OR THE ABBREVIATION “TOD” AFTER THE NAME OF THE**
32 **REGISTERED OWNER ON A CERTIFICATE OF TITLE.**

33 **(C) (1) THE DESIGNATION OF A BENEFICIARY FOR A VESSEL DOES NOT**
34 **AFFECT THE OWNERSHIP OF THE VESSEL UNTIL THE DEATH OF THE OWNER OF THE**
35 **VESSEL.**

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

4 **(D) THE DESIGNATION OF A BENEFICIARY IS NOT REQUIRED TO BE**
5 **SUPPORTED BY CONSIDERATION, AND THE CERTIFICATE OF TITLE OF THE VESSEL**
6 **FOR WHICH THE DESIGNATION IS MADE IS NOT REQUIRED TO BE DELIVERED TO THE**
7 **BENEFICIARY FOR THE DESIGNATION TO BE EFFECTIVE.**

8 **(E) ON THE DEATH OF THE OWNER OF A VESSEL WHO HAS DESIGNATED A**
9 **BENEFICIARY, OWNERSHIP OF THE VESSEL SHALL PASS TO THE BENEFICIARY IF THE**
10 **BENEFICIARY SURVIVES THE OWNER.**

11 **(F) (1) A DESIGNATED BENEFICIARY WHO SURVIVES THE OWNER SHALL**
12 **APPLY TO THE DEPARTMENT FOR A NEW CERTIFICATE OF TITLE FOR THE VESSEL**
13 **WITHIN 30 DAYS AFTER THE DEATH OF THE OWNER.**

14 **(2) AN APPLICATION FOR A CERTIFICATE OF TITLE BY A BENEFICIARY**
15 **FOLLOWING THE DEATH OF THE OWNER SHALL INCLUDE:**

16 **(I) THE ORIGINAL CERTIFICATE OF TITLE DESIGNATING THE**
17 **BENEFICIARY;**

18 **(II) A DEATH CERTIFICATE FOR THE DECEASED OWNER;**

19 **(III) PROOF OF THE IDENTITY OF THE BENEFICIARY; AND**

20 **(IV) ANY APPLICABLE TAXES OR FEES.**

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

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

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

28 **(J) THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THIS**
29 **SECTION.**

1 8-720.

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

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2022.