

HOUSE BILL 492

R4

7lr0413

By: **Delegates Carr, Anderton, Cullison, Dumais, Flanagan, Fraser-Hidalgo, Gutierrez, Healey, McCray, and Stein**

Introduced and read first time: January 27, 2017

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2017

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of requiring that an application for a certificate of title of a motor vehicle
4 contain certain information on ~~beneficiaries~~ a beneficiary under certain
5 circumstances; requiring that a certificate of title issued for a motor vehicle by the
6 Motor Vehicle Administration contain ~~certain information on a certain notation~~
7 indicating ~~beneficiaries~~ a beneficiary under certain circumstances; authorizing a sole
8 owner of a motor vehicle to ~~apply for a certificate of title designating~~ designate a
9 beneficiary ~~or beneficiaries~~ on the death of the owner; providing that a beneficiary
10 ~~or beneficiaries~~ may be indicated on a motor vehicle certificate of title in a certain
11 manner; providing that designating a beneficiary ~~or beneficiaries~~ does not affect
12 ownership of a motor vehicle until the owner's death; authorizing the owner of a
13 motor vehicle to remove or alter the designation of a beneficiary ~~on the motor~~
14 ~~vehicle's certificate of title~~ without the consent of the beneficiary; providing that the
15 designation of a beneficiary ~~or beneficiaries on a certificate of title~~ is not required to
16 be supported by consideration ~~or~~ and the certificate of title for which the designation
17 is made is not required to be delivered to a designated beneficiary for the designation
18 to be effective; establishing that, on the death of an owner of a motor vehicle who has
19 designated a beneficiary ~~or beneficiaries~~, ownership passes to the surviving
20 beneficiary ~~or beneficiaries~~; ~~providing that multiple beneficiaries hold a motor~~
21 ~~vehicle as tenants in common on the death of the owner~~; requiring a beneficiary to
22 apply for a new certificate of title on the death of the owner; establishing certain
23 requirements for an application for a certificate of title by a beneficiary; providing
24 for the disposition of a motor vehicle if ~~no designated beneficiaries~~ a designated

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



beneficiary does not survive the owner of a motor vehicle; authorizing the Administration to charge a certain fee for issuing a certificate of title to a beneficiary ~~or beneficiaries~~; authorizing the Administration to adopt certain regulations; providing for the construction of this Act; and generally relating to certificates of title for a motor vehicle.

BY repealing and reenacting, with amendments,
Article – Transportation
Section 13–104(c) and 13–107(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY adding to
Article – Transportation
Section 13–115
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

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

Article – Transportation

13–104.

(c) The application shall contain:

(1) The full name and Maryland address of the owner, including:

(i) If the owner is an individual, the owner's Maryland residence and mailing addresses;

(ii) If the owner is a business firm, association, or corporation, its federal identification number and:

1. Its business address in this State; or

2. The name and address of its resident agent in this State;

(iii) If the owner is a partnership or joint venture, the name of each partner or joint venturer;

(iv) If the owner is an unincorporated association, joint stock company, or other group described in § 6–406 of the Courts Article, the name and address of a resident agent on whom service may be made in any lawsuit arising out of the ownership, maintenance, or use of the vehicle; and

(v) If the owner is a trustee, the address of the trust in this State and the name and address of a person in this State on whom service may be made in any lawsuit arising out of the ownership, maintenance, or use of the vehicle;

(2) (i) If the owner is an individual, the owner's date of birth; and

(ii) If the owner is a partnership or joint venture, the date of birth of each partner or joint venturer;

(3) A description of the vehicle, including:

(i) To the extent that the information exists, its make, model, year, vehicle identification number, type of body, and number of cylinders;

(ii) If the vehicle is a two-stage vehicle:

1. The make and year of the first stage; and

2. The make, model, and year of the second stage;

(iii) If the vehicle is a motorcycle with an engine manufactured on or after January 1, 1977, the identifying number of the engine; and

(iv) Any other information that the Administration requires;

(4) A statement of:

(i) The applicant's title to and each security interest in the vehicle; and

(ii) The name and address of each secured party with any security interest in the vehicle and the nature and order of priority of that interest; [and]

(5) IF THE SOLE INDIVIDUAL OWNER OF A MOTOR VEHICLE DESIGNATES A TRANSFER-ON-DEATH BENEFICIARY UNDER § 13-115 OF THIS SUBTITLE, THE NAME AND MAILING ADDRESS OF EACH THE BENEFICIARY; AND

(6) Any other information that the Administration reasonably requires to determine if the owner is entitled to a certificate of title.

13-107.

(a) Each certificate of title issued for a vehicle by the Administration shall contain:

(1) The date issued;

(2) The name and Maryland address of the owner of the vehicle;

(3) The names and addresses of all secured parties, in the order of their priority as shown on the application or, if the application is based on a certificate of title, as shown on the certificate;

(4) The title number assigned to the vehicle;

(5) A description of the vehicle including, to the extent that the information exists, its make, model, year, vehicle identification number, and type of body;

(6) In the case of a vehicle returned to the manufacturer or factory branch under Title 14, Subtitle 15 of the Commercial Law Article and subsequently retitled in the State, a permanent notation that informs all subsequent transferees that:

(i) Prior to its sale to the transferee, the vehicle was returned to the manufacturer or factory branch under the Automotive Warranty Enforcement Act; and

(ii) A history of the vehicle is on file with the Administration;

(7) The classification or weight for which the vehicle is registered; [and]

(8) ~~THE NAME AND ADDRESS OF ANY~~ A NOTATION INDICATING A BENEFICIARY OR BENEFICIARIES ADDED UNDER § 13-115 OF THIS SUBTITLE; AND

(9) Any other information that the Administration determines.

13-115.

(A) AN INDIVIDUAL WHO IS THE SOLE OWNER OF A MOTOR VEHICLE MAY APPLY TO THE ADMINISTRATION TO DESIGNATE ~~ON THE MOTOR VEHICLE'S CERTIFICATE OF TITLE~~ A BENEFICIARY OR BENEFICIARIES TO TAKE OWNERSHIP OF THE MOTOR VEHICLE ON THE DEATH OF THE OWNER.

(B) THE DESIGNATION OF A BENEFICIARY ~~OR BENEFICIARIES~~ MAY BE SHOWN BY THE WORDS "TRANSFER-ON-DEATH" OR THE ABBREVIATION "TOD" AFTER THE NAME OF THE REGISTERED OWNER ~~OR BEFORE THE NAME AND ADDRESS OF A BENEFICIARY OR BENEFICIARIES~~ ON A CERTIFICATE OF TITLE.

(C) (1) THE DESIGNATION OF A BENEFICIARY ~~OR BENEFICIARIES ON A CERTIFICATE OF TITLE OF~~ FOR A MOTOR VEHICLE DOES NOT AFFECT THE OWNERSHIP OF THE MOTOR VEHICLE UNTIL THE DEATH OF THE OWNER OF THE MOTOR VEHICLE.

1 (2) THE OWNER OF A MOTOR VEHICLE MAY CANCEL OR CHANGE THE
2 DESIGNATION OF A BENEFICIARY ~~OR BENEFICIARIES ON THE MOTOR VEHICLE'S~~
3 ~~CERTIFICATE OF TITLE~~ AT ANY TIME WITHOUT THE CONSENT OF THE BENEFICIARY
4 ~~OR BENEFICIARIES~~ BY APPLYING TO THE ADMINISTRATION ~~FOR AN UPDATED~~
5 ~~CERTIFICATE OF TITLE.~~

6 (D) THE DESIGNATION OF A BENEFICIARY ~~OR BENEFICIARIES ON THE~~
7 ~~CERTIFICATE OF TITLE OF A MOTOR VEHICLE~~ IS NOT REQUIRED TO BE SUPPORTED
8 BY CONSIDERATION, AND THE CERTIFICATE OF TITLE ~~ON~~ OF THE MOTOR VEHICLE
9 FOR WHICH THE DESIGNATION IS MADE IS NOT REQUIRED TO BE DELIVERED TO THE
10 BENEFICIARY ~~OR BENEFICIARIES~~ IN ORDER FOR THE DESIGNATION TO BE
11 EFFECTIVE.

12 (E) ~~(1)~~ ON THE DEATH OF THE OWNER OF A MOTOR VEHICLE WHO HAS
13 DESIGNATED A BENEFICIARY ~~OR BENEFICIARIES~~, OWNERSHIP OF A MOTOR VEHICLE
14 SHALL PASS TO THE BENEFICIARY ~~OR BENEFICIARIES DESIGNATED UNDER THIS~~
15 ~~SECTION WHO SURVIVE THE OWNER~~ IF THE BENEFICIARY SURVIVES THE OWNER.

16 ~~(2) MULTIPLE SURVIVING BENEFICIARIES HOLD THEIR INTERESTS~~
17 ~~AS TENANTS IN COMMON.~~

18 (F) (1) A DESIGNATED BENEFICIARY ~~OR BENEFICIARIES WHO SURVIVE~~
19 SURVIVES THE OWNER SHALL APPLY TO THE ADMINISTRATION FOR A NEW
20 CERTIFICATE OF TITLE FOR THE MOTOR VEHICLE.

21 (2) AN APPLICATION FOR A CERTIFICATE OF TITLE BY A BENEFICIARY
22 ~~OR BENEFICIARIES~~ FOLLOWING THE DEATH OF THE OWNER SHALL INCLUDE:

23 (I) THE ORIGINAL CERTIFICATE OF TITLE DESIGNATING THE
24 BENEFICIARY ~~OR BENEFICIARIES~~;

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

26 (III) PROOF OF THE IDENTITY OF THE BENEFICIARY ~~OR~~
27 ~~BENEFICIARIES~~; AND

28 (IV) ANY APPLICABLE TAXES OR FEES.

29 (G) ~~IF NO BENEFICIARY SURVIVES~~ A DESIGNATED BENEFICIARY DOES NOT
30 SURVIVE THE DEATH OF THE OWNER, THE MOTOR VEHICLE IS PART OF THE ESTATE
31 OF THE DECEASED OWNER.

1 **(H) THIS SECTION DOES NOT LIMIT THE RIGHTS OF CREDITORS OF MOTOR**
2 **VEHICLE OWNERS AGAINST BENEFICIARIES AND OTHER TRANSFEREES UNDER**
3 **OTHER LAWS OF THIS STATE.**

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

6 **(J) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THIS**
7 **SECTION.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.