

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

A BILL ENTITLED

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 under certain circumstances; requiring
5 that a certificate of title issued for a motor vehicle by the Motor Vehicle
6 Administration contain certain information on beneficiaries under certain
7 circumstances; authorizing a sole owner of a motor vehicle to apply for a certificate
8 of title designating a beneficiary or beneficiaries on the death of the owner; providing
9 that a beneficiary or beneficiaries may be indicated on a motor vehicle certificate of
10 title in a certain manner; providing that designating a beneficiary or beneficiaries
11 does not affect ownership of a motor vehicle until the owner's death; authorizing the
12 owner of a motor vehicle to remove or alter the designation of a beneficiary on the
13 motor vehicle's certificate of title without the consent of the beneficiary; providing
14 that the designation of a beneficiary or beneficiaries on a certificate of title is not
15 required to be supported by consideration or required to be delivered to a designated
16 beneficiary to be effective; establishing that, on the death of an owner of a motor
17 vehicle who has designated a beneficiary or beneficiaries, ownership passes to the
18 surviving beneficiary or beneficiaries; providing that multiple beneficiaries hold a
19 motor vehicle as tenants in common on the death of the owner; requiring a
20 beneficiary to apply for a new certificate of title on the death of the owner;
21 establishing certain requirements for an application for a certificate of title by a
22 beneficiary; providing for the disposition of a motor vehicle if no designated
23 beneficiaries survive the owner of a motor vehicle; authorizing the Administration to
24 charge a certain fee for issuing a certificate of title to a beneficiary or beneficiaries;
25 authorizing the Administration to adopt certain regulations; providing for the
26 construction of this Act; and generally relating to certificates of title for a motor
27 vehicle.

28 BY repealing and reenacting, with amendments,
29 Article – Transportation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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 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 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 A MOTOR VEHICLE DOES NOT AFFECT THE OWNERSHIP OF THE MOTOR VEHICLE UNTIL THE DEATH OF THE OWNER OF THE MOTOR VEHICLE.

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

(D) THE DESIGNATION OF A BENEFICIARY OR BENEFICIARIES ON THE CERTIFICATE OF TITLE OF A MOTOR VEHICLE IS NOT REQUIRED TO BE SUPPORTED

1 BY CONSIDERATION, AND THE CERTIFICATE OF TITLE ON WHICH THE DESIGNATION
2 IS MADE IS NOT REQUIRED TO BE DELIVERED TO THE BENEFICIARY OR
3 BENEFICIARIES IN ORDER FOR THE DESIGNATION TO BE EFFECTIVE.

4 (E) (1) ON THE DEATH OF THE OWNER OF A MOTOR VEHICLE WHO HAS
5 DESIGNATED A BENEFICIARY OR BENEFICIARIES, OWNERSHIP OF A MOTOR VEHICLE
6 SHALL PASS TO THE BENEFICIARY OR BENEFICIARIES DESIGNATED UNDER THIS
7 SECTION WHO SURVIVE THE OWNER.

8 (2) MULTIPLE SURVIVING BENEFICIARIES HOLD THEIR INTERESTS
9 AS TENANTS IN COMMON.

10 (F) (1) A DESIGNATED BENEFICIARY OR BENEFICIARIES WHO SURVIVE
11 THE OWNER SHALL APPLY TO THE ADMINISTRATION FOR A NEW CERTIFICATE OF
12 TITLE FOR THE MOTOR VEHICLE.

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

15 (I) THE ORIGINAL CERTIFICATE OF TITLE DESIGNATING THE
16 BENEFICIARY OR BENEFICIARIES;

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

18 (III) PROOF OF THE IDENTITY OF THE BENEFICIARY OR
19 BENEFICIARIES; AND

20 (IV) ANY APPLICABLE TAXES OR FEES.

21 (G) IF NO BENEFICIARY SURVIVES THE DEATH OF THE OWNER, THE MOTOR
22 VEHICLE IS PART OF THE ESTATE OF THE DECEASED OWNER.

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

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

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

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