The Easy Way to Leave Your Car to a Loved One

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By Lee Carpenter

When someone dies, their car is often the first thing the heirs will ask about. Who gets it, they wonder, and how long will it take to transfer the title?

Whether the vehicle in question is a gleaming new SUV or a humble and aging hatchback, getting it to the new owner can be a priority. A car can sit for only so long before maintenance problems develop, and the deceased owner's estate will be responsible for paying insurance premiums in the meantime.

When the vehicle is part of the deceased owner's estate, the estate must generally be opened before the title can be transferred. Although the process is relatively efficient, it can take time. A death certificate must be obtained, a bond purchased, and the whereabouts of any Last Will and Testament determined.

These documents are submitted to the Register of Wills in the county where the decedent lived. Once everything is in order, the personal representative (executor) will receive "Letters of Administration," which give him or her the legal authority to deal with the car and other assets of the estate. All told the car may have to sit for days or weeks before its new owner can take possession of it.

To streamline the transfer, the Maryland MVA allows you to designate a beneficiary for your vehicle right on the title. For a nominal fee, you can have a new title prepared that names the person or business that will receive the vehicle upon your death. Under this arrangement, the car will no longer be part of your probate estate but will instead transfer to the named beneficiary regardless of what your will might say or whether your estate has even been opened.

When the time comes, the person you have named can simply visit an MVA office to transfer the title to your car. There will be no need to wait until the estate has been opened, and if the Department of Health and Mental Hygiene has been notified of your death, there won't even be the need to show a death certificate.

The MVA requires that the vehicle have only one owner and be titled in Maryland. A beneficiary can be added even if there is a lien on the vehicle. Before the car is transferred to the beneficiary, any liens must first be satisfied, or the lien holder can give the beneficiary a letter of permission to transfer ownership.

Adding a beneficiary won't affect your ownership of the vehicle during your lifetime, and you can still sell the car whenever you want. If you change your mind about who should receive the car, you can delete or change the beneficiary designation anytime. There is, however, a fee to add, delete, or change a beneficiary to a vehicle's title.

When the time comes, it won't be necessary to have the vehicle inspected if the beneficiary is your spouse, child, or parent.

Even the vehicle registration can be transferred if the new owner is a member of your immediate family. A transfer to an unmarried partner, a niece or nephew, or a friend will require the purchase of new registration plates.

Naming a beneficiary for your car is like adding a “transfer on death” provision to a bank account or designating a beneficiary on a life insurance policy or retirement account. These provisions can help streamline the administration of your estate, but it’s advisable to speak with an estates and trusts attorney before you get started.

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