

1 HB179  
2 115502-5  
3 By Representatives Thigpen, Harper and Beasley  
4 RFD: Government Operations  
5 First Read: 12-JAN-10

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ENROLLED, An Act,

To amend Sections 32-8-2, 32-8-6, 32-8-31, 32-8-32, 32-8-36, and 32-8-64, Code of Alabama 1975, relating to motor vehicle titles; to clarify the definitions of new vehicle and used vehicle; to provide for the fees the Department of Revenue charges for certain records relating to motor vehicle titles and registrations; to provide for the privacy of certain records; to authorize the department to prescribe the manner of payment of fees; to allow the exemption of certain vehicles from titling; to require that a motor vehicle be physically inspected, with certain exceptions, by the license plate issuing official prior to registering the vehicles; to standardize value for titles issued under surety bonds; and to provide alternative methods for lien releases when a lienholder is no longer in business.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 32-8-2, 32-8-6, 32-8-31, 32-8-32, 32-8-36, and 32-8-64, Code of Alabama 1975, are amended to read as follows:

"§32-8-2.

"For the purpose of this chapter, the following terms shall have the meanings respectively ascribed to them in this section, except where the context clearly indicates a different meaning:

1           "(1) CURRENT ADDRESS. A new address different from  
2 the address shown on the application or on the certificate of  
3 title. The owner, within 30 days after the address is changed  
4 from that shown on the application or on the certificate of  
5 title, shall notify the department of the change of address in  
6 the manner prescribed by the department.

7           "(2) DEALER. A person licensed as an automobile or  
8 motor vehicle dealer, or travel trailer dealer and engaged  
9 regularly in the business of buying, selling or exchanging  
10 motor vehicles, trailers, semitrailers, trucks, tractors or  
11 other character of commercial or industrial motor vehicles, or  
12 travel trailers in this state, and having in this state an  
13 established place of business.

14           "(3) DEPARTMENT. The Department of Revenue of this  
15 state.

16           "(4) DESIGNATED AGENT. Each judge of probate,  
17 commissioner of licenses, director of revenue, or other county  
18 official in this state authorized and required by law to issue  
19 motor vehicle license tags, who may perform his or her duties  
20 under this chapter personally or through his or her deputies,  
21 or such other persons located in this state, as the department  
22 may designate; the term shall also mean those "dealers" as  
23 herein defined who are appointed by the department as provided  
24 in Section 32-8-34 to perform the duties of "designated agent"  
25 for the purposes of this chapter; the "dealers" may perform

1 their duties under this chapter either personally or through  
2 any of their officers or employees.

3 "(5) IMPLEMENT OF HUSBANDRY. Every vehicle designed  
4 and adapted exclusively for agricultural, horticultural, or  
5 livestock raising operations or for lifting or carrying an  
6 implement of husbandry and in either case not subject to  
7 licensing or registration if used upon the highways.

8 "(6) LIEN. Every kind of written lease which is  
9 substantially equivalent to an installment sale or which  
10 provides for a right of purchase, conditional sale,  
11 reservation of title, deed of trust, chattel mortgage, trust  
12 receipt, and every written agreement or instrument of whatever  
13 kind or character whereby an interest other than absolute  
14 title is sought to be held or given on a motor vehicle.

15 "(7) LIENHOLDER. Any person, firm, copartnership,  
16 association, or corporation holding a lien as herein defined  
17 on a motor vehicle.

18 "(8) MANUFACTURER. Any person regularly engaged in  
19 the business of manufacturing, constructing, assembling,  
20 importing, or distributing new motor vehicles, either within  
21 or without this state.

22 "(9) MOTOR VEHICLE. The term shall include all of  
23 the following:

24 "a. Every automobile, motorcycle, mobile trailer,  
25 semitrailer, truck, truck tractor, trailer and other device

1 that is self-propelled or drawn, in, upon, or by which any  
 2 person or property is or may be transported or drawn upon a  
 3 public highway except such as is moved by animal power or used  
 4 exclusively upon stationary rails or tracks.

5 "b. Every trailer coach and travel trailer  
 6 manufactured upon a chassis or undercarriage as an integral  
 7 part thereof drawn by a self-propelled vehicle.

8 "(10) NEW VEHICLE. A motor vehicle that has never  
 9 been the subject of a first sale for use by a new car dealer  
 10 as defined in Section 40-12-390 or an equivalently licensed  
 11 dealer in another state and includes, among others, vehicles  
 12 maintained in a dealer's inventory, vehicles provided by the  
 13 manufacturer or dealer for use by participants in charity,  
 14 sporting, or other special events, vehicles used for drivers'  
 15 education, and vehicles delivered to customers that were  
 16 subsequently returned to the dealer without a registration  
 17 being issued on the vehicle.

18 "(11) NONRESIDENT. Every person who is not a  
 19 resident of this state.

20 "(12) OWNER. A person, other than a lienholder,  
 21 having the property in or title to a vehicle. The term  
 22 includes a person entitled to the use and possession of a  
 23 vehicle subject to a security interest in another person, but  
 24 excludes a lessee under a lease not intended as security.  
 25 Under any lease-purchase or installment sales agreement where

1 a governmental agency, either city, county or state, is the  
2 lessee or purchaser with a security interest or right to  
3 purchase, the lessee or purchaser shall be the owner for  
4 purposes of this chapter.

5 "(13) PERSON. The term shall include every natural  
6 person, firm, copartnership, association, or corporation.

7 "(14) PICKUP TRUCK. A truck with not more than two  
8 axles and a gross weight not exceeding 12,000 pounds.

9 "(15) POLE TRAILER. Every vehicle without motive  
10 power designed to be drawn by another vehicle and attached to  
11 the towing vehicle by means of a reach or pole, or by being  
12 boomed or otherwise secured to the towing vehicle, and  
13 ordinarily used for transporting long or irregularly shaped  
14 loads such as logs, poles, pipes, boats, or structural members  
15 capable generally of sustaining themselves as beams between  
16 the supporting connections.

17 "(16) SCRAP METAL PROCESSOR. Any person, firm, or  
18 corporation engaged in the business of buying scrap vehicles,  
19 automotive parts, or other metallic waste by weight to process  
20 the material into scrap metal for remelting purposes, who  
21 utilizes machinery and equipment for processing and  
22 manufacturing ferrous and nonferrous metallic scrap into  
23 prepared grades, and whose principal product is metallic  
24 scrap.

1           "(17) SCRAP VEHICLE. Any vehicle that has been  
2 crushed or flattened by mechanical means or which has been  
3 otherwise damaged to the extent that it cannot economically be  
4 repaired or made roadworthy.

5           "(18) SECURITY AGREEMENT. A written agreement that  
6 reserves or creates a security interest.

7           "(19) SECURITY INTEREST. An interest in a vehicle  
8 reserved or created by agreement and which secures payment or  
9 performance of an obligation. The term includes the interest  
10 of a lessor under a lease intended as security. A security  
11 interest is "perfected" when it is valid against third parties  
12 generally, subject only to specific statutory exceptions.

13           "(20) SPECIAL MOBILE EQUIPMENT. Every vehicle not  
14 designed or used primarily for the transportation of persons  
15 or property and only incidentally operated or moved over the  
16 highway, including but not limited to: ditch-digging  
17 apparatus; well-boring apparatus; road construction and  
18 maintenance machinery such as asphalt spreaders, bituminous  
19 mixers, bucket loaders, tractors other than truck tractors,  
20 ditchers, leveling graders, finishing machines, motor graders,  
21 road rollers, scarifiers, earth-moving carryalls and scrapers,  
22 power shovels and draglines, and self-propelled cranes; and  
23 earth-moving equipment. The term does not include manufactured  
24 homes, dump trucks, truck-mounted transit mixers, cranes, or

1 shovels or other vehicles designed for the transportation of  
2 persons or property to which machinery has been attached.

3 "(21) STATE. A state, territory, or possession of  
4 the United States, the District of Columbia, the Commonwealth  
5 of Puerto Rico, or a province of the Dominion of Canada.

6 "(22) TRAVEL TRAILER. A vehicle without motive  
7 power, designed and constructed as a camping vehicle or a  
8 temporary dwelling, living, or sleeping place and designed to  
9 be drawn or pulled on the highway, but not including folding  
10 or collapsible camping trailers as defined in this section.

11 "(23) USED VEHICLE. A motor vehicle that has been  
12 the subject of a first sale for use, whether within this state  
13 or elsewhere or is being sold by a used motor vehicle dealer  
14 as defined in Section 40-12-390.

15 "(24) UTILITY TRAILER. A vehicle without motive  
16 power designed to be drawn by a passenger car or pickup truck,  
17 including folding or collapsible camping trailers.

18 "(25) VEHICLE IDENTIFICATION NUMBER. The numbers and  
19 letters on a motor vehicle designated by the manufacturer or  
20 assigned by the department for the purpose of identifying the  
21 motor vehicle .

22 "§32-8-6.

23 "(a) There shall be paid to the department for  
24 issuing and processing documents required by this chapter a



1 fee of fifteen dollars (\$15) for each of the following  
2 transactions:

3 "(1) Each application for certificate of title;

4 "(2) Each application for replacement or corrected  
5 certificate of title;

6 "(3) Each application for certificate of title after  
7 transfer.

8 "(4) Each notice of security interest;

9 "(5) Each assignment by lienholder;

10 "(6) Each application for ordinary certificate of  
11 title upon surrender of a distinctive certificate; or

12 "(7) Each application for ~~information as to the~~  
13 ~~status of~~ the title ~~of~~ history on a vehicle.

14 "(b) The designated agents shall add the sum of one  
15 dollar fifty cents (\$1.50) for each transaction, as specified  
16 in subsection (a), processed for which this fee is charged to  
17 be retained as the agent's commission for services rendered,  
18 and all other fees collected shall be remitted to the  
19 department in a manner prescribed by the department.

20 "(c) If more than one transaction is involved in any  
21 application on a single vehicle and if supported by all  
22 required documents, the fee charged by the department and by  
23 the designated agent for processing and issuing shall be  
24 considered as only one transaction for which the designated  
25 agent shall receive and retain one dollar fifty cents (\$1.50)

1 and shall collect and remit to the department fifteen dollars  
2 (\$15).

3 "(d) Every transaction shall be accompanied by the  
4 fee specified in this chapter, regardless of whether the title  
5 is issued electronically or not, unless specifically exempted  
6 by this chapter.

7 "(e) Notwithstanding any other provisions of this  
8 section, when any motor vehicle record, as prescribed by the  
9 department, is requested, other than a title history as  
10 provided in subdivision (7) of subsection (a), and the record  
11 is provided electronically or in the form of a printout of an  
12 electronic record, the fee shall be five dollars (\$5). The  
13 five dollar (\$5) fee shall be distributed as follows: Fifty  
14 percent shall be distributed to the State General Fund and the  
15 remaining 50 percent shall be retained by the department for  
16 use solely by the Motor Vehicle Division of the department for  
17 training, technological, and processing improvements.

18 "(f) The department may establish and charge a fee  
19 not greater than the fee provided in subsection (e) for motor  
20 vehicle records obtained through the national motor vehicle  
21 title information system and provided to end users. The fee  
22 shall be retained by the department for use solely by the  
23 motor division of the department for costs associated with  
24 providing the records, training, technological, and processing  
25 improvements.

1           "(g) All motor vehicle title records, registration  
2 records, and any other motor vehicle records as designated by  
3 the department containing personal information as defined  
4 under state or federal law, rules, or regulations shall only  
5 be released by the department in accordance with such laws,  
6 rules, or regulations. The department may establish procedures  
7 to insure that all motor vehicle record disclosures are  
8 handled in a uniform manner.

9           "(h) The department may prescribe the method of  
10 payment of any fees required under this chapter.

11           "§32-8-31.

12           "No certificate of title shall be issued under this  
13 chapter for any of the following:

14           "(1) A vehicle owned by the United States or any  
15 agency thereof.

16           "(2) A vehicle owned by a manufacturer or dealer and  
17 held for sale, even though incidentally moved on the highway  
18 or used for purposes of testing or demonstration, or a vehicle  
19 used by a manufacturer solely for testing.

20           "(3) A vehicle owned by a nonresident of this state  
21 and not required by law to be registered in this state.

22           "(4) A vehicle for which the Alabama license plate  
23 issuing official has verified that both the current owner ~~or~~  
24 and operator is recorded ~~as the owner or operator~~ on a  
25 currently effective certificate of title issued by another

1 state and the certificate of title is being held by a recorded  
2 lienholder.

3 "(5) A vehicle moved solely by animal power.

4 "(6) An implement of husbandry.

5 "(7) Special mobile equipment.

6 "(8) A pole trailer.

7 "(9) Travel trailers, and mobile trailers designated  
8 1989 year models and prior year models.

9 "(10) A manufactured home as defined in Section  
10 32-20-2.

11 "(11) Utility trailers other than moving collapsible  
12 and folding campers designated 1990 and subsequent year  
13 models.

14 "(12) A vehicle designated a 1974 year model or  
15 prior year model.

16 "(13) Any other vehicles as prescribed by the  
17 department.

18 "§32-8-32.

19 "(a) No motor vehicle license (or license plate)  
20 shall be issued and no motor vehicle license (or license  
21 plate) shall be transferred for use on a motor vehicle  
22 required to be titled under this chapter except on  
23 presentation by the owner to the license plate issuing  
24 official, the copy of an application for a certificate of  
25 title to such vehicle, or a certificate of title to such

1 vehicle; provided however, this section shall not apply  
2 thereafter to the renewal of such license by such owner of  
3 such motor vehicle.

4 "(b) No motor vehicle license or license plate shall  
5 be issued and no motor vehicle license or license plate shall  
6 be transferred for use on a motor vehicle not required to be  
7 titled under this chapter, other than a vehicle subject to  
8 registration pursuant to Section 32-6-56 or a vehicle that has  
9 been registered in this state during the current year or  
10 previous two calendar years until the license plate issuing  
11 official has physically inspected the vehicle and verified  
12 that the vehicle identification number on the vehicle is the  
13 same as the vehicle identification number on the documents  
14 required to register the vehicle; provided, however, this  
15 section shall not apply thereafter to the renewal of such  
16 license by such owner of such motor vehicle.

17 "(c) The provisions of subsection (b) shall not  
18 apply to all utility trailers and to 1975 and subsequent year  
19 motor vehicles owned by a manufacturer or dealer and held for  
20 sale or vehicles registered under the provisions of Section  
21 40-12-264(b) or Section 40-12-264(g).

22 "§32-8-36.

23 "If the department is not satisfied as to the  
24 ownership of the vehicle or that there are no undisclosed

1 security interests in it, the department may accept the  
 2 application but shall either:

3 "(1) Withhold issuance of a certificate of title  
 4 until the applicant presents documents reasonably sufficient  
 5 to satisfy the department as to the applicant's ownership of  
 6 the vehicle and that there are no undisclosed security  
 7 interests on it; or

8 "(2) As a condition of issuing a certificate of  
 9 title, require the applicant to file with the department a  
 10 bond in the form prescribed by the department and executed by  
 11 the applicant, and ~~either accompanied by the deposit of cash~~  
 12 ~~with the department or also~~ executed by a person authorized to  
 13 conduct a surety business in this state. The bond shall be in  
 14 an amount ~~equal to one and one-half times the value of the~~  
 15 ~~vehicle as determined~~ prescribed by the department and  
 16 conditioned to indemnify any prior owner and lienholder and  
 17 any subsequent purchaser of the vehicle or person acquiring  
 18 any security interest in it, and their respective successors  
 19 in interest, against any expense, loss or damage, including  
 20 reasonable attorney's fees, by reason of the issuance of the  
 21 certificate of title of the vehicle or on account of any  
 22 defect in or undisclosed security interest upon the right,  
 23 title and interest of the applicant in and to the vehicle. Any  
 24 such interested person has a right of action to recover on the  
 25 bond for any breach of its conditions, but the aggregate

1 liability of the surety to all persons shall not exceed the  
2 amount of the bond. The bond, ~~and any deposit accompanying it,~~  
3 shall be returned at the end of three years or prior thereto  
4 if the vehicle is no longer registered in this state and the  
5 currently valid certificate of title is surrendered to the  
6 department, unless the department has been notified of the  
7 pendency of an action to recover on the bond.

8 "(3) The department may establish uniform bond  
9 amounts for vehicles.

10 "§32-8-64.

11 "(a) Upon the satisfaction of a security interest in  
12 a vehicle for which the certificate of title is in the  
13 possession of the lienholder, he or she shall, within 10 days  
14 after demand execute a release of his or her security  
15 interest, in the space provided therefor on the certificate or  
16 as the department prescribes, and mail or deliver the  
17 certificate and release to the next lienholder named therein,  
18 or, if none, to the owner or any person who delivers to the  
19 lienholder an authorization from the owner to receive the  
20 certificate. The owner, other than a dealer holding the  
21 vehicle for resale, shall promptly cause the certificate and  
22 release to be mailed or delivered to the department, which  
23 shall release the lienholder's rights on the certificate or  
24 issue a new certificate.

1           "(b) Upon the satisfaction of a security interest in  
2 a vehicle for which the certificate of title is in the  
3 possession of a prior lienholder, the lienholder whose  
4 security interest is satisfied shall within 10 days after  
5 demand execute a release in the form the department prescribes  
6 and deliver the release to the owner or any person who  
7 delivers to the lienholder an authorization from the owner to  
8 receive it. The lienholder in possession of the certificate of  
9 title shall either deliver the certificate to the owner, or  
10 the person authorized by him or her, for delivery to the  
11 department, or, upon receipt of the release, mail or deliver  
12 it with the certificate to the department which shall release  
13 the subordinate lienholder's rights on the certificate or  
14 issue a new certificate.

15           "(c) The department may establish alternative  
16 methods for releasing security interests when a lienholder  
17 recorded on a certificate of title is no longer in business.

18           "~~(c)~~(d) Upon receipt of the releases of security  
19 interests mentioned in subsections (a) and (b) of this  
20 section, the department shall file each release in the manner  
21 prescribed by the department and note the same upon the  
22 records of notices of security interests maintained by it."

23           Section 2. This act shall become effective on  
24 October 1, 2010, following its passage and approval by the  
25 Governor, or its otherwise becoming law.



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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 03-MAR-10.

Greg Pappas  
Clerk

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Senate

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08-APR-10

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Passed