

1 SB198
2 209159-1
3 By Senator Chesteen
4 RFD: Governmental Affairs
5 First Read: 04-FEB-21

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, when a requirement
9 exists that a written certificate or other document
10 be filed with the Department of Revenue, the
11 Commissioner of Revenue may accept a filing by
12 electronic means in lieu of a filing using a paper
13 written certificate.

14 This bill would authorize the Commissioner
15 of Revenue to waive the notarization requirements
16 associated with the filings.

17 Under existing law, designated agents of the
18 state, which include judges of probate,
19 commissioners of licenses, directors of revenue,
20 and certain other county officials, may retain a
21 commission for the processing of motor vehicle and
22 manufactured home title applications.

23 This bill would provide that when the
24 Department of Revenue processes a motor vehicle or
25 manufactured home title application, and the
26 application is not processed by a designated agent,

1 the department may collect the \$1.50 commission
2 authorized to be collected by the designated agent.

3 Under existing law, the Department of
4 Revenue may issue a replacement certificate of
5 title when the original certificate of title is
6 lost, stolen, mutilated, or destroyed or becomes
7 illegible. Also under existing law, the department
8 may not issue a new certificate of title to a
9 transferee upon application made on a replacement
10 certificate of title until 15 calendar days after
11 the issuance date of the surrendered replacement
12 title.

13 This bill would provide that, upon
14 application made on a replacement certificate, a
15 new certificate of title to a transferee may be
16 issued without a 15-day hold if the title
17 information can be verified through the National
18 Motor Vehicle Title Information System.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT
23

24 Relating to certificates of title; to amend Sections
25 32-8-3, 32-8-7, 32-8-35, 32-8-43, 32-20-3, 32-20-5, 32-20-23,
26 and 32-20-29, Code of Alabama 1975, to authorize the
27 Commissioner of Revenue to waive certain notarization

1 requirements; to authorize the Department of Revenue to
2 collect certain certificate of title application commissions;
3 and to provide further for the issuance of new certificates of
4 title under certain conditions.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. This act shall be known and may be cited
7 as the Title Modernization Act of 2021.

8 Section 2. Sections 32-8-3, 32-8-7, 32-8-35,
9 32-8-43, 32-20-3, 32-20-5, 32-20-23, and 32-20-29, Code of
10 Alabama 1975, are amended to read as follows:

11 "§32-8-3.

12 "(a) The department shall prescribe and provide
13 suitable forms of applications, certificates of title, notices
14 of security interests, and all other notices and forms
15 necessary to carry out this chapter.

16 "(b) The department may do any of the following:

17 "(1) Make necessary investigations to procure
18 information required to carry out this chapter.

19 "(2) Adopt and enforce reasonable rules to carry out
20 this chapter.

21 "(3) Assign a new identification number to a vehicle
22 if it has none, or its identification number is destroyed or
23 obliterated, or its motor is changed, and shall issue a new
24 certificate of title showing the new identification number.

25 "(4) Revoke the authority of a dealer or other
26 person appointed by the department to act as a designated
27 agent under this chapter and rules adopted thereunder when ~~it~~

1 the department finds that the dealer or other person has
2 failed to faithfully perform his or her duties under this
3 chapter or has been convicted of violating any felony
4 provisions of this chapter or of Title 40.

5 "(5) Revoke the authority of a title service
6 provider to act as an agent on behalf of persons described in
7 subdivision (22) of Section 32-8-2 when ~~it~~ the department
8 finds that the title service provider has failed to faithfully
9 perform his or her duties under this chapter and rules adopted
10 thereunder or has been convicted of violating any felony
11 provisions of this chapter or of Title 40.

12 "(c) The department, in accordance with applicable
13 privacy and confidentiality statutes, rules, and regulations,
14 may make available information concerning the status of a
15 title on any vehicle as reflected by the records in a manner
16 prescribed by the department. The department shall charge the
17 fees set forth in Section 32-8-6; provided, that no fee shall
18 be charged to Alabama law enforcement agencies or law
19 enforcement agencies of any other state when that state
20 furnishes like or similar information without charge to the
21 department or to Alabama law enforcement agencies.

22 "(d) Whenever this chapter provides that a written
23 certificate or other document is to be filed with the
24 department, the commissioner may establish procedures for and
25 accept in lieu of such paper document a filing made by
26 electronic means and may waive the notarization requirements
27 as otherwise required by this chapter. The department may also

1 establish procedures for the electronic transfer of title and
2 the recording and release of security interests. ~~Such~~ The
3 filing or transfer by electronic means shall be accepted only
4 if the content of the filing satisfies all of the requirements
5 of this chapter.

6 "§32-8-7.

7 "(a) The ~~probate~~ judge of probate or other county
8 official who is authorized and required by law to issue
9 license plates and who is required to process applications for
10 certificate of title by this chapter may collect and retain a
11 one dollar and fifty cent (\$1.50) commission fee for each
12 application processed in addition to the one dollar and fifty
13 cent (\$1.50) designated agent commission fee to further defray
14 the cost of processing and mailing of title applications.

15 "(b) When an application is not processed through a
16 designated agent, the department may collect and retain a
17 commission for each application processed by the department to
18 defray the cost associated with processing and supporting
19 electronic title applications and payments. The commission
20 amount shall be the same as the commissions provided for
21 designated agents and, in addition to all other
22 appropriations, shall be continuously appropriated to the
23 department.

24 "§32-8-35.

25 "(a) The application for the first certificate of
26 title of a vehicle in this state shall be made by the owner to

1 a designated agent, on the form the department prescribes, and
2 shall contain all of the following:

3 "(1) The current legal name, current residence, and
4 current mailing address of the owner.

5 "(2) A description of the vehicle including the
6 following data: Year, make, model, vehicle identification
7 number, type of body, the number of cylinders, color, and
8 whether new or used.

9 "(3) The date of purchase by applicant, the name and
10 address of the person from whom the vehicle was acquired, and
11 the names and addresses of any lienholders in the order of
12 their priority and the dates of their security agreements.

13 "(4) Other information that the department may
14 require.

15 "(b) If the application is for a vehicle purchased
16 from a dealer, it shall contain the name and address of any
17 lienholder holding a security interest created or reserved at
18 the time of the sale and the date of the security agreement.
19 ~~and~~ The application shall be signed by the designated agent as
20 well as the owner, and the designated agent shall forward the
21 application to the department in a manner prescribed by the
22 department.

23 "(c) If the application is for a new vehicle, it
24 shall be accompanied by the certified manufacturer's statement
25 of origin showing proper assignments to the applicant. The
26 manufacturer, upon the shipment of a motor vehicle into this

1 state, shall ~~forthwith~~ promptly furnish the dealer with a
2 certified statement of origin.

3 "(d) Each application shall contain or be
4 accompanied by the certificate of a designated agent that the
5 vehicle has been physically inspected by the agent, that the
6 vehicle identification number and descriptive data shown on
7 the application, pursuant to the requirements of ~~subsection~~
8 subdivision (a) (2), are correct, and that the agent identified
9 the person signing the application and ~~witnessed~~ verified the
10 signature.

11 "(e) If the application is for a first certificate
12 of title on a vehicle other than a new vehicle, then the
13 application shall conform with the requirements of this
14 section; except, that in lieu of the manufacturer's statement
15 of origin, the application shall be accompanied by a copy of
16 the bill of sale of the motor vehicle whereby the applicant
17 claims title or in lieu thereof certified copies of the last
18 two years' license plates and tax receipts and any other
19 information the department may reasonably require to identify
20 the vehicle and to enable the department to determine the
21 ownership of the vehicle and the existence or nonexistence of
22 security interests in it.

23 "(f) If the application refers to a vehicle last
24 previously registered in another state or country, the
25 application shall contain or be accompanied by all of the
26 following:

1 "(1) Any certificate of title issued by the other
2 state or country.

3 "(2) Any other information and documents as the
4 department may reasonably require to establish the ownership
5 of the vehicle and the existence or nonexistence of security
6 interests in it.

7 "(3) The certificate of a designated agent that the
8 vehicle has been physically inspected by him or her, that the
9 vehicle identification number and descriptive data shown on
10 the application pursuant to ~~subsection~~ subdivision (a) (2) are
11 correct, and any other proof of the identity of the vehicle as
12 the department may reasonably require.

13 "(g) Every designated agent, within 10 calendar days
14 after an application is received by him or her, shall forward
15 to the department, in a manner as prescribed by the
16 department, the fee as provided in Section 32-8-6, and the
17 application, along with any other evidence of title as may
18 have been delivered to the designated agent by the applicant.

19 "§32-8-43.

20 "(a) If a certificate of title is lost, stolen,
21 mutilated, or destroyed or becomes illegible, the first
22 lienholder or, if none, the owner or legal representative of
23 the owner named in the certificate, as shown by the records of
24 the department, shall promptly make application for and may
25 obtain a replacement upon furnishing information satisfactory
26 to the department and payment of the applicable transaction
27 fee and commissions as ~~hereinafter~~ required by this chapter.

1 The replacement certificate of title shall contain the legend,
2 "This is a replacement certificate and may be subject to the
3 rights of a person under the original certificate." It shall
4 be mailed to the first lienholder named in it, or, if none, to
5 the owner.

6 "(b) The department shall not issue a new
7 certificate of title to a transferee upon application made on
8 a replacement certificate until 15 calendar days after the
9 issuance date of the surrendered replacement title or unless
10 the title information can be verified electronically through
11 the National Motor Vehicle Title Information System.

12 "(c) A person recovering an original certificate of
13 title for which a replacement has been issued shall promptly
14 surrender the original certificate to the department.

15 "§32-20-3.

16 "(a) The department shall prescribe and provide
17 suitable forms of applications, certificates of title, notices
18 of security interests, and all other notices and forms
19 necessary to carry out ~~the provisions of~~ this chapter.

20 "(b) The department may do any of the following:

21 "(1) Make necessary investigations to procure
22 information required to carry out ~~the provisions of~~ this
23 chapter.

24 "(2) Adopt and enforce reasonable rules ~~and~~
25 ~~regulations~~ to carry out the provisions of this chapter,
26 including rules that allow alternative methods of proof of
27 satisfaction of liens.

1 "(3) Assign a new identification number to a
2 manufactured home if it has none, or its identification number
3 is destroyed or obliterated, and shall issue a new certificate
4 of title showing the new identification number.

5 "(4) Revoke the authority of a dealer or other
6 person appointed by the department to act as a designated
7 agent under this chapter when ~~it~~ the department finds that the
8 dealer or other person has failed to faithfully perform his or
9 her duties under this chapter or has been convicted of
10 violating any felony provisions of this chapter or of Title
11 40.

12 "(c) The department, in accordance with applicable
13 privacy and confidentiality statutes, rules, and regulations,
14 may make available information concerning the status of a
15 title on any manufactured home as reflected by the records in
16 a manner prescribed by the department. ~~Such~~ The information
17 supplied by the department shall be considered official only
18 if in writing. The department shall charge the fees set forth
19 in Section 32-20-4; provided, that no fee shall be charged to
20 Alabama law enforcement agencies or law enforcement agencies
21 of any other state when the state furnishes like or similar
22 information without charge to the department or to Alabama law
23 enforcement agencies.

24 "(d) Whenever this chapter provides that a written
25 certificate or other document is to be filed with the
26 department, the commissioner may establish procedures for and
27 accept in lieu of ~~such~~ the paper document a filing made by

1 electronic means and may waive notarization requirements as
2 otherwise required by this chapter. The department may also
3 establish procedures for the electronic transfer of title and
4 the recording and release of security interests. ~~Such~~ A filing
5 or transfer by electronic means shall be accepted only if the
6 content of the filing satisfies all of the requirements of
7 this chapter.

8 "§32-20-5.

9 "(a) The judge of probate or other county official
10 who is authorized and required by law to process applications
11 for certificates of title by this chapter may collect and
12 retain a one dollar and fifty cent (\$1.50) commission fee for
13 each application processed in addition to the one dollar and
14 fifty ~~cents~~ cent (\$1.50) designated agent commission fee to
15 further defray the cost of processing and mailing of title
16 application and supporting documents.

17 "(b) When an application is not processed through a
18 designated agent, the department may collect and retain a
19 commission for each application processed by the department to
20 defray the cost associated with processing and supporting
21 electronic title applications and payments. The commission
22 amount shall be the same as the commissions provided for
23 designated agents and, in addition to all other
24 appropriations, shall be continuously appropriated to the
25 department.

26 "§32-20-23.

1 "(a) The application for the certificate of title of
2 a manufactured home in this state shall be made by the owner
3 to a designated agent, on the form the department prescribes,
4 and shall contain all of the following:

5 "(1) The name, current residence, and mailing
6 address of the owner.

7 "(2) A description of the manufactured home
8 including the following data: Year, make, model, manufactured
9 home identification number, and whether new or used.

10 "(3) The date of purchase by the applicant, the name
11 and address of the person from whom the manufactured home was
12 acquired, and the names and addresses of any lienholders in
13 the order of their priority and the dates of their security
14 agreements.

15 "(4) Other information that the department may
16 require.

17 "(b) If the application is for a manufactured home
18 purchased from a dealer, ~~it~~ the application shall contain the
19 name and address of any lienholder holding a security interest
20 created or reserved at the time of the sale and the date of
21 the security agreement and shall be signed by the designated
22 agent ~~as well as~~ and the owner., ~~and the~~ The designated agent
23 shall promptly mail or deliver the application to the
24 department.

25 "(c) If the application is for a new manufactured
26 home, it shall be accompanied by the certified manufacturer's
27 statement of origin showing proper assignments to the

1 applicant. The manufacturer, upon the shipment of a
2 manufactured home into this state, shall ~~forthwith~~ promptly
3 furnish the dealer with a certified statement of origin.

4 "(d) If the application is for a used manufactured
5 home last titled in this state, it shall be accompanied by the
6 outstanding Alabama certificate of title issued under this
7 chapter or under ~~the provisions of Chapter 8 of this title.~~

8 "(e) Each application shall contain or be
9 accompanied by the certificate of a designated agent that the
10 manufactured home identification number and descriptive data
11 shown on the application, pursuant to the requirements of
12 subdivision ~~(2) of subsection (a)(2)~~, are correct, and that
13 the agent identified the person signing the application and
14 ~~witnessed~~ verified the signature.

15 "(f) If the application refers to a manufactured
16 home last previously titled in another state or country, the
17 application shall contain or be accompanied by the following:

18 "(1) Any certificate of title issued by the other
19 state or country.

20 "(2) Any other information and documents as the
21 department may reasonably require to establish the ownership
22 of the manufactured home and the existence or nonexistence of
23 security interest in it.

24 "(3) The certificate of a designated agent stating
25 that the manufactured home identification number and
26 descriptive data shown on the application pursuant to
27 subdivision ~~(2) of subsection (a)(2)~~ are correct, and any

1 other proof of the identity of the manufactured home as the
2 department may reasonably require.

3 "(g) Every designated agent, within 20 calendar days
4 after an application is received by him or her, shall forward
5 to the department, in a manner as prescribed by the
6 department, the fee as provided in Section 32-20-4, and the
7 application, along with any other evidence of title as may
8 have been delivered to the designated agent by the applicant.

9 "§32-20-29.

10 "(a) If a certificate of title issued under this
11 chapter or previously issued under Chapter 8 ~~of this title~~ is
12 lost, stolen, mutilated, or destroyed or becomes illegible,
13 the first lienholder or, if none, the owner or legal
14 representative of the owner named in the certificate, as shown
15 by the records of the department, shall promptly make
16 application for and may obtain a replacement upon furnishing
17 information satisfactory to the department and payment of the
18 applicable transaction fee and commissions as ~~hereinafter~~
19 required by this chapter. The replacement certificate of title
20 shall contain the legend, "This is a replacement certificate
21 and may be subject to the rights of a person under the
22 original certificate." It shall be mailed to the first
23 lienholder named in it, or, if none, to the owner.

24 ~~"(b) The department shall not issue a new~~
25 ~~certificate of title to a transferee upon application made on~~
26 ~~a replacement certificate until 15 calendar days after the~~
27 ~~issuance date of the surrendered replacement title.~~

1 "~~(c)~~ (b) A person recovering an original certificate
2 of title for which a replacement has been issued shall
3 promptly surrender the original certificate to the
4 department."

5 Section 3. The Department of Revenue may adopt rules
6 for the implementation and administration of this act.

7 Section 4. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.