

1 HB280  
2 173899-3  
3 By Representative Wood  
4 RFD: Public Safety and Homeland Security  
5 First Read: 23-FEB-16

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8 SYNOPSIS: Under existing statutory law, the motor  
9 vehicle title law provides for certain designated  
10 motor vehicles to be subject to the title law based  
11 on the model year of the vehicles. The Department  
12 of Revenue has further provided for exemptions from  
13 the title requirements by rule based on the age of  
14 the vehicle and has included in the exemption  
15 certain new types of vehicles, such as low speed  
16 vehicles.

17 This bill would update title requirements  
18 for motor vehicles based on the age of the vehicle  
19 including passenger vehicles, semi-trailers, travel  
20 trailers, utility trailers, and moving collapsible  
21 folding campers. The bill would also exempt the  
22 certain vehicles from title requirements.

23 The bill would also further designate the  
24 penalty when a dealer violates the law to a Class A  
25 misdemeanor.

1           The bill would also require a thirty-five  
2 day notice to the department prior to certain  
3 involuntary transfers of motor vehicles of law.

4           Amendment 621 of the Constitution of Alabama  
5 of 1901, now appearing as Section 111.05 of the  
6 Official Recompilation of the Constitution of  
7 Alabama of 1901, as amended, prohibits a general  
8 law whose purpose or effect would be to require a  
9 new or increased expenditure of local funds from  
10 becoming effective with regard to a local  
11 governmental entity without enactment by a 2/3 vote  
12 unless: it comes within one of a number of  
13 specified exceptions; it is approved by the  
14 affected entity; or the Legislature appropriates  
15 funds, or provides a local source of revenue, to  
16 the entity for the purpose.

17           The purpose or effect of this bill would be  
18 to require a new or increased expenditure of local  
19 funds within the meaning of the amendment. However,  
20 the bill does not require approval of a local  
21 governmental entity or enactment by a 2/3 vote to  
22 become effective because it comes within one of the  
23 specified exceptions contained in the amendment.

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25                           A BILL  
26                           TO BE ENTITLED  
27                           AN ACT

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2           Relating to motor vehicles and certificates of  
3 title; to amend Sections 32-8-30, as amended by Act 2015-362;  
4 32-8-31; 32-8-42; and 32-8-46, Code of Alabama 1975, to  
5 further provide title requirements for certain motor vehicles;  
6 to change the penalty for a dealer who violates the law; to  
7 require notice to the department of an involuntary transfer of  
8 a motor vehicle title by operation of law; and in connection  
9 therewith would have as its purpose or effect the requirement  
10 of a new or increased expenditure of local funds within the  
11 meaning of Amendment 621 of the Constitution of Alabama of  
12 1901, now appearing as Section 111.05 of the Official  
13 Recompilation of the Constitution of Alabama of 1901, as  
14 amended.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16           Section 1. Sections 32-8-30, as amended by Act  
17 2015-362; 32-8-31; 32-8-42; and 32-8-46 of the Code of Alabama  
18 1975, are amended to read as follows:

19           "§32-8-30.

20           "(a) Except as provided in Section 32-8-31, every  
21 owner of a motor vehicle which is in this state and which is  
22 required to be registered under the motor vehicle laws of this  
23 state and for which no certificate of title has been issued by  
24 the department, shall make application to a designated agent  
25 as herein defined for a certificate of title to the vehicle.

26           "(b) In the event that the owner's legal name, as  
27 recorded on the current certificate of title, has changed, the

1 owner shall make application for a corrected certificate of  
2 title to record the current legal name of the owner. The  
3 application for certificate of title shall be made prior to  
4 the renewal of the registration for the motor vehicle.

5 "(c) Any dealer, acting for himself or herself or  
6 another, who sells, trades or otherwise transfers any vehicle  
7 required to be titled under this chapter who does not comply  
8 with the provisions of this chapter shall be guilty of a Class  
9 A misdemeanor ~~and upon conviction shall be fined a sum not~~  
10 ~~exceeding \$500.00.~~

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 and  
24 operator is recorded as the owner and operator on a currently  
25 effective certificate of title issued by another state and the  
26 certificate of title is being held by a recorded lienholder.

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

1           "(6) An implement of husbandry.

2           "(7) Special mobile equipment.

3           "(8) A pole trailer.

4           "~~(9) Travel trailers and mobile trailers designated~~  
5 ~~1989 year models and prior year models~~ A trailer,  
6 semi-trailer, travel trailer, or moving collapsible and  
7 folding camper more than 20 model years old. This exemption is  
8 applicable on January 1 of each year and applies to a trailer,  
9 semi-trailer, travel trailer, or moving collapsible folding  
10 camper with a model year, as designated by the manufacturer,  
11 more than 20 years from the current calendar year.

12           "(10) A manufactured home as defined in Section  
13 32-20-2.

14           "(11) Utility trailers other than moving collapsible  
15 and folding campers ~~designated 1990 and subsequent year~~  
16 ~~models.~~

17           "(12) A low speed vehicle, including neighborhood  
18 electric vehicles, defined as a four-wheeled motor vehicle  
19 with a top speed of not greater than 25 miles per hour, a  
20 gross vehicle weight rating of less than 3,000 pounds, and  
21 complying with the safety standards provided in 49 C.F.R.  
22 Section 571.500.

23           "~~(12)~~ (13) A Any other motor vehicle designated a  
24 1974 year model or prior year model more than 35 model years  
25 old. This exemption is applicable on January 1 of each year  
26 and applies to all motor vehicles with a model year, as

1 designated by the manufacturer, more than 35 years from the  
2 current calendar year.

3 "(14) A mini-truck as defined in Section 40-12-240.

4 "(15) A motor-driven cycle as defined in Section  
5 32-1-1.1.

6 "~~(13)~~ (16) Any other vehicles as prescribed by the  
7 department.

8 "§32-8-42.

9 "The department shall refuse issuance of certificate  
10 of title if any required fee is not paid or if the department  
11 has reasonable grounds to believe that one of the following  
12 exists:

13 "(1) The applicant is not the owner of the vehicle.

14 "(2) The application contains a false or fraudulent  
15 statement.

16 "(3) The vehicle was not manufactured to comply with  
17 federal and state statutes, rules, and regulations governing  
18 safety, emissions, and antitheft standards in effect at the  
19 time of manufacture, and has not subsequently been modified to  
20 comply with the standards.

21 "(4) A vehicle is ~~designated a 1974 year model or~~  
22 ~~prior year model~~ exempt pursuant to Section 32-8-31.

23 "(5) The applicant fails to furnish required  
24 information or documents or any additional information the  
25 department reasonably requires.

26 "§32-8-46.

1           "(a) (1) If the interest of an owner in a vehicle  
2 passes to another other than by voluntary transfer, the  
3 transferee shall, except as hereinafter provided in subsection  
4 (b), promptly mail or deliver to a designated agent the last  
5 certificate of title, if available, and proof of the transfer,  
6 together with his or her application for a new certificate in  
7 the form the department prescribes.

8           "(2) Except as provided in subdivision (3), a person  
9 or entity initiating an involuntary transfer by operation of  
10 law in this state shall give notice of the action to the  
11 department at least 35 calendar days prior to the date of the  
12 transfer. The notice shall be in a manner as prescribed by the  
13 department and shall include all of the following:

14           "a. The contact information for the person or entity  
15 filing the notice.

16           "b. The motor vehicle's identification number, year,  
17 make, and model.

18           "c. The date, time, and location of the involuntary  
19 transfer by operation of law.

20           "(3) The notice provisions of this subsection shall  
21 not apply to a motor vehicle transferred pursuant to Chapter  
22 13 or to a motor vehicle transferred pursuant to a divorce  
23 decree.

24           "(4) The department shall maintain and appropriately  
25 index public records of motor vehicles reported to it pursuant  
26 to this subsection. The department may provide lists of the



1 vehicle identification numbers for the motor vehicles without  
2 fee in a manner as the department determines.

3 "(5) An application for certificate of title may not  
4 be issued for a motor vehicle subject to an involuntary  
5 transfer by operation of law until the notice requirements of  
6 this subsection are satisfied.

7 "(b) If the interest of the owner is terminated or  
8 the vehicle is sold under a security agreement by a lienholder  
9 named in the certificate of title, the transferee shall  
10 promptly make application to a designated agent for a new  
11 certificate in the form the department prescribes. The  
12 application shall be accompanied by the last certificate of  
13 title and an affidavit made by or on behalf of the lienholder  
14 that the vehicle was repossessed and that the interest of the  
15 owner was lawfully terminated or sold pursuant to the terms of  
16 the security agreement.

17 "If the lienholder succeeds to the interest of the  
18 owner and holds the vehicle for resale, he or she need not  
19 secure a new certificate of title but, upon transfer to  
20 another person, shall promptly mail or deliver to the  
21 transferee the certificate, affidavit and other documents  
22 required by the department. The transferee shall promptly make  
23 application to a designated agent for a new certificate in the  
24 form prescribed by the department.

25 "(c) Notwithstanding anything to the contrary  
26 contained in this section, a person holding a certificate of  
27 title whose interest in the vehicle has been extinguished or

1 transferred other than by voluntary transfer shall forthwith  
2 mail or deliver the certificate to the department upon request  
3 of the department; and the delivery of the certificate  
4 pursuant to the request of the department does not affect the  
5 rights of the person surrendering the certificate; and the  
6 action of the department in issuing a new certificate of title  
7 as provided herein is not conclusive upon the rights of an  
8 owner or lienholder named in the old certificate."

9 Section 2. Although this bill would have as its  
10 purpose or effect the requirement of a new or increased  
11 expenditure of local funds, the bill is excluded from further  
12 requirements and application under Amendment 621 because the  
13 bill defines a new crime or amends the definition of an  
14 existing crime.

15 Section 3. This act shall become effective January  
16 1, 2017, following its passage and approval by the Governor,  
17 or its otherwise becoming law.