

1 SB144
2 140209-1
3 By Senators Bedford and Ward
4 RFD: Judiciary
5 First Read: 06-FEB-13

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8 SYNOPSIS: Existing law provides that a security
9 agreement on a motor vehicle that is 12 model years
10 old or older is considered satisfied after five
11 years from the date of the security agreement.

12 This bill would reduce the period of time in
13 which the security agreement on a motor vehicle
14 that is 12 or more model years old is considered
15 satisfied to three years.

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17 A BILL

18 TO BE ENTITLED

19 AN ACT

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21 To amend Section 32-8-64.2, Code of Alabama 1975, as
22 last amended by Act 2011-633, 2011 Regular Session (Acts 2011,
23 p. 1507), to provide for the release of certain liens after
24 three years on vehicles which are 12 or more model years old.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 32-8-64.2, Code of Alabama 1975, as last amended by Act 2011-633, 2011 Regular Session (Acts 2011, p. 1507), is amended to read as follows:

"§32-8-64.2.

"(a) Except for liens and security interests listed on certificates of title for travel trailers or vehicles that weigh more than 12,000 pounds gross weight, which shall be satisfied only in conformity with Section 32-8-64, any lien or security interest shall be considered satisfied and release shall not be required after ~~five~~ three years from the date of the security agreement as recorded on the certificate of title for vehicles which are 12 or more model years old. Nothing in this section shall preclude the perfection of a lien or security agreement, or the perfection of an extension of a lien or security agreement beyond a period of ~~five~~ three years, by application for a new certificate of title on which the lien or security agreement is listed. In order to provide for the continuous perfection of a lien or security interest originally entered into for a period of more than ~~five~~ three years for a vehicle other than a travel trailer or vehicle that weighs more than 12,000 pounds gross vehicle weight, an application for a second title on which the lien or security interest is listed shall be submitted to the designated agent before ~~five~~ three years from the date of the security agreement as recorded on the original title. Otherwise, the lien or security interest shall be perfected as provided by Section 32-8-61.

"(b) The department may require that all lien releases shall be electronically submitted to the department within 10 days of the date that a lien or security interest in a motor vehicle is satisfied."

Section 2. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.