

HB233 INTRODUCED



1 HB233
2 BIR8J4J-1
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7 RFD: Financial Services
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SYNOPSIS:

Under existing law, every motor vehicle operated on the public highways of this state, with limited exceptions, must have a certificate of title. However, off-road vehicles are not required to receive a certificate of title at the time of purchase.

This bill would require every off-road vehicle manufactured on or after January 1, 2026, to receive a certificate of title at the time of purchase.

This bill would also require dealers of off-road vehicles to obtain a master dealer license and would authorize the dealer to issue certificates of title for off-road vehicles.

A BILL
TO BE ENTITLED
AN ACT

Relating to motor vehicles; to amend Sections 32-8-2, 32-8-30, and 32-8-31, Code of Alabama 1975, to provide for the requirement of a certificate of title for off-road vehicles; and to add Section 40-12-401 to the Code of Alabama 1975, to provide for the licensing requirements of dealers of off-road vehicles.



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BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 32-8-2, 32-8-30, and 32-8-31, 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~~ following meanings ~~respectively ascribed to them in this section~~, except where the context clearly indicates a different meaning:

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

(2) DEALER. A person licensed as an automobile or motor vehicle dealer, off-road vehicle dealer, or travel trailer dealer and engaged regularly in the business of buying, selling, or exchanging motor vehicles, trailers, semitrailers, trucks, tractors or other character of commercial or industrial motor vehicles, or travel trailers in this state, and having in this state an established place of business.

(3) DEPARTMENT. The Department of Revenue of this state.

(4) DESIGNATED AGENT. Each judge of probate, commissioner of licenses, director of revenue, or other county official in this state authorized and required by law to issue motor vehicle license tags, who may perform his or her duties under this chapter personally or through his or her deputies;



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the term shall also mean those dealers as herein defined who are appointed by the department as provided in Section 32-8-34 and such persons who are appointed by the department as provided in ~~subsection (c) of~~ Section 32-8-34 (c) to perform the duties of designated agent for the purposes of this chapter. Such dealers or other designated persons may perform their duties under this chapter either personally, through any of their officers or employees, or through a title service provider.

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

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

(7) LIENHOLDER. Any person, firm, copartnership, association, or corporation holding a lien on a motor vehicle.

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

(9) MOTOR VEHICLE. The term shall include all of the



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following:

a. Every automobile, motorcycle, mobile trailer, semitrailer, truck, truck tractor, trailer, and other device that is self-propelled or drawn, in, upon, or by which any person or property is or may be transported or drawn upon a public highway except such as is moved by animal power or used exclusively upon stationary rails or tracks.

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

c. Every off-road vehicle only as it relates to this chapter. An off-road vehicle dealer shall not be deemed a motor vehicle dealer for the purposes of Chapter 6.

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

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

(12) OFF-ROAD VEHICLE. a. A vehicle that is not designed and manufactured to meet Federal Motor Vehicle Safety Standards. The term includes all of the following:



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1. A motorized vehicle 60 inches or less in width, measured from the outside of the tire rim to the outside of the tire rim directly across on the vehicle, having a dry weight of 1,500 pounds or less, designed to travel on three or more non-highway tires, and manufactured for off-road use by a single operator or by an operator and not more than one passenger as provided by the manufacturer.

2. A motorized vehicle generally capable of cross-country travel 80 inches or less in width, measured from the outside of the tire rim to the outside of the tire rim directly across on the vehicle, having a dry weight of 3,500 pounds or less, designed and manufactured to travel on four or more non-highway tires for off-road use by an operator and the number of passengers as provided by the manufacturer.

b. The term does not include any electric bicycle; golf cart; low-speed vehicle; mini-truck; vehicle used for military, fire, emergency, or law enforcement purposes; motorboat; vehicle used exclusively on airport property; farm machinery, farm tractors, or other self-propelled equipment for the purpose of harvesting and transporting forest products, clearing land for planting, providing utility services and maintenance, or earth moving, construction, or mining; or self-propelled lawnmowers, snowblowers, or garden or lawn tractors while being used exclusively for their designed purposes.

~~(12)~~ (13) OWNER. A person, other than a lienholder, having the property in or title to a vehicle. The term includes a person entitled to the use and possession of a



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vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security. Under any lease-purchase or installment sales agreement where a governmental agency, either city, county, or state, is the lessee or purchaser with a security interest or right to purchase, the lessee or purchaser shall be the owner for purposes of this chapter.

~~(13)~~ (14) PERSON. The term shall include every natural person, firm, copartnership, association, or corporation.

~~(14)~~ (15) PICKUP TRUCK. A truck with not more than two axles and a gross weight not exceeding 12,000 pounds.

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

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

~~(17)~~ (18) SCRAP VEHICLE. Any vehicle that has been



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crushed or flattened by mechanical means or has been otherwise damaged to the extent that it cannot economically be repaired or made roadworthy.

~~(18)~~ (19) SECURITY AGREEMENT. A written agreement that reserves or creates a security interest.

~~(19)~~ (20) SECURITY INTEREST. An interest in a vehicle reserved or created by agreement and which secures payment or performance of an obligation. The term includes the interest of a lessor under a lease intended as security. A security interest is perfected when it is valid against third parties generally, subject only to specific statutory exceptions.

~~(20)~~ (21) SELF-PROPELLED CAMPERS OR HOUSE CARS. A self-propelled motor vehicle designed and used primarily for mobile living quarters. The living quarters on self-propelled campers or house cars are constructed as an integral part of the motor vehicle and are not detachable. Self-propelled campers or house cars are commonly known as motor homes, mobile homes, or recreational vehicles.

~~(21)~~ (22) SPECIAL MOBILE EQUIPMENT. Every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over the highway, including, but not limited to: ditch-digging apparatus; well-boring apparatus; road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth-moving carryalls and scrapers, power shovels and draglines, and self-propelled cranes; and



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earth-moving equipment. The term does not include manufactured homes, dump trucks, truck-mounted transit mixers, cranes, or shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

~~(22)~~ (23) STATE. A state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a province of the Dominion of Canada.

~~(23)~~ (24) TRANSPORTER. A person engaged regularly in the business of either of the following:

a. Facilitating the delivery of motor vehicles, mobile homes, trailer coaches, travel trailers, house trailers, semitrailers or trailers, including utility trailers, or boats between manufacturers, distributors, dealers, or persons.

b. Facilitating the delivery of special mobile equipment from the manufacturer of the equipment to a facility of a dealer.

~~(24)~~ (25) TITLE SERVICE PROVIDER. A person who is bonded under ~~subsection (d) of~~ Section 32-8-34 (d) and authorized by the department to act as an agent for a fee or other consideration on behalf of the following persons in the performance of their duties under this chapter:

a. A dealer or other designated person appointed pursuant to ~~subsection (b) or (c) of~~ Section 32-8-34 (b) or (c) as a designated agent.

b. A lienholder who appears on a certificate of title.

c. Other persons as prescribed by the department.

~~(25)~~ (26) TRAVEL TRAILER. A vehicle without motive power, designed and constructed as a camping vehicle or a



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temporary dwelling, living, or sleeping place and designed to be drawn or pulled on the highway, also known as a house trailer, but not including folding or collapsible camping trailers as defined in this section.

~~(26)~~ (27) USED VEHICLE. A motor vehicle that has been the subject of a first sale for use, whether within this state or elsewhere, or is being sold by a used motor vehicle dealer as defined in Section 40-12-390.

~~(27)~~ (28) UTILITY TRAILER. A vehicle without motive power designed to be drawn by a passenger car or pickup truck, including folding or collapsible camping trailers.

~~(28)~~ (29) VEHICLE IDENTIFICATION NUMBER. The numbers and letters on a motor vehicle designated by the manufacturer or assigned by the department for the purpose of identifying the motor vehicle."

"§32-8-30

(a) (1) Except as provided in Section 32-8-31, every owner of a motor vehicle which is in this state and which is required to be registered under the motor vehicle laws of this state and for which no certificate of title has been issued by the department, shall make application to a designated agent as herein defined for a certificate of title to the vehicle.

(2) Beginning on January 1, 2026, every owner of an off-road vehicle with a year model 2026 or after or every off-road vehicle that is manufactured with a year model 2026 or after, for which no certificate of title has been issued by the department, shall make application to a designated agent for a certificate of title.



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(b) In the event that the owner's legal name, as recorded on the current certificate of title, has changed, the owner shall make application for a corrected certificate of title to record the current legal name of the owner. The application for certificate of title shall be made prior to the renewal of the registration for the motor vehicle.

(c) Any dealer, acting for himself or herself or another, who sells, trades, or otherwise transfers any vehicle required to be titled under this chapter who does not comply with the provisions of this chapter shall be guilty of a Class A misdemeanor.

(d) The Department of Revenue may adopt rules to implement and administer this section. "

"§32-8-31

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

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

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

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

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



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certificate of title is being held by a recorded lienholder.

(5) A vehicle moved solely by animal power.

(6) An implement of husbandry.

(7) Special mobile equipment.

(8) A pole trailer.

(9) A trailer, ~~semi-trailer~~semitrailer, travel trailer, or moving collapsible and folding camper more than 20 model years old. This exemption is applicable on January 1 of each year and applies to a trailer, ~~semi-trailer~~semitrailer, travel trailer, or moving collapsible folding camper with a model year, as designated by the manufacturer, more than 20 years from the current calendar year.

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

(11) Utility trailers other than moving collapsible and folding campers.

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

~~Section~~ §571.500.

(13) Any other motor vehicle more than 35 model years old. This exemption is applicable on January 1 of each year and applies to all motor vehicles with a model year, as designated by the manufacturer, more than 35 years from the current calendar year.

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

(15) A motor-driven cycle as defined in Section



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309 32-1-1.1.

310 (16) An off-road vehicle more than 10 model years old.

311 ~~(16)~~ (17) Any other vehicles as prescribed by the
312 department."

313 Section 2. Section 40-12-401 is added to Article 8 of
314 Chapter 12 of Title 40, Code of Alabama 1975, to read as
315 follows:

316 §40-12-401

317 (a) Beginning October 1, 2025, every dealer of an
318 off-road vehicle, as defined in Section 32-8-2, shall be
319 subject to the licensing provisions of this article.

320 (b) The department may adopt rules to implement and
321 administer this section.

322 Section 3. This act shall be effective October 1, 2024.