

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

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8 SYNOPSIS: This bill would: Clarify the definitions of
9 new vehicle and used vehicle; reduce the motor
10 vehicle title records fee from \$15 to \$5 when the
11 records are provided electronically or when a
12 printout of an electronic record is provided;
13 establish a registration record fee of \$5; provide
14 for the privacy of certain records; authorize the
15 department to prescribe certain fees for records
16 obtained through the national motor vehicle
17 information system and for the manner of payment of
18 fees; permit the department to exempt vehicles from
19 titling when it is determined that it is no longer
20 cost effective to title the vehicles; no longer
21 require that the license plate issuing official
22 physically inspect utility trailers and motor
23 vehicles not subject to the title law when the
24 motor vehicles have been registered in this state
25 during the current or previous two calendar years;
26 standardize bond amount for titles issued under
27 surety bonds; and permit the department to

1 prescribe alternative methods for lien releases
2 when the lienholder is no longer in business.

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4 A BILL
5 TO BE ENTITLED
6 AN ACT

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8 To amend Sections 32-8-2, 32-8-6, 32-8-31, 32-8-32,
9 32-8-36, and 32-8-64, Code of Alabama 1975, relating to motor
10 vehicle titles; to clarify the definitions of new vehicle and
11 used vehicle; to provide for the fees the Department of
12 Revenue charges for certain records relating to motor vehicle
13 titles and registrations; to provide for the privacy of
14 certain records; to authorize the department to prescribe the
15 manner of payment of fees; to allow the exemption of certain
16 vehicles from titling; to require that a motor vehicle be
17 physically inspected, with certain exceptions, by the license
18 plate issuing official prior to registering the vehicles; to
19 standardize value for titles issued under surety bonds; and to
20 provide alternative methods for lien releases when a
21 lienholder is no longer in business.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Sections 32-8-2, 32-8-6, 32-8-31,
24 32-8-32, 32-8-36, and 32-8-64, Code of Alabama 1975, are
25 amended to read as follows:

26 "§32-8-2.

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

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

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

18 "(3) DEPARTMENT. The Department of Revenue of this
19 state.

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

1 in Section 32-8-34 to perform the duties of "designated agent"
2 for the purposes of this chapter; the "dealers" may perform
3 their duties under this chapter either personally or through
4 any of their officers or employees.

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

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

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

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

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

26 "a. Every automobile, motorcycle, mobile trailer,
27 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
26 a governmental agency, either city, county or state, is the
27 lessee or purchaser with a security interest or right to

1 purchase, the lessee or purchaser shall be the owner for
2 purposes of this chapter.

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

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

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

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

23 "(17) SCRAP VEHICLE. Any vehicle that has been
24 crushed or flattened by mechanical means or which has been
25 otherwise damaged to the extent that it cannot economically be
26 repaired or made roadworthy.

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

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

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

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

26 "(22) TRAVEL TRAILER. A vehicle without motive
27 power, designed and constructed as a camping vehicle or a

1 temporary dwelling, living, or sleeping place and designed to
2 be drawn or pulled on the highway, but not including folding
3 or collapsible camping trailers as defined in this section.

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

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

11 "(25) VEHICLE IDENTIFICATION NUMBER. The numbers and
12 letters on a motor vehicle designated by the manufacturer or
13 assigned by the department for the purpose of identifying the
14 motor vehicle .

15 "§32-8-6.

16 "(a) There shall be paid to the department for
17 issuing and processing documents required by this chapter a
18 fee of fifteen dollars (\$15) for each of the following
19 transactions:

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

21 "(2) Each application for replacement or corrected
22 certificate of title;

23 "(3) Each application for certificate of title after
24 transfer.

25 "(4) Each notice of security interest;

26 "(5) Each assignment by lienholder;

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

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

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

11 "(c) If more than one transaction is involved in any
12 application on a single vehicle and if supported by all
13 required documents, the fee charged by the department and by
14 the designated agent for processing and issuing shall be
15 considered as only one transaction for which the designated
16 agent shall receive and retain one dollar fifty cents (\$1.50)
17 and shall collect and remit to the department fifteen dollars
18 (\$15).

19 "(d) Every transaction shall be accompanied by the
20 fee specified in this chapter, regardless of whether the title
21 is issued electronically or not, unless specifically exempted
22 by this chapter.

23 "(e) Notwithstanding any other provisions of this
24 section, when any motor vehicle record, as prescribed by the
25 department, is requested, other than a title history as
26 provided in subdivision (7) of subsection (a), and the record
27 is provided electronically or in the form of a printout of an

1 electronic record, the fee shall be five dollars (\$5). The
2 five dollar (\$5) fee shall be distributed as follows: Fifty
3 percent shall be distributed to the State General Fund and the
4 remaining 50 percent shall be retained by the department for
5 use solely by the Motor Vehicle Division of the department for
6 training, technological, and processing improvements.

7 "(f) The department may establish and charge a fee
8 not greater than the fee provided in subsection (e) for motor
9 vehicle records obtained through the national motor vehicle
10 title information system and provided to end users. The fee
11 shall be retained by the department for use solely by the
12 motor division of the department for costs associated with
13 providing the records, training, technological, and processing
14 improvements.

15 "(g) All motor vehicle title records, registration
16 records, and any other motor vehicle records as designated by
17 the department containing personal information as defined
18 under state or federal law, rules, or regulations shall only
19 be released by the department in accordance with such laws,
20 rules, or regulations. The department may establish procedures
21 to insure that all motor vehicle record disclosures are
22 handled in a uniform manner.

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

25 "§32-8-31.

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

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

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

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

9 "(4) A vehicle for which the Alabama license plate
10 issuing official has verified that both the current owner ~~or~~
11 and operator is recorded ~~as the owner or operator~~ on a
12 currently effective certificate of title issued by another
13 state and the certificate of title is being held by a recorded
14 lienholder.

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

16 "(6) An implement of husbandry.

17 "(7) Special mobile equipment.

18 "(8) A pole trailer.

19 "(9) Travel trailers, and mobile trailers designated
20 1989 year models and prior year models.

21 "(10) A manufactured home as defined in Section
22 32-20-2.

23 "(11) Utility trailers other than moving collapsible
24 and folding campers designated 1990 and subsequent year
25 models.

26 "(12) A vehicle designated a 1974 year model or
27 prior year model.

1 "(13) Any other vehicles as prescribed by the
2 department.

3 "§32-8-32.

4 "(a) No motor vehicle license (or license plate)
5 shall be issued and no motor vehicle license (or license
6 plate) shall be transferred for use on a motor vehicle
7 required to be titled under this chapter except on
8 presentation by the owner to the license plate issuing
9 official, the copy of an application for a certificate of
10 title to such vehicle, or a certificate of title to such
11 vehicle; provided however, this section shall not apply
12 thereafter to the renewal of such license by such owner of
13 such motor vehicle.

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

1 "(c) The provisions of subsection (b) shall not
2 apply to all utility trailers and to 1975 and subsequent year
3 motor vehicles owned by a manufacturer or dealer and held for
4 sale or vehicles registered under the provisions of Section
5 40-12-264(b) or Section 40-12-264(g).

6 "§32-8-36.

7 "If the department is not satisfied as to the
8 ownership of the vehicle or that there are no undisclosed
9 security interests in it, the department may accept the
10 application but shall either:

11 "(1) Withhold issuance of a certificate of title
12 until the applicant presents documents reasonably sufficient
13 to satisfy the department as to the applicant's ownership of
14 the vehicle and that there are no undisclosed security
15 interests on it; or

16 "(2) As a condition of issuing a certificate of
17 title, require the applicant to file with the department a
18 bond in the form prescribed by the department and executed by
19 the applicant, and ~~either accompanied by the deposit of cash~~
20 ~~with the department or also~~ executed by a person authorized to
21 conduct a surety business in this state. The bond shall be in
22 an amount ~~equal to one and one-half times the value of the~~
23 ~~vehicle as determined~~ prescribed by the department and
24 conditioned to indemnify any prior owner and lienholder and
25 any subsequent purchaser of the vehicle or person acquiring
26 any security interest in it, and their respective successors
27 in interest, against any expense, loss or damage, including

1 reasonable attorney's fees, by reason of the issuance of the
2 certificate of title of the vehicle or on account of any
3 defect in or undisclosed security interest upon the right,
4 title and interest of the applicant in and to the vehicle. Any
5 such interested person has a right of action to recover on the
6 bond for any breach of its conditions, but the aggregate
7 liability of the surety to all persons shall not exceed the
8 amount of the bond. The bond, ~~and any deposit accompanying it,~~
9 shall be returned at the end of three years or prior thereto
10 if the vehicle is no longer registered in this state and the
11 currently valid certificate of title is surrendered to the
12 department, unless the department has been notified of the
13 pendency of an action to recover on the bond.

14 "(3) The department may establish uniform bond
15 amounts for vehicles.

16 "§32-8-64.

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

1 release to be mailed or delivered to the department, which
2 shall release the lienholder's rights on the certificate or
3 issue a new certificate.

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

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

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

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