

1 HB256
2 127359-4
3 By Representative Johnson (R)
4 RFD: Commerce and Small Business
5 First Read: 22-MAR-11

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ENROLLED, An Act,

To amend Section 40-12-264 of the Code of Alabama 1975, relating to motor vehicle dealer license plates, to limit the number of dealer license plates purchased by a licensed new motor vehicle dealer, a used motor vehicle dealer, and a new motorcycle dealer; to remove the provision allowing licensed motor vehicle wholesalers, rebuilders, and reconditioners to purchase dealer license plates; to limit the use of dealer license plates to certain individuals and to vehicles in the dealer's inventory; to permit licensed new and used motor vehicle dealers, wholesalers, rebuilders, and reconditioners to purchase dealer transit license plates; to disallow refunds of dealer license plates fees; to increase second and subsequent civil penalties for misuse of dealer and dealer transit license plates; to provide for a criminal penalty for willful misstatements in the purchase of dealer license plates; to authorize the department to deny a dealer regulatory license to a dealer who has unpaid civil penalties, and to require dealers to purchase license plates for vehicles withdrawn from inventory; and in connection therewith would have as its purpose or effect the requirement of a new or increased expenditure of local funds within the meaning of Amendment 621 of the Constitution of Alabama of 1901, now

1 appearing as Section 111.05 of the Official Recompilation of
2 the Constitution of Alabama of 1901, as amended.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-12-264, Code of Alabama 1975,
5 is amended to read as follows:

6 "§40-12-264.

7 "(a) Any person, including a motor vehicle dealer,
8 acquiring a new or used motor vehicle may be granted a grace
9 period of 20 calendar days from date of acquisition to procure
10 a license tag or plate.

11 "(b) A new or used motor vehicle dealer, ~~motor~~
12 ~~vehicle wholesaler, motor vehicle rebuilder, or motor vehicle~~
13 ~~reconditioner~~ who has a current dealer license as required by
14 Sections 40-12-51 and 40-12-391, or Section 40-12-169, may
15 purchase dealer license plates from the county license plate
16 issuing official of the county in which the business is
17 located upon presentation of a current dealer license from
18 this state and payment of the fee for a private passenger
19 automobile as provided in subdivision (1) of Section 40-12-242
20 and subsection (a) of Section 40-12-273 per dealer plate. An
21 additional \$1.75 issuance fee shall also be collected, which
22 shall be deposited into the county general fund to be used
23 exclusively for the operation of the issuing official's
24 office. Motorcycle dealers licensed pursuant to Section
25 40-12-51 or 40-12-62 may purchase motorcycle dealers' license

1 plates from the county in which the business is located upon
2 presentation of a current license from this state and payment
3 of the motorcycle registration fee as provided by subdivision
4 (2) of Section 40-12-242 and subsection (c) of Section
5 40-12-273 per license plate. The additional \$1.75 issuance fee
6 shall also be collected, which shall be deposited into the
7 county general fund to be used exclusively for the operation
8 of the issuing official's office. ~~The Dealer license plates~~
9 and motorcycle dealer license plates may only be used on
10 ~~motorcycles~~ motor vehicles owned by the dealership and being
11 held ~~for resale~~ in the inventory of the dealer. The number of
12 dealer license plates is limited as follows:

13 "(1) A licensed new motor vehicle dealer may
14 purchase a maximum of 25 dealer license plates unless the
15 dealer qualifies for additional dealer license plates as
16 provided for in subsection (4).

17 "(2) A licensed used motor vehicle dealer may
18 purchase a maximum of 10 dealer license plates unless the
19 dealer qualifies for additional dealer license plates as
20 provided for in subsection (4).

21 "(3) A licensed motorcycle dealer may purchase a
22 maximum of 10 motorcycle dealer license plates.

23 "(4) Any new or used motor vehicle dealer who
24 completes applications for certificates of title involving
25 title transfers for 1,500 or more motor vehicles in this state

1 during the previous dealer regulatory license year may
2 purchase not more than 25 additional dealer license plates.

3 "(c) Dealer license plates may be used by
4 prospective purchasers, owners, partners, corporate officers,
5 and employees of the dealership and only on vehicles owned by
6 the dealership and being held for resale at any time, by
7 anyone, for any purpose in the inventory of the dealer. Dealer
8 license plates shall not be used on vehicles that are utilized
9 by the dealership as rental or lease vehicles, tow trucks,
10 service trucks or vans, and other service vehicles. A
11 prospective purchaser shall be limited to 72 hours of use of
12 dealer license plates. All vehicles on temporary loan from a
13 motor vehicle dealer to a customer whose vehicle is being
14 serviced or repaired by the dealer or to a high school for the
15 purpose of student driver education shall be considered dealer
16 demonstrator vehicles and dealer license plates may be used on
17 these vehicles provided a fee is not charged by the dealer for
18 the use.

19 "(d) Licensed new and used motor vehicle dealers
20 selling trucks or truck tractors with more than two axles on
21 the power unit or a gross weight exceeding 26,000 pounds shall
22 allow prospective purchasers to use dealer license plates for
23 one payload trip only, and that use shall not exceed 72 hours.
24 The dealer shall provide the prospective purchaser a permit
25 fully describing the vehicle by make, model, year, and vehicle

1 identification number. The permit shall contain the complete
2 name and address of the dealership and of the prospective
3 customer and shall clearly indicate the date and time the
4 permit was issued. The permit and dealer license plate shall
5 be issued only for demonstration purposes, and shall not be
6 issued by the dealer when a vehicle is loaned or rented to an
7 operator for any other purpose.

8 "(e) A licensed new or used motor vehicle dealer or
9 wholesaler may ~~use~~ purchase a maximum of 10 dealer transit
10 license plates to be used on motor vehicles being offered for
11 sale to licensed motor vehicle dealers. Dealer transit license
12 plates may be used by the new or used motor vehicle dealer or
13 a wholesaler to display, test, demonstrate, or transport
14 vehicles within the ~~wholesale~~ inventory of the dealer or
15 wholesaler. Dealer transit license plates shall not be used on
16 service vehicles ~~owned by the wholesaler~~ including tow trucks,
17 rental, or lease vehicles. The fees for dealer transit license
18 plates shall be the same as the fees provided in subsection
19 (b) for dealer license plates.

20 "(f) A licensed motor vehicle rebuilder or motor
21 vehicle reconditioner may purchase a maximum of 10 use dealer
22 transit license plates to be used in accordance with
23 subsection (a) of Section 32-8-87.

24 "(g) Any manufacturer of private passenger
25 automobiles, motorcycles, trucks, truck tractors, or trailers,

1 ~~or manufactured homes~~ who has manufacturing facilities located
2 in this state, may procure license plates from the county
3 license plate issuing official of the county in which the
4 business is located upon payment of the private passenger
5 automobile ~~fee~~ or motorcycle fees per plate, as provided in
6 ~~subdivision~~ subdivisions (1) or (2) of Section 40-12-242 and
7 ~~subsection~~ subsections (a) or (c) of Section 40-12-273. The
8 word "manufacturer" shall appear on the license plates. The
9 license plates may be used for transporting and testing new
10 motor vehicles ~~or manufactured homes~~ owned by the
11 manufacturer.

12 " (h) The proceeds of the fees levied ~~by subsections~~
13 ~~(b) and (g)~~ in this section shall not be subject to proration.
14 The fees collected ~~under subsections (b) and (g)~~ pursuant to
15 this section shall be distributed by the county license plate
16 issuing officials in the same manner as fees for private
17 passenger automobiles and motorcycles pursuant to Sections
18 40-12-269, 40-12-270, and 40-12-274. No fees provided in this
19 section may be refunded.

20 " (i) No motor vehicle ad valorem taxes, registration
21 fees imposed by local law, or issuance fees imposed by local
22 law shall be collected by the county official who issues
23 ~~dealer or manufacturer~~ license plates pursuant to this
24 section. In addition, motor vehicle delinquency penalties and

1 interest fees shall not be applicable when issuing ~~dealer or~~
2 ~~manufacturer~~ license plates pursuant to this section.

3 "(j) Any person to whom license plates are issued
4 under this section, upon forfeiture or revocation of his or
5 her license under Section 40-12-390, et seq., or upon
6 discontinuing business, shall surrender to the ~~county license~~
7 ~~plate~~ issuing official ~~of the county in which the license~~
8 ~~plates were issued~~ all license plates ~~so~~ issued within 10
9 calendar days from the date of forfeiture or revocation of
10 license or discontinuing business.

11 "(k) ~~Dealer or manufacturer~~ Motor vehicle dealer,
12 motorcycle dealer, manufacturer, or dealer transit license
13 plates may not be used in lieu of regular issued license
14 plates as a means of avoiding the registration and ad valorem
15 tax requirements of this chapter. Any person who willfully
16 violates this section of law shall be subject to a Department
17 of Revenue penalty of ~~not less than~~ one hundred dollars (\$100)
18 for the first violation and ~~not more than three~~ five hundred
19 dollars ~~(\$300)~~ (\$500) for each subsequent violation.

20 "(l) A licensed new or used motor vehicle dealer
21 shall register any motor vehicle and purchase an Alabama
22 license plate of the proper classification for any motor
23 vehicle withdrawn from the inventory of the dealer.

1 "(m) A motor vehicle dealer, motorcycle dealer,
2 dealer transit, or manufacturer license plate may be replaced
3 in accordance with Section 40-12-265.

4 "(n) Any person who makes willful misstatements or
5 files documents with erroneous information in order to obtain
6 motor vehicle dealer, motorcycle dealer, dealer transit, or
7 manufacturer license plates shall be guilty of a Class A
8 misdemeanor subject to criminal penalties as provided by law,
9 and may be assessed a civil penalty of one thousand dollars
10 (\$1,000) by the department.

11 "(o) A new or used motor vehicle dealer, motor
12 vehicle reconditioner, motor vehicle rebuilder, or motor
13 vehicle wholesaler, licensed pursuant to Sections 40-12-51,
14 40-12-169, or 40-12-391; a motorcycle dealer, licensed
15 pursuant to Section 40-12-62; or a manufacturer of private
16 passenger automobiles, motorcycles, trucks, truck tractors, or
17 trailers, licensed pursuant to Section 40-12-87, is prohibited
18 from renewing his or her license if the new or used motor
19 vehicle dealer, motor vehicle reconditioner, motor vehicle
20 rebuilder, motor vehicle wholesaler, motorcycle dealer, or
21 manufacturer fails to pay any outstanding liabilities
22 resulting from the assessment of penalties provided in this
23 section."

24 Section 2. All laws or parts of laws which conflict
25 with this act are repealed.

1 Section 3. This act shall become effective on
2 October 1, 2011, following its passage and approval by the
3 Governor, or its otherwise becoming law.

