

1 HB548  
2 151152-1  
3 By Representative Wood  
4 RFD: Commerce and Small Business  
5 First Read: 04-APR-13

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

This bill would provide that for purposes of transferring a motor vehicle that is 12 or more model years old for the purpose of scrapping, dismantling, or destroying the motor vehicle, a lien is considered satisfied in three years and a release is not required.

This bill would require effective January 1, 2014, all lien releases to be electronically submitted to the Department of Revenue within 10 days of the release.

A BILL  
TO BE ENTITLED  
AN ACT

1           To amend Section 32-8-64.2, Code of Alabama 1975, to  
2 provide for the release of certain liens after three years on  
3 vehicles which are 12 or more model years old; and to require  
4 on a certain date for all lien releases to be electronically  
5 submitted to the Department of Revenue within 10 days of the  
6 release.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8           Section 1. Section 32-8-64.2, Code of Alabama 1975,  
9 is amended to read as follows:

10           "§32-8-64.2.

11           "(a) Except for liens and security interests listed  
12 on certificates of title for travel trailers or vehicles that  
13 weigh more than 12,000 pounds gross weight, which shall be  
14 satisfied only in conformity with Section 32-8-64, any lien or  
15 security interest shall be considered satisfied and release  
16 shall not be required after five years from the date of the  
17 security agreement as recorded on the certificate of title for  
18 vehicles which are 12 or more model years old. Nothing in this  
19 section shall preclude the perfection of a lien or security  
20 agreement, or the perfection of an extension of a lien or  
21 security agreement beyond a period of five years, by  
22 application for a new certificate of title on which the lien  
23 or security agreement is listed. In order to provide for the  
24 continuous perfection of a lien or security interest  
25 originally entered into for a period of more than five years  
26 for a vehicle other than a travel trailer or vehicle that  
27 weighs more than 12,000 pounds gross vehicle weight, an

1 application for a second title on which the lien or security  
2 interest is listed shall be submitted to the designated agent  
3 before five years from the date of the security agreement as  
4 recorded on the original title. Otherwise, the lien or  
5 security interest shall be perfected as provided by Section  
6 32-8-61.

7 "(b) For the purposes of transferring a vehicle  
8 pursuant to subdivision (2) of subsection (s) of Section  
9 32-8-87, and upon the satisfaction of all requirements of that  
10 subdivision and solely for the purposes provided in subsection  
11 (t) of Section 32-8-87, any lien or security interest shall be  
12 considered satisfied and a release shall not be required after  
13 three years from the date of the security agreement as  
14 recorded on the certificate of title for vehicles which are 12  
15 or more model years old. Nothing in this section shall  
16 preclude the perfection of a lien or security agreement, or  
17 the perfection of an extension of a lien or security agreement  
18 beyond a period of three years, by application for a new  
19 certificate of title on which the lien or security agreement  
20 is listed."

21 "(b)(c)(1) The Until January 1, 2014, the department  
22 may require that all lien releases shall be electronically  
23 submitted to the department within 10 days of the date that a  
24 lien or security interest in a motor vehicle is satisfied.

25 "(2) Effective January 1, 2014, the department shall  
26 require that all lien releases shall be electronically

1       submitted to the department within 10 days of the date that a  
2       lien or security interest on a motor vehicle is satisfied."

3               Section 2. This act shall become effective  
4       immediately upon its passage and approval by the Governor, or  
5       its otherwise becoming law.