

1 SB281
2 173899-3
3 By Senator Scofield
4 RFD: Transportation and Energy
5 First Read: 23-FEB-16

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8 SYNOPSIS: Under existing statutory law, the motor
9 vehicle title law provides for certain designated
10 motor vehicles to be subject to the title law based
11 on the model year of the vehicles. The Department
12 of Revenue has further provided for exemptions from
13 the title requirements by rule based on the age of
14 the vehicle and has included in the exemption
15 certain new types of vehicles, such as low speed
16 vehicles.

17 This bill would update title requirements
18 for motor vehicles based on the age of the vehicle
19 including passenger vehicles, semi-trailers, travel
20 trailers, utility trailers, and moving collapsible
21 folding campers. The bill would also exempt the
22 certain vehicles from title requirements.

23 The bill would also further designate the
24 penalty when a dealer violates the law to a Class A
25 misdemeanor.

1 The bill would also require a thirty-five
2 day notice to the department prior to certain
3 involuntary transfers of motor vehicles of law.

4 Amendment 621 of the Constitution of Alabama
5 of 1901, now appearing as Section 111.05 of the
6 Official Recompilation of the Constitution of
7 Alabama of 1901, as amended, prohibits a general
8 law whose purpose or effect would be to require a
9 new or increased expenditure of local funds from
10 becoming effective with regard to a local
11 governmental entity without enactment by a 2/3 vote
12 unless: it comes within one of a number of
13 specified exceptions; it is approved by the
14 affected entity; or the Legislature appropriates
15 funds, or provides a local source of revenue, to
16 the entity for the purpose.

17 The purpose or effect of this bill would be
18 to require a new or increased expenditure of local
19 funds within the meaning of the amendment. However,
20 the bill does not require approval of a local
21 governmental entity or enactment by a 2/3 vote to
22 become effective because it comes within one of the
23 specified exceptions contained in the amendment.

24
25 A BILL
26 TO BE ENTITLED
27 AN ACT

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2 Relating to motor vehicles and certificates of
3 title; to amend Sections 32-8-30, as amended by Act 2015-362;
4 32-8-31; 32-8-42; and 32-8-46, Code of Alabama 1975, to
5 further provide title requirements for certain motor vehicles;
6 to change the penalty for a dealer who violates the law; to
7 require notice to the department of an involuntary transfer of
8 a motor vehicle title by operation of law; and in connection
9 therewith would have as its purpose or effect the requirement
10 of a new or increased expenditure of local funds within the
11 meaning of Amendment 621 of the Constitution of Alabama of
12 1901, now appearing as Section 111.05 of the Official
13 Recompilation of the Constitution of Alabama of 1901, as
14 amended.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. Sections 32-8-30, as amended by Act
17 2015-362; 32-8-31; 32-8-42; and 32-8-46 of the Code of Alabama
18 1975, are amended to read as follows:

19 "§32-8-30.

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

26 "(b) In the event that the owner's legal name, as
27 recorded on the current certificate of title, has changed, the

1 owner shall make application for a corrected certificate of
2 title to record the current legal name of the owner. The
3 application for certificate of title shall be made prior to
4 the renewal of the registration for the motor vehicle.

5 "(c) Any dealer, acting for himself or herself or
6 another, who sells, trades or otherwise transfers any vehicle
7 required to be titled under this chapter who does not comply
8 with the provisions of this chapter shall be guilty of a Class
9 A misdemeanor ~~and upon conviction shall be fined a sum not~~
10 ~~exceeding \$500.00.~~

11 "§32-8-31.

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

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

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

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

22 "(4) A vehicle for which the Alabama license plate
23 issuing official has verified that both the current owner and
24 operator is recorded as the owner and operator on a currently
25 effective certificate of title issued by another state and the
26 certificate of title is being held by a recorded lienholder.

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

1 "(6) An implement of husbandry.

2 "(7) Special mobile equipment.

3 "(8) A pole trailer.

4 "~~(9) Travel trailers and mobile trailers designated~~
5 ~~1989 year models and prior year models~~ A trailer,
6 semi-trailer, travel trailer, or moving collapsible and
7 folding camper more than 20 model years old. This exemption is
8 applicable on January 1 of each year and applies to a trailer,
9 semi-trailer, travel trailer, or moving collapsible folding
10 camper with a model year, as designated by the manufacturer,
11 more than 20 years from the current calendar year.

12 "(10) A manufactured home as defined in Section
13 32-20-2.

14 "(11) Utility trailers other than moving collapsible
15 and folding campers ~~designated 1990 and subsequent year~~
16 ~~models.~~

17 "(12) A low speed vehicle, including neighborhood
18 electric vehicles, defined as a four-wheeled motor vehicle
19 with a top speed of not greater than 25 miles per hour, a
20 gross vehicle weight rating of less than 3,000 pounds, and
21 complying with the safety standards provided in 49 C.F.R.
22 Section 571.500.

23 "~~(12)~~ (13) A Any other motor vehicle designated a
24 1974 year model or prior year model more than 35 model years
25 old. This exemption is applicable on January 1 of each year
26 and applies to all motor vehicles with a model year, as

1 designated by the manufacturer, more than 35 years from the
2 current calendar year.

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

4 "(15) A motor-driven cycle as defined in Section
5 32-1-1.1.

6 "~~(13)~~ (16) Any other vehicles as prescribed by the
7 department.

8 "§32-8-42.

9 "The department shall refuse issuance of certificate
10 of title if any required fee is not paid or if the department
11 has reasonable grounds to believe that one of the following
12 exists:

13 "(1) The applicant is not the owner of the vehicle.

14 "(2) The application contains a false or fraudulent
15 statement.

16 "(3) The vehicle was not manufactured to comply with
17 federal and state statutes, rules, and regulations governing
18 safety, emissions, and antitheft standards in effect at the
19 time of manufacture, and has not subsequently been modified to
20 comply with the standards.

21 "(4) A vehicle is ~~designated a 1974 year model or~~
22 ~~prior year model~~ exempt pursuant to Section 32-8-31.

23 "(5) The applicant fails to furnish required
24 information or documents or any additional information the
25 department reasonably requires.

26 "§32-8-46.

1 "(a) (1) If the interest of an owner in a vehicle
2 passes to another other than by voluntary transfer, the
3 transferee shall, except as hereinafter provided in subsection
4 (b), promptly mail or deliver to a designated agent the last
5 certificate of title, if available, and proof of the transfer,
6 together with his or her application for a new certificate in
7 the form the department prescribes.

8 "(2) Except as provided in subdivision (3), a person
9 or entity initiating an involuntary transfer by operation of
10 law in this state shall give notice of the action to the
11 department at least 35 calendar days prior to the date of the
12 transfer. The notice shall be in a manner as prescribed by the
13 department and shall include all of the following:

14 "a. The contact information for the person or entity
15 filing the notice.

16 "b. The motor vehicle's identification number, year,
17 make, and model.

18 "c. The date, time, and location of the involuntary
19 transfer by operation of law.

20 "(3) The notice provisions of this subsection shall
21 not apply to a motor vehicle transferred pursuant to Chapter
22 13 or to a motor vehicle transferred pursuant to a divorce
23 decree.

24 "(4) The department shall maintain and appropriately
25 index public records of motor vehicles reported to it pursuant
26 to this subsection. The department may provide lists of the

1 vehicle identification numbers for the motor vehicles without
2 fee in a manner as the department determines.

3 "(5) An application for certificate of title may not
4 be issued for a motor vehicle subject to an involuntary
5 transfer by operation of law until the notice requirements of
6 this subsection are satisfied.

7 "(b) If the interest of the owner is terminated or
8 the vehicle is sold under a security agreement by a lienholder
9 named in the certificate of title, the transferee shall
10 promptly make application to a designated agent for a new
11 certificate in the form the department prescribes. The
12 application shall be accompanied by the last certificate of
13 title and an affidavit made by or on behalf of the lienholder
14 that the vehicle was repossessed and that the interest of the
15 owner was lawfully terminated or sold pursuant to the terms of
16 the security agreement.

17 "If the lienholder succeeds to the interest of the
18 owner and holds the vehicle for resale, he or she need not
19 secure a new certificate of title but, upon transfer to
20 another person, shall promptly mail or deliver to the
21 transferee the certificate, affidavit and other documents
22 required by the department. The transferee shall promptly make
23 application to a designated agent for a new certificate in the
24 form prescribed by the department.

25 "(c) Notwithstanding anything to the contrary
26 contained in this section, a person holding a certificate of
27 title whose interest in the vehicle has been extinguished or

1 transferred other than by voluntary transfer shall forthwith
2 mail or deliver the certificate to the department upon request
3 of the department; and the delivery of the certificate
4 pursuant to the request of the department does not affect the
5 rights of the person surrendering the certificate; and the
6 action of the department in issuing a new certificate of title
7 as provided herein is not conclusive upon the rights of an
8 owner or lienholder named in the old certificate."

9 Section 2. Although this bill would have as its
10 purpose or effect the requirement of a new or increased
11 expenditure of local funds, the bill is excluded from further
12 requirements and application under Amendment 621 because the
13 bill defines a new crime or amends the definition of an
14 existing crime.

15 Section 3. This act shall become effective January
16 1, 2017, following its passage and approval by the Governor,
17 or its otherwise becoming law.