



State of Alabama Department of Revenue

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May 22, 2009

MEMORANDUM

2009-18

TO: All License Plate Issuing Officials

FROM: Don Clemons, Revenue ~~Manager~~
Motor Vehicle Division/Title Section

SUBJECT: Changes in The Alabama Title Law (Title 32, Chapter 8, Code of Alabama 1975, as amended)

Act 2009-281 was signed by Governor Riley on April 21, 2009. The provisions of this Act become effective on July 1, 2009. This memorandum provides detailed information regarding these provisions. There are other provisions in this act that provides the Department of Revenue with the authority to issue titles electronically as well as accept lien filings and releases electronically. However, the Department will not implement these provisions by July 2009. The Motor Vehicle Division will notify all affected parties when these provisions are nearing implementation.

Section 32-8-2 Definitions

Section 32-8-2(11)

- Effective July 1, 2009, a new vehicle or new manufactured home is defined as “A motor vehicle or manufactured home that has never been the subject of a first sale for use 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 [Emphasis added].”
- Accordingly, as long as a vehicle or manufactured home has never been the subject of a first sale for use and registration **has not** been issued for the vehicle or manufactured home, the vehicle or manufactured home can be denoted as “**New**” on the title application.

Section 32-8-6 Schedule of Fee and Commissions

Section 32-8-6(d)

- This subsection provides that all applications except “Release of Lien” applications shall require application fees. Effective, July 1, 2009, there will no longer be an option on the ETAPS application pre-qualifier screen to choose “Title Fee – Yes/No”.

Section 32-8-31 Certificate of Title Exemptions

Section 32-8-31 (4), Code of Alabama 1975, has been amended so that no certificate of title shall be issued for a vehicle for which the Alabama license plate issuing official has verified that the current owner or operator is recorded as the owner or operator on a currently effective certificate of title issued by another state and the certificate of title is being held by a recorded lienholder.

- Accordingly, the MVT 5-8 (Notice of Missing Document) has been eliminated from ETAPS since an application for certificate of title is not required when the owner or operator is recorded on an out of state certificate of title and the title is held by the recorded lienholder.
- The license plate issuing official shall obtain a copy of the out of state certificate of title or printout of the electronic out of state certificate of title and verify that the owner or operator registering the vehicle is recorded on the out of state certificate of title or printout.
- The license plate issuing official shall enter the out of state certificate of title’s state of issuance and title number into the vehicle registration record and forward this information to the Department of Revenue.
- As of July 1, 2009, any unprocessed applications involving MVT 5-8 (Notice of Missing Documents) shall be returned to the license plate issuing office. The license plate issuing office shall then enter the out of state certificate of title’s state of issuance and title number into the vehicle registration record.

Section 32-8-31 (11), Code of Alabama 1975, has been amended so that no certificate of title shall be issued for a utility trailer, other than folding or collapsible camping trailers designated 1990 and subsequent year models.

- A utility trailer is defined under **32-8-2 (23.1), Code of Alabama 1975**, as “A vehicle without motive power designed to be drawn by a passenger car or pickup truck including folding or collapsible camping trailers.”

- Accordingly, the Department will not issue assigned vehicle identification numbers for utility trailers other than folding or collapsible camping trailers designated 1990 and subsequent year models. The registrant will be responsible for ensuring that a vehicle identification number is affixed to the trailer.

Section 32-8-32 Prerequisite to issuance of license plates

Section 32-8-32(a), (b) and (c)

- This subsection requires that licensing officials shall verify the existence of one of the following documents before issuing or transferring motor vehicle registrations for vehicles required to be titled:
 - (1) A copy of an application for certificate of title; or
 - (2) Certificate of title to the vehicle.
- For vehicles that are not required to be titled, licensing officials are now required to physically inspect these type vehicles prior to issuing a vehicle registration. The vehicle identification number on the vehicle is to be compared to the number appearing on the ownership document(s) to ensure that the correct vehicle is being registered.
- The physical inspection provisions do not apply to the following:
 - (1) Registration renewals; or
 - (2) Vehicles registered pursuant to Section 32-6-56, Code of Alabama 1975 (IRP registered vehicles); or
 - (3) 1975 and subsequent year motor vehicles owned by a manufacturer or dealer and held for sale or registered with dealer or manufacturer plates.

Please note that the Motor Vehicle Division will supply guidelines regarding inspecting vehicles not required to be titled in a separate memorandum.

The Motor Vehicle Division will be scheduling meetings to discuss in depth these provisions and address concerns you may have. Should you have questions regarding the requirements of this Act, please feel free to contact the Motor Vehicle Division Title Section at titles@revenue.alabama.gov.