



State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

CYNTHIA UNDERWOOD
Assistant Commissioner
LEWIS A. EASTERLY
Secretary

July 1, 2009

MEMORANDUM

2009 - 21

TO: All License Plate Issuing Officials

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

SUBJECT: Section 32-8-31 Certificate of Title Exemptions (Clarifications)

Act 2009-281 was signed by Governor Riley on April 21, 2009. The provisions of this Act become effective July 1, 2009. The Department previously issued county memorandum 2009-18 dated May 22, 2009, detailing the provisions of the Act. The intent of this memorandum is to further clarify the provisions that relate to 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, a vehicle normally subject to the Alabama title law can be registered without obtaining an Alabama title first if all of the following requirements are met:

- 1.) The registrant is listed as the owner or operator on the out of state certificate of title.
- 2.) There is a lien recorded on the out of state certificate of title.
- 3.) The title is being physically held by the lienholder and the title was not issued by one of the states listed below.

Note that the licensing official must verify this information by obtaining either a copy of the certificate of title or a print out of the title record from a state that issued the title in electronic format. Also, the licensing official is required to physically inspect the vehicle to verify that the vehicle identification number (VIN) on the vehicle is identical to the VIN on the out-of-state title. The MVT 5-10 (Motor Vehicle Inspection Form) is attached, with VIN inspection guidelines, which authorizes the licensing official to appoint a law enforcement officer or governmental official as his or her deputy to perform the physical verification of the VIN. The licensing official shall enter "REG-ONLY" in lieu of title application number in the application number field on the registration receipt.

The following is a list of states that sends the valid original title to the owner and not to the lienholder. Applicants from these states must surrender the out-of-state title to the license plate issuing official and their vehicles will be required to be titled in the State of Alabama.

- Kentucky

License Plate Issuing Officials

Page 2

July 1, 2009

- Maryland
- Michigan (unless owner authorizes title to be mailed to lienholder)
- Minnesota
- Missouri
- Montana (unless owner authorizes the mailing with signature)
- New Jersey
- New York
- Oklahoma
- South Dakota (unless owner indicates that title is to be mailed to lienholder)
- Wisconsin
- Wyoming (title may be mailed to either the owner or lienholder as requested)

If the owner has requested that a Michigan, Montana, South Dakota or Wyoming title be mailed to the lienholder, the owner must provide documentation from that state that title was mailed to the lienholder in order to be exempt from titling the vehicle in the State of Alabama.

Please e-mail the Title Section at titles@revenue.alabama.gov if you have any questions.

Attachment



ALABAMA DEPARTMENT OF REVENUE
MOTOR VEHICLE DIVISION
Montgomery, Alabama 36132

MVT 5-10
6/09

FOR USE BY
LICENSING OFFICIALS
ONLY

Motor Vehicle Inspection by a Government Official

PART I – Vehicle Inspection *(complete in full)*

NOTE: Examine Public VIN Plate and make certain that the rivets are intact and the VIN has not been altered.

Vehicle Identification Number: _____

Make: _____ Year: _____ Model: _____

Body Type: _____ Number of Cylinders: _____

Color: _____ Odometer Reading: _____

Other Description or Comments (if any): _____

I hereby certify that I completed the information above from a physical inspection of the motor vehicle and that all information is true and correct.

Name of Official (Print): _____

▶ Signature: _____ Date: _____

Agency: _____ Phone No.: _____

Agency Address: _____

Zip Code: _____

PART II – Appointment of Deputy by a Licensing Official

I hereby accept the certification of physical inspection of the motor vehicle as completed above and I appoint this official as my deputy for the purpose of this physical inspection required of me personally or **through any of my deputies** by State law. I further certify that the vehicle identification number and vehicle description completed above are the same as the information shown on the application for certificate of title and/or registration.

▶ Signature: _____ Date: _____

Licensing Official: _____ Designated Agent No.: _____

NOTE: This form may be provided to owners of motor vehicles that cannot be driven or delivered to the licensing official's office for a physical inspection because of the size of vehicle or for other special reasons.

Please instruct the owner to deliver this form and the vehicle to a government official for inspection.

Please be reminded that the vehicle to be titled or registered **must be located in Alabama.**

Guidelines for Vehicle Identification Number (VIN) Inspections by License Plate Issuing Officials and Their Deputies

1. All vehicles not required to be titled, being registered for the first time in a new owner's name, must be physically inspected by the license plate issuing official. All vehicles required to be titled must be physically inspected by the license plate issuing official whenever that official is processing an application for first Alabama certificate of title. The physical inspection requirements do not apply to the following:
 - a. Registration renewals;
 - b. Vehicles registered pursuant to Section 32-6-56, Code of Alabama 1975 (IRP-registered vehicles);
 - c. 1975 and subsequent year motor vehicles owned by a manufacturer or dealer and held for sale or registered with dealer or manufacturer plates.
2. License plate issuing officials may appoint a government official, including a law enforcement officer, as a deputy for the purpose of inspecting a motor vehicle.
3. All vehicles, other than trailers, must have a unique VIN. It is the registrant's responsibility to ensure that the VIN is permanently affixed to the vehicle. The VIN is not required to be 17 characters on trailers or on 1980 and prior year model motor vehicles.
4. Required ownership documentation for first time registrations for non-titled trailers and 1974 and prior year model motor vehicles is a bill of sale that contains the minimum requirements established in Department of Revenue Administrative Rule 810-5-1-.246. The VIN on the vehicle must be compared to the number appearing on the ownership documentation to ensure that the correct vehicle is being registered.

General Inspection Guidelines

Where to find the VIN on the vehicle:

1. Passenger vehicles/pickup trucks – driver's side windshield or inside driver's door jam
2. Motorcycle – on front fork
3. Trailer – on trailer frame or tongue
4. Assembled vehicles – driver's door jam
5. Homemade trailers – on trailer frame or tongue
6. 1954 and prior year vehicles – inner fender well or driver's door post. Motor number is to be used as VIN if there is not a VIN plate on the vehicle.