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Commissioner

State of Alabama Department of Revenue

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Assistant Commissioner

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Deputy Commissioner

MEMORANDUM

2011-16

TO: License Plate Issuing Officials and Programmers/
Law Enforcement

FROM: Sherry Helms, Registration Unit Supervisor
Motor Vehicle Division

SUBJECT: 2011 Legislative Action

Attached you will find a summary of the Acts signed into law by Governor Bentley during the regular 2011 legislative session which affect Motor Vehicle Titling, Registration and Insurance. The Motor Vehicle Division will provide additional information regarding the provisions of each Act prior to the respective effective dates.

Please contact the Motor Vehicle Division at (334) 242-9006 or tags@revenue.alabama.gov if you have any questions regarding these Acts.

MVD Summary of Legislation for 2011 Regular Session

House Laws

Law #	Sponsor	Subject	Provisions	Effective Date
Act 2011-535	Hammon	Immigration Laws; Enforcement; Penalties	A person is required to show citizenship or lawful presence in US before he/she can conduct a business transaction with the state or a political subdivision of the state. Business transactions include renewing or applying for mv license plate.	September 1, 2011
Act 2011-540	McClendon	Tow Trucks; License & Registration-Weight	This law allows wreckers (i.e. tow trucks) to be registered at the gross vehicle weight of the wrecker only, without consideration for the weight of the vehicle being towed. Prior to the change in law, wreckers were required to be registered at the gross vehicle weight of the wrecker plus the weight of the vehicle being towed (max 80,000+ lbs.). This law would allow wreckers to register at the lower weight, so they would be eligible for a fee reduction.	Immediately (June 9, 2011)
Act 2011-554	Johnson (R)	Motor Veh Dealer Lic Plate; Eligibility & Limits	The law prohibits motor vehicle wholesalers, rebuilders or reconditioners from purchasing dealer license plates. Dealer plates permitted: New dealer - 25; Used & motorcycle dealer -10. New or used dealers may purchase an additional 25 dealer license plates if they complete 1,500 title applications during the previous regulatory license year. A link on the MVD webpage will be available to reflect the dealers who qualify for additional dealer license plates. Dealer Transit plates permitted - 10 for new & used dealers, wholesalers, reconditioners, rebuilders. Fee for dealer transit plates -\$26. Restrictions: the law restricts the use of dealer license plates on vehicles owned by the dealership and in the dealer's inventory. Who can legally operate a vehicle displaying dealer plates? Prospective purchasers, Owners, Partners, Corporate officers, Employees. Penalties: The law provides for an increased penalty (\$500) for second and subsequent violations, as well as a civil penalty of \$1,000 for willful misstatements or filing erroneous documents in order to obtain dealer license plates. The law requires dealers with a revoked or forfeited dealer regulatory license or who discontinues business operations to surrender the dealer license plates within ten (10) days of forfeiture, revocation or closing of the business and prohibits a dealer with an outstanding dealer license plate assessment from renewing the dealer regulatory license. A link on the MVD is currently available to verify the status of the dealer regulatory licenses.	October 1, 2011

MVD Summary of Legislation for 2011 Regular Session

Senate Laws

Law #	Sponsor	Subject	Provisions	Effective Dates
Act 2011-688	Orr	Vehicle Liability Insurance; Verification	<p>This law has the following provisions: Permits the Department of Public Safety to verify financial responsibility via an online insurance verification system in real time rather than using the manual process now in place. Permits the Department of Revenue and all road side law enforcement to verify liability insurance policy exists on motor vehicles via an online insurance verification system in real time. Requires licensing officials to verify insurance prior to the issuance of motor vehicle registrations. Conforms to the Insurance Industry Committee on Motor Vehicle Administration (IICMVA) best practices for insurance verification using webservices.</p> <p>Establishes an advisory council comprised of insurance industry and government representatives to establish policies and procedures for the online insurance verification system. Provides that once the department has covered the costs associated with the operation and management of the liability insurance law, the remaining funds will be distributed to the general fund. Requires insurers to report VINs for their MLI policies as specified by ADOR. Reinstatement fees: Increased first violation fees from \$100 to \$200. Increased second violation fees from \$200 to \$400.</p>	<p>Sections 1,4,6, part of 3- January 1, 2013</p> <p>Sections 2,5,7, part of 3- Immediately (June 14, 2011)</p>
Act 2011-633	Marsh	Auto Dismantler/Parts Recycler/Secondary Metals Recy;Rec	<p>For vehicles <12 model years old, automotive dismantlers, parts recyclers, and secondary metals recyclers will be required to: 1. Verify the title status of the vehicle to include if there are any lienholders. 2. Verify that the vehicle has not been reported as stolen. 3. Surrender the original certificate of title to DOR. For vehicles >=12 model years old, in lieu of surrendering a title to DOR, automotive dismantlers, parts recyclers, and secondary metals recyclers must ensure that: 1. The individual presenting the vehicle for sale completes an affidavit affirming that he/she is the owner of the vehicle and other pertinent information. 2. Automotive dismantlers, parts recyclers, and secondary metals recyclers, using the information provided in the affidavit, electronically verify: a. whether the vehicle has an active lien per DOR title records. b. whether the vehicle has been reported stolen.</p> <p>Checks will be done electronically, in real-time, and DOR must send a receipt back to the automotive dismantler and parts recycler or secondary metals recycler before the vehicle can be dismantled or crushed. Fees: \$5 per record or a bulk rate of \$500 per licensee on an annual basis starting each October 1. If the vehicle is titled in the person's name irregardless of the age of the vehicle, a replacement title must be obtained. If the vehicle is >= 12 model years old and there is no title record, the affidavit is acceptable. Requires that licensed automotive dismantler and parts recyclers provide NMVTIS ID number on the business license application.</p>	<p>Section 1 - January 1, 2012</p> <p>Sections 2 thru 5 - October 1, 2011</p>

MVD Summary of Legislation for 2011 Regular Session

Act 2011-205	Keahey	Low Speed/Mini-trucks;License;Standards	The law provides for the issuance of restricted motor vehicle license plates for mini-trucks to operate on public roads, except interstate highways. The law further provides that mini-trucks be registered in the same manner as private passenger vehicles (\$23). The law exempts such vehicles from titling requirements and specifies certain safety equipment and federal safety standard requirements.	January 1, 2012
Act 2011-645	Whatley	Title on Stolen Veh issue to Ins Co Settlement	This law would allow the issuance of an electronic certificate of title on a stolen vehicle to an insurance company, where settlement has occurred between the insured and the insured's insurance company. A certificate of title in normal form could be issued once the vehicle is recovered. This law provides protection for the owner (insurance company) of the vehicle if an attempt is made to sell it under the Abandoned MV Act. Under current law, the department cannot issue a title for a vehicle that has been reported stolen.	January 1, 2012