



VERNON BARNETT
Commissioner

State of Alabama Department of Revenue

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

December 13, 2019

CURTIS E. STEWART
Deputy Commissioner
MICHAEL D. GAMBLE
Deputy Commissioner
DONALD J. GRAHAM
Deputy Commissioner
DERRICK COLEMAN
Deputy Commissioner

MEMORANDUM

2019-008

TO: License Plate Issuing Officials

FROM: David Baxley, Registration Manager
Motor Vehicle Division

SUBJECT: Mandatory Liability Insurance Legislative Updates

The following changes resulting from Legislative Act 2019-446, are effective January 1, 2020:

- Elimination of the four (4) month suspension period on 2nd or subsequent MLI violations
- Reduce lookback period for 2nd and subsequent violations (S2) to three (3) years
- Reinstatement fees can only be collected by the licensing official
- Increase licensing official's retained fees from 10% to 15%
- Distribute reinstatement fees to Comptroller on 20th of each month
- FY end amount carried over in Special Licensing Officials' Fund increased from \$10K to \$25K
- MLI Verification Notice (letter format) replaces the postcard insurance questionnaire
- Tag must be surrendered to licensing office within 30 days of MLI Verification Notice to claim stored/inoperable exemption accompanied by Registration Revocation Request Form (MV 32-7A-5)
- Registrant may voluntarily surrender tag at any time prior to a lapse in insurance coverage
- Exempt (stored/inoperable) responses can only be claimed once per registration year/vehicle
- Exempt responses are not acceptable if vehicle was involved in a crash or registrant received a citation on or after the insurance verification date
- Registration record should be updated to "revoked" and uploaded to state registration system
- An extension of time to claim the stored/inoperable exemption may be requested for "good cause" using MLI affidavit (form MV 32-7A-11) and only with acceptable documentation
- Notice of Suspension advises registrant that vehicle registration is suspended as of date of notice
- Contact the department regarding disposal of unused and surrendered license plates
- An updated MLI Manual will be available on MVTRIP and from within the MLI system soon

An updated version of the PowerPoint presentation from the meeting on December 11th is now available on the Motor Vehicle Division's website at: <https://revenue.alabama.gov/wp-content/uploads/2017/05/Legislative-Changes-12-11-19.pdf>

If you have any questions regarding these changes, please contact the Motor Vehicle Division at (334) 242-9000, Option 5.