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December 16, 2019

MEMORANDUM

2019-009

TO: License Plate Issuing Officials

FROM: Jonathan A. Lawrence, Title Manager
Motor Vehicle Division

SUBJECT: Title Legislative Updates

Legislative Act 2019-238 was signed into law on May 16, 2019 and was effective October 1, 2019. The act amends **Sections 32-8-2 and 32-8-34, Code of Ala. 1975**, to allow title service providers to become bonded agents for licensed dealers, designated agents and lienholders. Furthermore, the law also prohibits dealers appointed as designated agents from processing title applications on behalf of another dealer unless both dealerships are owned by the same entity.

Anyone, that is not a title service provider, and completing title applications on behalf of a licensed dealer/designated agent should complete an application to become a title service provider. An application package for a title service provider can be found at: https://revenue.alabama.gov/wp-content/uploads/2019/09/TSP-Package_10-25-2019.pdf. Please notify the MVD if you are aware of anyone acting as a title service provider in your county that has not been bonded as such.

Legislative Act 2019-239 was signed into law on May 22, 2019 and is effective January 1, 2020. The act amends **Sections 32-20-4, 32-20-20 and 32-21-20, Code of Ala. 1975**, to do the following:

- Clarify the additional \$5.00 fee is collected for each unit (side) of a manufactured home required to be titled under Section 32-20-20; and
- No longer require titles for manufactured homes with a 1999 and prior year model.

Legislative Act 2019-245 was signed into law on May 23, 2019 and is effective January 1, 2020. The act amends **Sections 32-8-84, 32-13-2, and 32-13-3, Code of Ala. 1975**, to do the following:

- Increase holds on title transactions from 45 to 60 days from the date reported unclaimed, unless the vehicle is redeemed by the owner or lienholder or sold as abandoned;
- Require purchasers of abandoned vehicles to post a title surety bond if the vehicle is not sold by a bonded agent; and
- Require purchasers of abandoned vehicles to post a title surety bond if the applicant waits longer than one (1) year to apply for title for a vehicle purchased from a bonded agent.

By rule (810-5-75-.52), towing companies are required to become designated agents and should use ALTS to process title applications resulting from abandoned vehicle sales.

Please contact the Motor Vehicle Division at (334) 242-9000 or MVD@revenue.alabama.gov if you have any questions regarding these legislative changes.