
MEMORANDUM

TO: Licensing Plate Issuing Officials

FROM: Troy Thigpen
Registration Unit Supervisor, Motor Vehicle Division

SUBJECT: Mandatory Liability Insurance (MLI) Legislative Acts Effective January 1, 2024

DATE: October 27, 2023

Military Exemption

Legislative Act 2023-127 allows individuals on active military duty in another state whose vehicle is registered in Alabama to satisfy the MLI requirements by purchasing liability coverage in the state where they are residing on active military duty or assignment. The insurance amount purchased must be equal to or greater than the minimum amount required in Alabama.

If the registrant is responding to a MLI Verification Notice and the exception applies, the registrant would respond to their local licensing official by providing evidence of military orders and proof of insurance in the state they are residing in. The licensing official would record this response in the MLI system. This would then close the associated MLI record and would also prevent the registrant's vehicle from being electronically verified for coverage for the remainder of the registration period.

Tag Surrender No Longer Required

Legislative Act 2023-479 removes the license plate surrender requirement for vehicles in exempt status (sold, inoperable, otherwise unused). Instead, to claim the exemption, the registrant must submit evidence of the vehicle's non-use.

If the registrant is responding to an MLI Verification Notice, and if the vehicle was in exempt status, the plate no longer must be surrendered. Instead, the registrant must provide evidence of the vehicle's non-use to the licensing official prior to re-registering the vehicle. If the evidence is acceptable, then the registration will be revoked, and a new license plate will be issued. If the evidence is not acceptable, reinstatement fees and proof of current insurance will be required to remove any MLI suspension.

Please note that the acceptable non-use evidence can be provided at any time. This includes after the registration has been suspended.

If you have any questions, call 334-242-9000.