



*Alabama Department  
of Revenue*



*Motor Vehicle Division*

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# Alabama Probate Judges Meeting



June 10, 2019



# Dealer Tags & License

- Act 2019-244 (HB393)
- Result of HJR14 (2018) to research and draft recommendations to combat curbstoning and abandoned vehicle fraud
- Effective: October 1, 2020
- Amends dealer tag and dealer license laws
- Creates auction license



# Dealer Tags & License

- DOR responsible for issuing dealer tags
- Dealer must have state regulatory license and county license before tag is issued
- Metal DT tag replaced by temporary 7-day DT tag issued by DOR
- Temporary DT tag - \$5
- Manufacturer tags issued by DOR
- Penalty for first violation of dealer tag law increased from \$100 to \$200



# Dealer Tags & License

- Local official cannot collect ad valorem or sales tax on vehicle in dealer inventory when “standard” plate is issued
- Creates master dealer license – eliminates separate wholesale and rebuilder license
- Penalty for delinquent dealer license - 15% of license fee after grace period (Oct)
- Increases bond from \$25K to \$50K
- Allows DOR to adjust license fee



# Dealer Tags & License

- Penalty for failure to obtain license
  - \$500 for first offense
  - \$1,000 for second or subsequent offense
- No person, other than licensed dealer, may sell vehicle without title reflecting person as owner
- Local licensing official or law enforcement may impound vehicle



# Dealer Tags & License

- Creates “facilitator” license for off-site sales - \$25
- Facilitator is any person who facilitates an off-site sale, including the property owner
- Must apply for license 10 days before sale
- Facilitator must provide names of participating licensed dealers who must also obtain an off-site license prior to sale
- Penalties: 1<sup>st</sup> - \$500 2<sup>nd</sup> - \$1,000



# Dealer Tags & License

- Creates motor vehicle wholesale auction license issued by DOR
- Any person in the business of buying, selling, exchanging or facilitating the sale of vehicles at wholesale to licensed dealers
- Licensed and bonded similar to dealer
- DOR may establish electronic reporting requirements regarding sale of vehicles



# Abandoned Vehicles

- Act 2019-245 (HB394)
- Effective: January 1, 2020
- Result of HJR14 (2018)
- Increases title hold from 45 to 60 days
- Purchaser must post title surety bond if vehicle is not sold by a bonded agent
- Purchaser has one year to apply for title if vehicle is purchased from bonded agent





# Fleet Online Registration & Tax (FORT) System

- Act 2019-129 (HB278)
- Effective: January 1, 2022
- DOR portal to allow registration and renewal of fleet vehicles
- Fleet – 50 or more vehicles less than 12,000 lbs.
- DOR will calculate ad valorem tax and issue “fleet” license plate
- DOR rule making authority to expand to other vehicles (i.e. IRP)



# Mandatory Liability Insurance

- Act 2019-XXX (SB157)
- Effective: January 1, 2020
- Eliminate 4 mo. suspension period
- Reduce lookback period for 2<sup>nd</sup> and subsequent violations to 3 years
- Increase licensing official's commission on reinstatement fee from 10% to 15%
- Change distribution date to 20<sup>th</sup> of the mo.
- Increase annual amount retained by licensing official's office from \$10K to \$25K



# Mandatory Liability Insurance

- Tag must be surrendered to official when claiming stored/inoperable exemption
- Exempt response can only be claimed once per year
- Exempt response cannot be claimed if vehicle was involved in crash or citation
- DOR can establish rule regarding exceptions



# Title Service Provider

- Act 2019-238 (HB 222)
- Effective: October 1, 2019
- Allow title service provider to perform designated agent duties for a licensed dealer
- Title service provider is any person who acts as an agent for a licensed dealer
- Title service provider must be bonded like a designated agent

# Manufactured Home Title Fee

- Act 2019-239 (HB226)
- Effective: January 1, 2020
- Clarifies additional \$5 MH title fee shall be collected for each unit (side) of a MH subject to titling
- MH's which are 1999 year models and older are exempt from titling



# Realtor License Plate

- Act 2019-XXX (SB208)
- Effective: January 1, 2020
- Redirects proceeds from sale of the Alabama Association of Realtors distinctive license plates from the Alabama Children's Trust Fund to the Alabama Realtors Foundation

# Air Medal Tag

- Act 2019-XXX (HB128)
- Effective: January 1, 2020
- Creates distinctive military tag for recipients of the air medal
- Additional \$25 fee



# Toll Road

- Act 2019-XXX (HB255)
- Effective: January 1, 2024
- Toll authority or agent notifies vehicle owner that registration may not be renewed until toll is paid
- Owner may appeal to district court
- Toll authority or agent notifies licensing official regarding registration “hold”
- Temporary tag may be issued





# Toll Road

- Registrant pays toll authority or agent
- Toll authority or agent notifies licensing official regarding payment or payment can be verified through electronic portal
- 10% of amount collected deposited into county GF for the operational expenses of licensing official
- Toll violations may be enforced with agreements between states



# Fuel Tax

- Act 2019-2 (HB2 special session)
- Effective: immediately
- Annual additional registration fee:
  - Plug in battery electric vehicle \$200
  - Plug in hybrid electric vehicle \$100
- 2.5% commission for official
- Fee can be prorated
- Credit can be transferred



# Legislative Oversight Committee

- Act 2019-XXX (HB257)
- Effective: August 1, 2019
- Jr. colleges may be private or proprietary two-year colleges or technical schools
- Appeal concerning issuance or renewal of a tag shall go to the circuit court of the county where the vehicle is registered
- Amendment to 2019-2 - fees allocated in accordance with section 7 of Act



# Contact Us

- Telephone number: (334) 242-9000
- Licensing Offices select option 5
- Provide name, county and reason for call
- Call will be transferred to a live person
- MVD staff should identify themselves
- email: [MVD@revenue.alabama.gov](mailto:MVD@revenue.alabama.gov)
- Report any issues to MVD management