

HB233 ENROLLED



1 HB233

2 BIR8J4J-2

3 By Representatives Sorrells, Shaw, Underwood, Marques, Oliver,
4 Lipscomb, Rehm, Whitt, Lee, Clouse, Paramore, Crawford, Smith,
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7 RFD: Financial Services

8 First Read: 27-Feb-24



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1 Enrolled, An Act,

2
3 Relating to motor vehicles; to amend Sections 32-8-2,
4 32-8-30, and 32-8-31, Code of Alabama 1975, to provide for the
5 requirement of a certificate of title for off-road vehicles;
6 and to add Section 40-12-401 to the Code of Alabama 1975, to
7 provide for the licensing requirements of dealers of off-road
8 vehicles.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Sections 32-8-2, 32-8-30, and 32-8-31, Code
11 of Alabama 1975, are amended to read as follows:

12 "§32-8-2

13 For the purpose of this chapter, the following terms
14 ~~shall have the following meanings respectively ascribed to~~
15 ~~them in this section~~, except where the context clearly
16 indicates a different meaning:

17 (1) CURRENT ADDRESS. A new address different from the
18 address shown on the application or on the certificate of
19 title. The owner, within 30 days after the address is changed
20 from that shown on the application or on the certificate of
21 title, shall notify the department of the change of address in
22 the manner prescribed by the department.

23 (2) DEALER. A person licensed as an automobile or motor
24 vehicle dealer, off-road vehicle dealer, or travel trailer
25 dealer and engaged regularly in the business of buying,
26 selling, or exchanging motor vehicles, trailers, semitrailers,
27 trucks, tractors or other character of commercial or
28 industrial motor vehicles, or travel trailers in this state,



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29 and having in this state an established place of business.

30 (3) DEPARTMENT. The Department of Revenue of this
31 state.

32 (4) DESIGNATED AGENT. Each judge of probate,
33 commissioner of licenses, director of revenue, or other county
34 official in this state authorized and required by law to issue
35 motor vehicle license tags, who may perform his or her duties
36 under this chapter personally or through his or her deputies;
37 the term shall also mean those dealers as herein defined who
38 are appointed by the department as provided in Section 32-8-34
39 and such persons who are appointed by the department as
40 provided in ~~subsection (c) of~~ Section 32-8-34 (c) to perform
41 the duties of designated agent for the purposes of this
42 chapter. Such dealers or other designated persons may perform
43 their duties under this chapter either personally, through any
44 of their officers or employees, or through a title service
45 provider.

46 (5) IMPLEMENT OF HUSBANDRY. Every vehicle designed and
47 adapted exclusively for agricultural, horticultural, or
48 livestock raising operations or for lifting or carrying an
49 implement of husbandry and in either case not subject to
50 licensing or registration if used upon the highways.

51 (6) LIEN. Every kind of written lease which is
52 substantially equivalent to an installment sale or which
53 provides for a right of purchase, conditional sale,
54 reservation of title, deed of trust, chattel mortgage, trust
55 receipt, and every written agreement or instrument of whatever
56 kind or character whereby an interest other than absolute



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57 title is sought to be held or given on a motor vehicle.

58 (7) LIENHOLDER. Any person, firm, copartnership,
59 association, or corporation holding a lien on a motor vehicle.

60 (8) MANUFACTURER. Any person regularly engaged in the
61 business of manufacturing, constructing, assembling,
62 importing, or distributing new motor vehicles, either within
63 or without this state.

64 (9) MOTOR VEHICLE. The term shall include all of the
65 following:

66 a. Every automobile, motorcycle, mobile trailer,
67 semitrailer, truck, truck tractor, trailer, and other device
68 that is self-propelled or drawn, in, upon, or by which any
69 person or property is or may be transported or drawn upon a
70 public highway except such as is moved by animal power or used
71 exclusively upon stationary rails or tracks.

72 b. Every trailer coach and travel trailer manufactured
73 upon a chassis or undercarriage as an integral part thereof
74 drawn by a self-propelled vehicle.

75 c. Every off-road vehicle only as it relates to this
76 chapter. An off-road vehicle dealer shall not be deemed a
77 motor vehicle dealer for the purposes of Chapter 6.

78 (10) NEW VEHICLE. A motor vehicle that has never been
79 the subject of a first sale for use by a new motor vehicle
80 dealer as defined in Section 40-12-390 or an equivalently
81 licensed dealer in another state and includes, among others,
82 vehicles maintained in a dealer's inventory, vehicles provided
83 by the manufacturer or dealer for use by participants in
84 charity, sporting, or other special events, vehicles used for



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85 drivers' education, and vehicles delivered to customers that
86 were subsequently returned to the dealer without a
87 registration being issued on the vehicle.

88 (11) NONRESIDENT. Every person who is not a resident of
89 this state.

90 (12) OFF-ROAD VEHICLE. a. A vehicle that is not
91 designed and manufactured to meet Federal Motor Vehicle Safety
92 Standards. The term includes all of the following:

93 1. A motorized vehicle 60 inches or less in width,
94 measured from the outside of the tire rim to the outside of
95 the tire rim directly across on the vehicle, having a dry
96 weight of 1,500 pounds or less, designed to travel on three or
97 more non-highway tires, and manufactured for off-road use by a
98 single operator or by an operator and not more than one
99 passenger as provided by the manufacturer.

100 2. A motorized vehicle generally capable of
101 cross-country travel 80 inches or less in width, measured from
102 the outside of the tire rim to the outside of the tire rim
103 directly across on the vehicle, having a dry weight of 3,500
104 pounds or less, designed and manufactured to travel on four or
105 more non-highway tires for off-road use by an operator and the
106 number of passengers as provided by the manufacturer.

107 b. The term does not include any electric bicycle; golf
108 cart; low-speed vehicle; mini-truck; vehicle used for
109 military, fire, emergency, or law enforcement purposes;
110 motorboat; vehicle used exclusively on airport property; any
111 vehicle used primarily for agricultural purposes, farm
112 tractors, or other self-propelled equipment for the purpose of



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113 harvesting and transporting forest products, clearing land for
114 planting, providing utility services and maintenance, or earth
115 moving, construction, or mining; or self-propelled lawnmowers,
116 snowblowers, or garden or lawn tractors while being used
117 exclusively for their designed purposes.

118 (13) OFF-ROAD VEHICLE DEALER. A person subject to
119 Section 40-12-315 that is engaged in the business of buying,
120 selling, exchanging, advertising, or negotiating the sale of
121 off-road vehicles, not previously titled or registered in the
122 person's name, at retail to the public.

123 ~~(12)~~ (14) OWNER. A person, other than a lienholder,
124 having the property in or title to a vehicle. The term
125 includes a person entitled to the use and possession of a
126 vehicle subject to a security interest in another person, but
127 excludes a lessee under a lease not intended as security.
128 Under any lease-purchase or installment sales agreement where
129 a governmental agency, either city, county, or state, is the
130 lessee or purchaser with a security interest or right to
131 purchase, the lessee or purchaser shall be the owner for
132 purposes of this chapter.

133 ~~(13)~~ (15) PERSON. The term shall include every natural
134 person, firm, copartnership, association, or corporation.

135 ~~(14)~~ (16) PICKUP TRUCK. A truck with not more than two
136 axles and a gross weight not exceeding 12,000 pounds.

137 ~~(15)~~ (17) POLE TRAILER. Every vehicle without motive
138 power designed to be drawn by another vehicle and attached to
139 the towing vehicle by means of a reach or pole, or by being
140 boomed or otherwise secured to the towing vehicle, and



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141 ordinarily used for transporting long or irregularly shaped
142 loads such as logs, poles, pipes, boats, or structural members
143 capable generally of sustaining themselves as beams between
144 the supporting connections.

145 ~~(16)~~ (18) SCRAP METAL PROCESSOR. Any person, firm, or
146 corporation engaged in the business of buying scrap vehicles,
147 automotive parts, or other metallic waste by weight to process
148 the material into scrap metal for remelting purposes, who
149 utilizes machinery and equipment for processing and
150 manufacturing ferrous and nonferrous metallic scrap into
151 prepared grades, and whose principal product is metallic
152 scrap.

153 ~~(17)~~ (19) SCRAP VEHICLE. Any vehicle that has been
154 crushed or flattened by mechanical means or has been otherwise
155 damaged to the extent that it cannot economically be repaired
156 or made roadworthy.

157 ~~(18)~~ (20) SECURITY AGREEMENT. A written agreement that
158 reserves or creates a security interest.

159 ~~(19)~~ (21) SECURITY INTEREST. An interest in a vehicle
160 reserved or created by agreement and which secures payment or
161 performance of an obligation. The term includes the interest
162 of a lessor under a lease intended as security. A security
163 interest is perfected when it is valid against third parties
164 generally, subject only to specific statutory exceptions.

165 ~~(20)~~ (22) SELF-PROPELLED CAMPERS OR HOUSE CARS. A
166 self-propelled motor vehicle designed and used primarily for
167 mobile living quarters. The living quarters on self-propelled
168 campers or house cars are constructed as an integral part of



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169 the motor vehicle and are not detachable. Self-propelled
170 campers or house cars are commonly known as motor homes,
171 mobile homes, or recreational vehicles.

172 ~~(21)~~(23) SPECIAL MOBILE EQUIPMENT. Every vehicle not
173 designed or used primarily for the transportation of persons
174 or property and only incidentally operated or moved over the
175 highway, including, but not limited to: ditch-digging
176 apparatus; well-boring apparatus; road construction and
177 maintenance machinery such as asphalt spreaders, bituminous
178 mixers, bucket loaders, tractors other than truck tractors,
179 ditchers, leveling graders, finishing machines, motor graders,
180 road rollers, scarifiers, earth-moving carryalls and scrapers,
181 power shovels and draglines, and self-propelled cranes; and
182 earth-moving equipment. The term does not include manufactured
183 homes, dump trucks, truck-mounted transit mixers, cranes, or
184 shovels, or other vehicles designed for the transportation of
185 persons or property to which machinery has been attached.

186 ~~(22)~~(24) STATE. A state, territory, or possession of
187 the United States, the District of Columbia, the Commonwealth
188 of Puerto Rico, or a province of the Dominion of Canada.

189 ~~(23)~~(25) TRANSPORTER. A person engaged regularly in the
190 business of either of the following:

191 a. Facilitating the delivery of motor vehicles, mobile
192 homes, trailer coaches, travel trailers, house trailers,
193 semitrailers or trailers, including utility trailers, or boats
194 between manufacturers, distributors, dealers, or persons.

195 b. Facilitating the delivery of special mobile
196 equipment from the manufacturer of the equipment to a facility



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197 of a dealer.

198 ~~(24)~~ (26) TITLE SERVICE PROVIDER. A person who is bonded
199 under ~~subsection (d) of~~ Section 32-8-34 (d) and authorized by
200 the department to act as an agent for a fee or other
201 consideration on behalf of the following persons in the
202 performance of their duties under this chapter:

203 a. A dealer or other designated person appointed
204 pursuant to ~~subsection (b) or (c) of~~ Section 32-8-34 (b) or (c)
205 as a designated agent.

206 b. A lienholder who appears on a certificate of title.

207 c. Other persons as prescribed by the department.

208 ~~(25)~~ (27) TRAVEL TRAILER. A vehicle without motive
209 power, designed and constructed as a camping vehicle or a
210 temporary dwelling, living, or sleeping place and designed to
211 be drawn or pulled on the highway, also known as a house
212 trailer, but not including folding or collapsible camping
213 trailers as defined in this section.

214 ~~(26)~~ (28) USED VEHICLE. A motor vehicle that has been
215 the subject of a first sale for use, whether within this state
216 or elsewhere, or is being sold by a used motor vehicle dealer
217 as defined in Section 40-12-390.

218 ~~(27)~~ (29) UTILITY TRAILER. A vehicle without motive
219 power designed to be drawn by a passenger car or pickup truck,
220 including folding or collapsible camping trailers.

221 ~~(28)~~ (30) VEHICLE IDENTIFICATION NUMBER. The numbers and
222 letters on a motor vehicle designated by the manufacturer or
223 assigned by the department for the purpose of identifying the
224 motor vehicle."



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225 "§32-8-30

226 (a) (1) Except as provided in Section 32-8-31, every
227 owner of a motor vehicle which is in this state and which is
228 required to be registered under the motor vehicle laws of this
229 state and for which no certificate of title has been issued by
230 the department, shall make application to a designated agent
231 as herein defined for a certificate of title to the vehicle.

232 (2) Beginning on January 1, 2026, every owner of an
233 off-road vehicle with a year model 2026 or after or every
234 off-road vehicle that is manufactured with a year model 2026
235 or after, for which no certificate of title has been issued by
236 the department, shall make application to a designated agent
237 for a certificate of title.

238 (b) In the event that the owner's legal name, as
239 recorded on the current certificate of title, has changed, the
240 owner shall make application for a corrected certificate of
241 title to record the current legal name of the owner. The
242 application for certificate of title shall be made prior to
243 the renewal of the registration for the motor vehicle.

244 (c) Any dealer, acting for himself or herself or
245 another, who sells, trades, or otherwise transfers any vehicle
246 required to be titled under this chapter who does not comply
247 with the provisions of this chapter shall be guilty of a Class
248 A misdemeanor.

249 (d) The Department of Revenue may adopt rules to
250 implement and administer this section. "

251 "§32-8-31

252 No certificate of title shall be issued under this



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253 chapter for any of the following:

254 (1) A vehicle owned by the United States or any agency
255 thereof.

256 (2) A vehicle owned by a manufacturer or dealer and
257 held for sale, even though incidentally moved on the highway
258 or used for purposes of testing or demonstration, or a vehicle
259 used by a manufacturer solely for testing.

260 (3) A vehicle owned by a nonresident of this state and
261 not required by law to be registered in this state.

262 (4) A vehicle for which the Alabama license plate
263 issuing official has verified that both the current owner and
264 operator is recorded as the owner and operator on a currently
265 effective certificate of title issued by another state and the
266 certificate of title is being held by a recorded lienholder.

267 (5) A vehicle moved solely by animal power.

268 (6) An implement of husbandry.

269 (7) Special mobile equipment.

270 (8) A pole trailer.

271 (9) A trailer, ~~semi-trailer~~semitrailer, travel trailer,
272 or moving collapsible and folding camper more than 20 model
273 years old. This exemption is applicable on January 1 of each
274 year and applies to a trailer, ~~semi-trailer~~semitrailer, travel
275 trailer, or moving collapsible folding camper with a model
276 year, as designated by the manufacturer, more than 20 years
277 from the current calendar year.

278 (10) A manufactured home as defined in Section 32-20-2.

279 (11) Utility trailers other than moving collapsible and
280 folding campers.



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281 (12) A low speed vehicle, including neighborhood
282 electric vehicles, defined as a four-wheeled motor vehicle
283 with a top speed of not greater than 25 miles per hour, a
284 gross vehicle weight rating of less than 3,000 pounds, and
285 complying with the safety standards provided in 49 C.F.R.
286 ~~Section~~ §571.500.

287 (13) Any other motor vehicle more than 35 model years
288 old. This exemption is applicable on January 1 of each year
289 and applies to all motor vehicles with a model year, as
290 designated by the manufacturer, more than 35 years from the
291 current calendar year.

292 (14) A mini-truck as defined in Section 40-12-240.

293 (15) A motor-driven cycle as defined in Section
294 32-1-1.1.

295 (16) An off-road vehicle more than 10 model years old.

296 ~~(16)~~ (17) Any other vehicles as prescribed by the
297 department."

298 Section 2. Section 40-12-401 is added to Article 8 of
299 Chapter 12 of Title 40, Code of Alabama 1975, to read as
300 follows:

301 §40-12-401

302 (a) Beginning October 1, 2025, every off-road vehicle
303 dealer, as defined in Section 32-8-2, shall be subject to the
304 licensing provisions of this article.

305 (b) The department may adopt rules to implement and
306 administer this section.

307 Section 3. This act shall be effective October 1, 2024.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 21-Mar-24.

John Treadwell
Clerk

Senate

16-Apr-24

Amended and Passed

House

25-Apr-24

Concurred in Senate
Amendment