

HB233 INTRODUCED



1 HB233

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SYNOPSIS:

Under existing law, every motor vehicle operated on the public highways of this state, with limited exceptions, must have a certificate of title. However, off-road vehicles are not required to receive a certificate of title at the time of purchase.

This bill would require every off-road vehicle manufactured on or after January 1, 2026, to receive a certificate of title at the time of purchase.

This bill would also require dealers of off-road vehicles to obtain a master dealer license and would authorize the dealer to issue certificates of title for off-road vehicles.

A BILL
TO BE ENTITLED
AN ACT

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



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29 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

32 "§32-8-2

33 For the purpose of this chapter, the following terms
34 ~~shall~~ have the following meanings ~~respectively ascribed to~~
35 ~~them in this section~~, except where the context clearly
36 indicates a different meaning:

37 (1) CURRENT ADDRESS. A new address different from the
38 address shown on the application or on the certificate of
39 title. The owner, within 30 days after the address is changed
40 from that shown on the application or on the certificate of
41 title, shall notify the department of the change of address in
42 the manner prescribed by the department.

43 (2) DEALER. A person licensed as an automobile or motor
44 vehicle dealer, off-road vehicle dealer, or travel trailer
45 dealer and engaged regularly in the business of buying,
46 selling, or exchanging motor vehicles, trailers, semitrailers,
47 trucks, tractors or other character of commercial or
48 industrial motor vehicles, or travel trailers in this state,
49 and having in this state an established place of business.

50 (3) DEPARTMENT. The Department of Revenue of this
51 state.

52 (4) DESIGNATED AGENT. Each judge of probate,
53 commissioner of licenses, director of revenue, or other county
54 official in this state authorized and required by law to issue
55 motor vehicle license tags, who may perform his or her duties
56 under this chapter personally or through his or her deputies;



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57 the term shall also mean those dealers as herein defined who
58 are appointed by the department as provided in Section 32-8-34
59 and such persons who are appointed by the department as
60 provided in ~~subsection (c) of~~ Section 32-8-34 (c) to perform
61 the duties of designated agent for the purposes of this
62 chapter. Such dealers or other designated persons may perform
63 their duties under this chapter either personally, through any
64 of their officers or employees, or through a title service
65 provider.

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

71 (6) LIEN. Every kind of written lease which is
72 substantially equivalent to an installment sale or which
73 provides for a right of purchase, conditional sale,
74 reservation of title, deed of trust, chattel mortgage, trust
75 receipt, and every written agreement or instrument of whatever
76 kind or character whereby an interest other than absolute
77 title is sought to be held or given on a motor vehicle.

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

80 (8) MANUFACTURER. Any person regularly engaged in the
81 business of manufacturing, constructing, assembling,
82 importing, or distributing new motor vehicles, either within
83 or without this state.

84 (9) MOTOR VEHICLE. The term shall include all of the



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85 following:

86 a. Every automobile, motorcycle, mobile trailer,
87 semitrailer, truck, truck tractor, trailer, and other device
88 that is self-propelled or drawn, in, upon, or by which any
89 person or property is or may be transported or drawn upon a
90 public highway except such as is moved by animal power or used
91 exclusively upon stationary rails or tracks.

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

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

98 (10) NEW VEHICLE. A motor vehicle that has never been
99 the subject of a first sale for use by a new motor vehicle
100 dealer as defined in Section 40-12-390 or an equivalently
101 licensed dealer in another state and includes, among others,
102 vehicles maintained in a dealer's inventory, vehicles provided
103 by the manufacturer or dealer for use by participants in
104 charity, sporting, or other special events, vehicles used for
105 drivers' education, and vehicles delivered to customers that
106 were subsequently returned to the dealer without a
107 registration being issued on the vehicle.

108 (11) NONRESIDENT. Every person who is not a resident of
109 this state.

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



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113 1. A motorized vehicle 60 inches or less in width,
114 measured from the outside of the tire rim to the outside of
115 the tire rim directly across on the vehicle, having a dry
116 weight of 1,500 pounds or less, designed to travel on three or
117 more non-highway tires, and manufactured for off-road use by a
118 single operator or by an operator and not more than one
119 passenger as provided by the manufacturer.

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

127 b. The term does not include any electric bicycle; golf
128 cart; low-speed vehicle; mini-truck; vehicle used for
129 military, fire, emergency, or law enforcement purposes;
130 motorboat; vehicle used exclusively on airport property; farm
131 machinery, farm tractors, or other self-propelled equipment
132 for the purpose of harvesting and transporting forest
133 products, clearing land for planting, providing utility
134 services and maintenance, or earth moving, construction, or
135 mining; or self-propelled lawnmowers, snowblowers, or garden
136 or lawn tractors while being used exclusively for their
137 designed purposes.

138 ~~(12)~~ (13) OWNER. A person, other than a lienholder,
139 having the property in or title to a vehicle. The term
140 includes a person entitled to the use and possession of a



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141 vehicle subject to a security interest in another person, but
142 excludes a lessee under a lease not intended as security.
143 Under any lease-purchase or installment sales agreement where
144 a governmental agency, either city, county, or state, is the
145 lessee or purchaser with a security interest or right to
146 purchase, the lessee or purchaser shall be the owner for
147 purposes of this chapter.

148 ~~(13)~~ (14) PERSON. The term shall include every natural
149 person, firm, copartnership, association, or corporation.

150 ~~(14)~~ (15) PICKUP TRUCK. A truck with not more than two
151 axles and a gross weight not exceeding 12,000 pounds.

152 ~~(15)~~ (16) POLE TRAILER. Every vehicle without motive
153 power designed to be drawn by another vehicle and attached to
154 the towing vehicle by means of a reach or pole, or by being
155 boomed or otherwise secured to the towing vehicle, and
156 ordinarily used for transporting long or irregularly shaped
157 loads such as logs, poles, pipes, boats, or structural members
158 capable generally of sustaining themselves as beams between
159 the supporting connections.

160 ~~(16)~~ (17) SCRAP METAL PROCESSOR. Any person, firm, or
161 corporation engaged in the business of buying scrap vehicles,
162 automotive parts, or other metallic waste by weight to process
163 the material into scrap metal for remelting purposes, who
164 utilizes machinery and equipment for processing and
165 manufacturing ferrous and nonferrous metallic scrap into
166 prepared grades, and whose principal product is metallic
167 scrap.

168 ~~(17)~~ (18) SCRAP VEHICLE. Any vehicle that has been



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169 crushed or flattened by mechanical means or has been otherwise
170 damaged to the extent that it cannot economically be repaired
171 or made roadworthy.

172 ~~(18)~~ (19) SECURITY AGREEMENT. A written agreement that
173 reserves or creates a security interest.

174 ~~(19)~~ (20) SECURITY INTEREST. An interest in a vehicle
175 reserved or created by agreement and which secures payment or
176 performance of an obligation. The term includes the interest
177 of a lessor under a lease intended as security. A security
178 interest is perfected when it is valid against third parties
179 generally, subject only to specific statutory exceptions.

180 ~~(20)~~ (21) SELF-PROPELLED CAMPERS OR HOUSE CARS. A
181 self-propelled motor vehicle designed and used primarily for
182 mobile living quarters. The living quarters on self-propelled
183 campers or house cars are constructed as an integral part of
184 the motor vehicle and are not detachable. Self-propelled
185 campers or house cars are commonly known as motor homes,
186 mobile homes, or recreational vehicles.

187 ~~(21)~~ (22) SPECIAL MOBILE EQUIPMENT. Every vehicle not
188 designed or used primarily for the transportation of persons
189 or property and only incidentally operated or moved over the
190 highway, including, but not limited to: ditch-digging
191 apparatus; well-boring apparatus; road construction and
192 maintenance machinery such as asphalt spreaders, bituminous
193 mixers, bucket loaders, tractors other than truck tractors,
194 ditchers, leveling graders, finishing machines, motor graders,
195 road rollers, scarifiers, earth-moving carryalls and scrapers,
196 power shovels and draglines, and self-propelled cranes; and



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197 earth-moving equipment. The term does not include manufactured
198 homes, dump trucks, truck-mounted transit mixers, cranes, or
199 shovels, or other vehicles designed for the transportation of
200 persons or property to which machinery has been attached.

201 ~~(22)~~ (23) STATE. A state, territory, or possession of
202 the United States, the District of Columbia, the Commonwealth
203 of Puerto Rico, or a province of the Dominion of Canada.

204 ~~(23)~~ (24) TRANSPORTER. A person engaged regularly in the
205 business of either of the following:

206 a. Facilitating the delivery of motor vehicles, mobile
207 homes, trailer coaches, travel trailers, house trailers,
208 semitrailers or trailers, including utility trailers, or boats
209 between manufacturers, distributors, dealers, or persons.

210 b. Facilitating the delivery of special mobile
211 equipment from the manufacturer of the equipment to a facility
212 of a dealer.

213 ~~(24)~~ (25) TITLE SERVICE PROVIDER. A person who is bonded
214 under ~~subsection (d) of~~ Section 32-8-34 (d) and authorized by
215 the department to act as an agent for a fee or other
216 consideration on behalf of the following persons in the
217 performance of their duties under this chapter:

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

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

222 c. Other persons as prescribed by the department.

223 ~~(25)~~ (26) TRAVEL TRAILER. A vehicle without motive
224 power, designed and constructed as a camping vehicle or a



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225 temporary dwelling, living, or sleeping place and designed to
226 be drawn or pulled on the highway, also known as a house
227 trailer, but not including folding or collapsible camping
228 trailers as defined in this section.

229 ~~(26)~~ (27) USED VEHICLE. A motor vehicle that has been
230 the subject of a first sale for use, whether within this state
231 or elsewhere, or is being sold by a used motor vehicle dealer
232 as defined in Section 40-12-390.

233 ~~(27)~~ (28) UTILITY TRAILER. A vehicle without motive
234 power designed to be drawn by a passenger car or pickup truck,
235 including folding or collapsible camping trailers.

236 ~~(28)~~ (29) VEHICLE IDENTIFICATION NUMBER. The numbers and
237 letters on a motor vehicle designated by the manufacturer or
238 assigned by the department for the purpose of identifying the
239 motor vehicle."

240 "§32-8-30

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

247 (2) Beginning on January 1, 2026, every owner of an
248 off-road vehicle with a year model 2026 or after or every
249 off-road vehicle that is manufactured with a year model 2026
250 or after, for which no certificate of title has been issued by
251 the department, shall make application to a designated agent
252 for a certificate of title.



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253 (b) In the event that the owner's legal name, as
254 recorded on the current certificate of title, has changed, the
255 owner shall make application for a corrected certificate of
256 title to record the current legal name of the owner. The
257 application for certificate of title shall be made prior to
258 the renewal of the registration for the motor vehicle.

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

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

266 "§32-8-31

267 No certificate of title shall be issued under this
268 chapter for any of the following:

269 (1) A vehicle owned by the United States or any agency
270 thereof.

271 (2) A vehicle owned by a manufacturer or dealer and
272 held for sale, even though incidentally moved on the highway
273 or used for purposes of testing or demonstration, or a vehicle
274 used by a manufacturer solely for testing.

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

277 (4) A vehicle for which the Alabama license plate
278 issuing official has verified that both the current owner and
279 operator is recorded as the owner and operator on a currently
280 effective certificate of title issued by another state and the



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281 certificate of title is being held by a recorded lienholder.

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

283 (6) An implement of husbandry.

284 (7) Special mobile equipment.

285 (8) A pole trailer.

286 (9) A trailer, ~~semi-trailer~~semitrailer, travel trailer,

287 or moving collapsible and folding camper more than 20 model

288 years old. This exemption is applicable on January 1 of each

289 year and applies to a trailer, ~~semi-trailer~~semitrailer, travel

290 trailer, or moving collapsible folding camper with a model

291 year, as designated by the manufacturer, more than 20 years

292 from the current calendar year.

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

294 (11) Utility trailers other than moving collapsible and
295 folding campers.

296 (12) A low speed vehicle, including neighborhood
297 electric vehicles, defined as a four-wheeled motor vehicle
298 with a top speed of not greater than 25 miles per hour, a
299 gross vehicle weight rating of less than 3,000 pounds, and
300 complying with the safety standards provided in 49 C.F.R.

301 ~~Section~~ §571.500.

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

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

308 (15) A motor-driven cycle as defined in Section



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309 32-1-1.1.

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

311 ~~(16)~~ (17) Any other vehicles as prescribed by the
312 department."

313 Section 2. Section 40-12-401 is added to Article 8 of
314 Chapter 12 of Title 40, Code of Alabama 1975, to read as
315 follows:

316 §40-12-401

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

320 (b) The department may adopt rules to implement and
321 administer this section.

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