

1 HB96
2 208787-2
3 By Representative Wood (R)
4 RFD: Public Safety and Homeland Security
5 First Read: 02-FEB-21
6 PFD: 12/17/2020

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ENROLLED, An Act,

Relating to motor vehicle dealer plates; to amend Section 40-12-264 of Code of Alabama 1975, as amended by Act 2019-244 of the 2019 Regular Session, to provide for an increase in the maximum combined total of dealer and motorcycle dealer license plates a used motor vehicle dealer may purchase without regard to the number of title transfer applications by the dealer during the preceding dealer license year.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-12-264, Code of Alabama 1975, as amended by Act 2019-244, 2019 Regular Session, is amended to read as follows:

"§40-12-264.

"(a) Any person, including a motor vehicle dealer, acquiring a new or used motor vehicle may be granted a grace period of 20 calendar days from date of acquisition to procure a license tag or plate.

"(b) Notwithstanding Section 32-6-65, a new or used motor vehicle dealer who has a current regulatory license required under this article and a dealer license as required by Section 40-12-51 or Section 40-12-169 may purchase dealer license plates from the department upon presentation of the current licenses and payment of the fee for a private

1 passenger automobile as provided in subdivision (1) of
2 subsection (a) of Section 40-12-242 and subsection (a) of
3 Section 40-12-273 per dealer plate. An additional two dollar
4 (\$2) issuance fee shall also be collected by the department. A
5 new or used motor vehicle dealer that has a current regulatory
6 license required under this article and a dealer license as
7 required by Section 40-12-62 may purchase motorcycle dealers'
8 license plates from the department upon presentation of
9 current licenses and payment of the motorcycle registration
10 fee as provided by subdivision (2) of subsection (a) of
11 Section 40-12-242 and subsection (c) of Section 40-12-273 per
12 license plate. An additional two dollar (\$2) issuance fee
13 shall also be collected by the department. Dealer license
14 plates and motorcycle dealer license plates may only be used
15 on motor vehicles owned by the dealership and being held in
16 the inventory of the dealer. The number of dealer license
17 plates is limited as follows:

18 "(1) A licensed new motor vehicle dealer may
19 purchase a maximum combined total of 35 dealer and motorcycle
20 dealer license plates unless the dealer qualifies for
21 additional dealer license plates as provided for in
22 subdivision (3).

23 "(2) A licensed used motor vehicle dealer may
24 purchase a maximum combined total of ~~five~~ 10 dealer and
25 motorcycle dealer license plates unless the dealer qualifies

1 for additional dealer license plates as provided for in
2 subdivision (3).

3 "(3) Any licensed new or used motor vehicle dealer
4 who completes applications for certificates of title involving
5 title transfers for 300 or more motor vehicles in this state
6 during the previous dealer regulatory license year may
7 purchase a combined total of not more than 25 additional
8 dealer and motorcycle dealer license plates.

9 "(c) Dealer license plates may be used by
10 prospective purchasers, owners, partners, corporate officers,
11 and employees of the dealership and only on vehicles owned by
12 the dealership and being held in the inventory of the dealer.
13 Dealer license plates shall not be used on vehicles that are
14 utilized by the dealership as rental or lease vehicles, tow
15 trucks, service trucks or vans, or for other commercial
16 purposes. A prospective purchaser shall be limited to 72 hours
17 of use of dealer license plates. All vehicles on temporary
18 loan from a motor vehicle dealer to a customer whose vehicle
19 is being serviced or repaired by the dealer or to a high
20 school for the purpose of student driver education shall be
21 considered dealer demonstrator vehicles and dealer license
22 plates may be used on these vehicles provided a fee is not
23 charged by the dealer for the use.

24 "(d) Licensed new and used motor vehicle dealers
25 selling trucks or truck tractors with more than two axles on

1 the power unit or a gross weight exceeding 26,000 pounds shall
2 allow prospective purchasers to use dealer license plates for
3 one payload trip only, and that use shall not exceed 72 hours.
4 The dealer shall provide the prospective purchaser a permit
5 fully describing the vehicle by make, model, year, and vehicle
6 identification number. The permit shall contain the complete
7 name and address of the dealership and of the prospective
8 customer and shall clearly indicate the date and time the
9 permit was issued. The permit and dealer license plate shall
10 be issued only for demonstration purposes, and shall not be
11 issued by the dealer when a vehicle is loaned or rented to an
12 operator for any other purpose.

13 "(e) A licensed new or used motor vehicle dealer,
14 upon proper application, may be issued a temporary seven-day
15 dealer transit license plate to be used on motor vehicles
16 being offered for sale to licensed motor vehicle dealers. The
17 temporary dealer transit license plate shall be issued in a
18 manner as prescribed by the department. Temporary seven-day
19 dealer transit license plates may be used by the new or used
20 motor vehicle dealer to transport vehicles within the
21 inventory of the dealer. The temporary seven-day dealer
22 transit license plates shall not be used on service vehicles,
23 which include tow trucks and rental and lease vehicles, or
24 used for other commercial purposes. The fees for the seven-day
25 dealer transit license plates shall be five dollars (\$5).

1 "(f) A motor vehicle wholesale auction, licensed
2 under Section 40-12-446, upon proper application, may be
3 issued a seven-day auction transit license plate to be used to
4 transport vehicles to and from the auction. The seven-day
5 auction transit license plate shall be issued in a manner as
6 prescribed by the department. The seven-day auction transit
7 license plate may not be used on service vehicles, which
8 include tow trucks and rental and lease vehicles, or used for
9 other commercial purposes. The fee for a seven-day auction
10 transit license plate shall be five dollars (\$5).

11 "(g) A licensed motor vehicle dealer may purchase a
12 temporary seven-day dealer transit license plate to be used in
13 accordance with subsection (a) of Section 32-8-87.

14 "(h) Notwithstanding Section 32-6-65, any
15 manufacturer of private passenger automobiles, motorcycles,
16 trucks, truck tractors, or trailers who has manufacturing
17 facilities located in this state and has a current
18 manufacturer's license as required by Section 40-12-87, may
19 procure manufacturer license plates from the department upon
20 payment of the private passenger automobile or motorcycle fees
21 per plate, as provided in subdivision (1) or (2) of subsection
22 (a) of Section 40-12-242 and subsection (a) or (c) of Section
23 40-12-273. An additional two dollar (\$2) issuance fee shall
24 also be collected by the department. The word "manufacturer"
25 shall appear on the license plates. The license plates may be

1 used for transporting and testing new motor vehicles owned by
2 the manufacturer.

3 "(i) The proceeds of the fees levied in this section
4 shall not be subject to proration. The registration fees
5 collected pursuant to this section for dealer license plates
6 and manufacturer license plates shall be distributed by the
7 department in the same manner as fees for private passenger
8 automobiles and motorcycles pursuant to Sections 40-12-269,
9 40-12-270, and 40-12-274. The five dollar (\$5) fee for the
10 issuance of the seven-day dealer transit plates and the
11 seven-day auction transit plates and the additional two dollar
12 (\$2) issuance fee for dealer license plates and manufacturer
13 license plates shall be retained by the department to offset
14 the cost of administering this article. The five dollar (\$5)
15 fee and the two dollar (\$2) issuance fee, in addition to all
16 other appropriations, shall be continuously appropriated to
17 the department. No fees provided in this section may be
18 refunded.

19 "(j) No motor vehicle ad valorem taxes, registration
20 fees imposed by local law, or issuance fees imposed by local
21 law shall be collected by the department when issuing license
22 plates pursuant to this section. In addition, motor vehicle
23 delinquency penalties and interest fees shall not be
24 applicable when issuing license plates pursuant to this
25 section.

1 "(k) No motor vehicle ad valorem taxes or sales tax
2 shall be collected by the local issuing official when a
3 standard plate is issued for a motor vehicle held in inventory
4 by a licensed new or used motor vehicle dealer.

5 "(l) Any person to whom license plates are issued
6 under this section, upon forfeiture or revocation of his or
7 her license under Section 40-12-390, et seq., or upon
8 discontinuing business, shall surrender to the department all
9 license plates issued within 10 calendar days from the date of
10 forfeiture or revocation of license or discontinuing business.

11 "(m) Motor vehicle dealer, motorcycle dealer,
12 manufacturer, auction transit, or dealer transit license
13 plates may not be used in lieu of regular issued license
14 plates as a means of avoiding the registration and ad valorem
15 tax requirements of this chapter. Any person who willfully
16 misuses or unlawfully acquires a license plate issued under
17 this section in a manner not authorized by this section and
18 rules adopted pursuant to this section shall be subject to a
19 penalty assessed by the department in the amount of two
20 hundred dollars (\$200) for the first violation and five
21 hundred dollars (\$500) for each subsequent violation.

22 "(n) A licensed new or used motor vehicle dealer
23 shall register any motor vehicle and purchase an Alabama
24 license plate of the proper classification for any motor
25 vehicle withdrawn from the inventory of the dealer.

1 "(o) A motor vehicle dealer, motorcycle dealer, or
2 manufacturer license plate may be replaced in accordance with
3 Section 40-12-265.

4 "(p) Any person who makes willful misstatements or
5 files documents with erroneous information in order to obtain
6 motor vehicle dealer, motorcycle dealer, dealer transit,
7 auction transit, or manufacturer license plates shall be
8 guilty of a Class A misdemeanor subject to criminal penalties
9 as provided by law, and may be assessed a civil penalty of one
10 thousand dollars (\$1,000) by the department.

11 "(q) A new or used motor vehicle dealer, motor
12 vehicle rebuilder, or motor vehicle wholesaler, licensed
13 pursuant to Section 40-12-51, 40-12-62, or 40-12-169 and
14 Section 40-12-391, or a manufacturer of private passenger
15 automobiles, motorcycles, trucks, truck tractors, or trailers
16 that is licensed pursuant to Section 40-12-87, is prohibited
17 from renewing his or her licenses if the new or used motor
18 vehicle dealer, motor vehicle rebuilder, motor vehicle
19 wholesaler, or manufacturer fails to pay any outstanding
20 liabilities resulting from the assessment of penalties
21 provided in this section."

22 Section 2. This act shall become effective on
23 October 1, 2021, following its passage and approval by the
24 Governor, or its otherwise becoming law.

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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 07-APR-21.

Jeff Woodard
Clerk

Senate

17-MAY-21

Passed