

1 HB248
2 147338-4
3 By Representatives Hurst and Johnson (R)
4 RFD: Commerce and Small Business
5 First Read: 12-FEB-13

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SYNOPSIS: This bill would establish a mandatory electronic lien and titling system for motor vehicles in this state.

 This bill would require the Commissioner of the Department of Revenue to contract for the establishment, implementation, and ongoing operation of an electronic lien and titling system for motor vehicles in this state.

 This bill would provide certain terms to be included in the contract, including the contractor's responsibility for the payment of all costs associated with the establishment and implementation of the system.

 This bill would authorize the commissioner to adopt rules exempting certain lienholders from participation in the system, as well as other rules for the establishment and implementation of the system.

A BILL

1 TO BE ENTITLED

2 AN ACT

3
4 Relating to motor vehicles, to establish a mandatory
5 electronic lien and titling system for motor vehicles in this
6 state; to require the Commissioner of the Department of
7 Revenue to contract for the establishment and operation of the
8 system; to specify certain required terms of the contract; to
9 authorize the commissioner to exempt certain lienholders from
10 participation in the system; and to provide general rulemaking
11 authority to the department.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. (a) Within nine months from the effective
14 date of this act, the Commissioner of the Department of
15 Revenue shall contract for the establishment, implementation,
16 and ongoing operation of an electronic lien and titling system
17 for motor vehicles in this state. The commissioner shall
18 comply with the competitive bidding requirements of Article 2
19 (commencing with Section 41-16-20), of Chapter 16, Title 41 of
20 the Code of Alabama 1975. The terms of the contract shall
21 satisfy all of the following requirements:

22 (1) The contract shall be for a term of not less
23 than seven years.

24 (2) The contract shall include all of the following
25 terms relating to costs:

26 a. The department may not be assessed any charges by
27 the contractor for establishing and implementing the system.

1 b. The contractor shall be obligated to reimburse
2 the department for all reasonable costs directly associated
3 with the establishment and implementation of the system.

4 c. The department shall reimburse the contractor for
5 any anticipated lost revenue if, by operation of law, rule, or
6 otherwise, lienholders are not required to participate in the
7 system following the award of a contract.

8 (3) The contract shall require that the electronic
9 lien and titling system be operational within one year from
10 the award of the contract.

11 (b) In addition to any other requirements imposed by
12 law on the qualifications of bidders, a bidder shall have a
13 minimum of five years' experience in directly providing
14 electronic lien services to both state motor vehicle
15 departments or agencies and lienholders.

16 (c) Upon demonstration that the electronic lien and
17 titling system is operational, the department shall adopt a
18 rule to set the operative date by which lienholders must
19 participate in the electronic lien and titling system. The
20 operative date shall not be more than one year from the date
21 the system becomes operational.

22 (d) The commissioner shall adopt rules to implement
23 the requirements of this act, including, but not limited to,
24 designating additional classes of lienholders that are exempt
25 from participation in the electronic lien and titling system.

1 Section 2. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.