

1. The Alabama Uniform Certificate of Title and Anti-theft Act provides for the transfer of motor vehicles by operation of law (involuntary transfers) whereby the vehicle's previous owner is not required to complete the assignment of title and, in some instances, the certificate of title is not available. This Act further provides for an exemption from having to take title in the name of the transferee in instances of repossession of a motor vehicle or when an insurance company acquires a motor vehicle from an insured under the terms of an insurance contract (policy).

2. The Federal Truth-in-Mileage Act of 1986 (as amended) and the rules of the National Highway Traffic Safety Administration require all states to issue a secure certificate of title which includes a Conforming Odometer Statement in the assignment. This Act further requires the transferee and the transferor to complete the odometer statement on the certificate of title or by issuance of a separate conforming Federal Odometer Statement when the certificate of title does not contain the required odometer statement.

3. The Alabama Certificate of Title provides for an assignment of title by the registered owner which shall include the lienholder reflected on the face of the certificate in instances of repossession.

4. The Alabama Certificate of Title provides for reassignments of title by licensed dealers which shall include licensed insurance companies who issue insurance contracts (policies) on motor vehicles and who acquire a motor vehicle under the terms of an insurance contract.

5. Lienholders who are recorded on the certificate of title and effect repossession of the motor vehicle, insurance companies who acquire ownership of a motor vehicle under the terms of an insurance contract (policy) and the heir(s) of motor vehicles when the deceased person died without a will, may either take title in their name or they shall effect transfer of the vehicle(s) as follows:

(a) Lienholders must complete the Repossessed Motor Vehicle Affidavit and Disposition of Vehicle Under Lien (MVT Form 1-5), and shall complete the assignment of title by owner, and if the assignment of title area does not contain the required Federal Odometer Disclosure Statement, a separate conforming Federal Odometer Statement as mandated by the Federal Truth-in-Mileage Act of 1986 must be issued by the seller to the buyer. If the buyer is the applicant for title, the original copy of the statement must accompany the application for title.

(b) Insurance companies who acquire ownership of non-total loss vehicles shall acquire a properly assigned certificate of title from the owner (insured) to the insurance company, and shall complete the "Affidavit of Acquisition and Disposition of a Non-Total Loss Vehicle by Insurance Company" (MVT Form 45-1), and shall complete the "first reassignment of title by a licensed dealer" to their transferee. If the title

assignment/reassignment area does not contain the required Federal Odometer Disclosure Statement, a separate conforming Federal Odometer Statement as mandated by the Federal Truth-in-Mileage Act of 1986 shall be issued by the insurance company to the purchaser. If the purchaser is the applicant for title, the original copy of the statement must accompany the application for title.

(c) Heirs of deceased owners of motor vehicles who died without a will who dispose of motor vehicles must complete an Affidavit for Assignment of Title When Deceased Owner Died Without A Will (MVT Form 5-6) and shall complete the assignment of title by owner. If the assignment of title area does not contain the required Federal Odometer Disclosure Statement, a separate conforming Federal Odometer Statement must be issued by the seller to the purchaser. If the purchaser is the applicant for title, the original copy of the statement must accompany the application for title by the applicant.

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