

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-5-75-.57

Rule Title: Application for Salvage Certificate of Title

New; Amend; Repeal; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

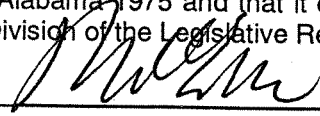
Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 

Date 8/19/11

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: **810-5-75-.57**

Rule Title: Application for Salvage Certificate of Title – Application for Certificate of Title for a Stolen Unrecovered Vehicle

 New X Amend Repeal Adopt by Reference

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

The amendments to the rule clarify the procedures for insurance companies to obtain electronic certificates of title for motor vehicles for which they have paid total loss claims due to the vehicles being reported as stolen.

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

N/A

3. EFFECT OF THIS RULE ON COMPETITION:

N/A

4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

N/A

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

N/A

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

N/A

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON

AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

N/A

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

N/A

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

N/A

11. OTHER COMMENTS:

N/A

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11/96

ALABAMA DEPARTMENT OF REVENUE
Motor Vehicle Division

NOTICE OF INTENDED ACTION

RULE NO. & TITLE:

810-5-75-.68

Title Procedure – Exemptions from Titling

INTENDED ACTION:

Adopt a new rule

SUBSTANCE OF PROPOSED ACTION:

The department proposes to promulgate a new rule which will exempt the following vehicles from titling: motor vehicles more than 35 model years old, trailers more than 20 model years old and low speed vehicles as defined under federal regulations.

RULE NO. & TITLE:

810-5-75-.57

Application for Salvage Certificate of Title

INTENDED ACTION:

Amend an existing rule

SUBSTANCE OF PROPOSED ACTION:

The department proposes to amend the above rule to clarify the procedures for insurance companies to obtain electronic certificates of title for motor vehicles for which they have paid total loss claims due to the vehicles being reported as stolen. In addition, the title of the rule will be amended.

RULE NO. & TITLE:

810-5-75-.48

Title Procedures - Defining "Junk", "Parts Only" and "Scrap" Vehicles and Requiring Notice

INTENDED ACTION:

Amend an existing rule

SUBSTANCE OF PROPOSED ACTION:

The department proposes to amend the above rule to clarify the procedures for reporting the transfer of a motor vehicle for the purpose of dismantling it or recycling it into metallic scrap in accordance with Act 2011-633. In addition, Form MVT 5-18 will replace Form MVT 5-48 as an appendix to the rule.

RULE NO. & TITLE:

810-5-75-.07

Title Procedure – Request for Change of Address Only on a Certificate of Title

INTENDED ACTION:

Repeal an existing rule

SUBSTANCE OF PROPOSED ACTION:

The department proposes to repeal the above rule due to the fact that the procedure and form are no longer in use. Owner and lienholder addresses are now updated electronically through the electronic title application processing system (ETAPS).

RULE NO. & TITLE:

810-5-75-.26.01

Title Procedure – Motor Vehicles Exempt from Titling in Other States

INTENDED ACTION:

Repeal an existing rule

SUBSTANCE OF PROPOSED ACTION:

The department proposes to repeal the above rule due to the fact that the procedure is already codified in Section 32-8-39(b), Code of Alabama 1975.

RULE NO. & TITLE:

810-5-75-.37

Application for Certificate of Title-Seller's Signature Requirements

INTENDED ACTION:

Repeal an existing rule

SUBSTANCE OF PROPOSED ACTION:

The department proposes to repeal the above rule due to the fact that Act 2009-281 eliminated the requirement for a seller's signature on an application for certificate of title; therefore the rule is no longer necessary.

RULE NO. & TITLE:

810-5-75-.44

Assignment/Reassignment of Salvage Certificate of Title

INTENDED ACTION:

Repeal an existing rule

SUBSTANCE OF PROPOSED ACTION:

The department proposes to repeal the above rule due to the fact the assignment procedure is already addressed in Rule 810-5-75-.40 and all certificates of title for non-exempt vehicles now conform to the Federal Truth in Mileage Act of 1986; therefore, this rule is no longer necessary.

RULE NO. & TITLE:

810-5-75-.46.01

Assignment of Certificate of Title - Transferor's Signature Requirements

INTENDED ACTION:

Repeal an existing rule

SUBSTANCE OF PROPOSED ACTION:

The department proposes to repeal the above rule due to the fact that the procedure is already addressed in Rule 810-5-75-.40.

TIME, PLACE, MANNER OF PRESENTING VIEWS:

A public hearing will be held at 10:00 a.m. on Thursday, October 6, 2011, in the Office of the Legal Division, Room 3114, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at www.revenue.alabama.gov/rulehear.html.

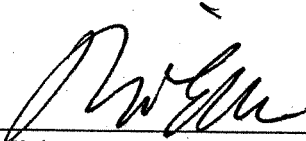
All interested parties may present their views in writing to the Deputy Commissioner of the Alabama Department of Revenue, Room 4112, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132 at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Thursday, October 6, 2011

CONTACT PERSON AT AGENCY:

Patricia Toles
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Michael E. Mason, Deputy Commissioner
Alabama Department of Revenue

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810-5-75-.57 Application for Salvage Certificate of Title (Forms MVT 41-1 and MVT 41-1e) – Application for Certificate of Title for a Stolen Unrecovered Vehicle

(1) When a motor vehicle subject to titling is considered a total loss as defined in Section 32-8-87, Code of Alabama 1975, as amended, it will be the responsibility of the owner or any person acquiring ownership (individual, company, or insurance company) to complete form MVT 41-1 or MVT 41-1e (Application for Salvage Certificate of Title), and mail or deliver it to the Department of Revenue ~~as soon as practicable~~ for processing. Note: Form MVT 41-1e is generated ~~by a designated agent of the department~~ through the Motor Vehicle Title Registration Insurance Portal (MVTRIP) using ETAPS (electronic title application processing system) and form MVT 41-1 is a paper form that does not originate through ETAPS generated by a non-designated agent not using ETAPS. Forms MVT 41-1 ~~or~~ and MVT 41-1e shall contain the following information:

(a) The individual completing form MVT 41-1 or MVT 41-1e must verify the Vehicle Identification Number (VIN) and other vehicle information using information obtained from the outstanding certificate of title and the vehicle being reported as salvage. If a discrepancy in the VIN is found, the owner in whose name the title is currently issued must obtain a corrected certificate of title prior to the submission of the MVT 41-1 or MVT 41-1e.

(b) The owner information area must be completed using the name of the individual or company that is obtaining the salvage certificate of title. Individuals must be listed by their last name first, followed by their first name and then middle initial. Any suffixes such as Jr., Sr., or the III must be listed after the name. The owner's resident address must be listed if the address is different from the mailing address. A Post Office Box is not considered a resident address and is not permitted.

(c) The lienholder information should be completed only when there is an outstanding lien on the vehicle. If a lien recorded on the outstanding certificate of title has been satisfied, a separate lien release must be provided, unless released on the certificate of title in the space provided.

(d) The owner's authorization for special mailing section may be completed only when there are no outstanding liens on the vehicle. If a lien is recorded, then the certificate of title will be mailed to the recorded lienholder regardless of whether the special mailing authorization is completed.

(e) When the owner (individual or company) making application for a salvage certificate of title is either uninsured or self-insured, **SECTION A** of the MVT 41-1 or MVT 41-1e must be completed and signed by the applicant. The applicant must disclose whether the vehicle is "Junk" or to be "Sold For Parts

Only” ~~by checking the corresponding block~~ on the MVT 41-1 or MVT 41-1e. A vehicle which is disclosed as “Junk” or to be “Sold For Parts Only” cannot be rebuilt and no subsequent certificate of title will be issued for the vehicle after the salvage certificate of title is issued with a “Parts Only – Non- Rebuildable” legend. The owner shall also disclose the city and state where the total loss occurred and whether the vehicle was declared a total loss due, in part, to water damage.

(f) When an insurance company has declared the vehicle to be a total loss, and paid compensation to the owner, ~~SECTION B of~~ the MVT 41-1 or MVT 41-1e must be completed and signed by an authorized representative of the insurance company. The authorized representative must disclose whether the vehicle is “Junk” or to be “Sold For Parts Only” ~~by checking the corresponding block~~ on the MVT 41-1 or MVT 41-1e. A vehicle which is disclosed as “Junk” or to be “Sold For Parts Only” cannot be rebuilt and no subsequent certificate of title will be issued for the vehicle after the salvage certificate of title is issued with a “Parts Only – Non- Rebuildable” legend. The owner shall also disclose the city and state where the total loss occurred and whether the vehicle was declared a total loss due, in part, to water damage. The authorized representative must also disclose whether the insurance company is making application for a salvage certificate of title, or the owner is retaining the salvage on the vehicle, ~~by marking the appropriate block in SECTION B and completing the OWNER INFORMATION area~~ on the MVT 41-1 or MVT 41-1e.

(2) The supporting documents which must accompany the MVT 41-1 or MVT 41-1e are as follows:

(a) Outstanding certificate of title, properly assigned if necessary. Note: Documents evidencing an involuntary transfer of the vehicle by operation of law may be used in lieu of the outstanding certificate of title.

(b) Any other documents used to support the application or transfer of title.

(c) Fee as required in Section 32-8-6 (a) (1), Code of Alabama 1975.

(3) Upon receipt of a properly completed MVT 41-1 or MVT 41-1e and the supporting documents as specified in Section 2, the Department will issue a salvage certificate of title. The salvage certificate of title will reflect the legend “Parts Only – Non-Rebuildable” if such disclosure was made on the MVT 41-1 or MVT 41-1e. The salvage certificate of title will reflect the legend “Flood Vehicle” if such disclosure was made on the MVT 41-1 or MVT 41-1e ~~and the total loss occurred on or after March 9, 2006~~.

(4) Once the legend “Flood Vehicle” is issued, on a salvage certificate of title or any other certificate of title the legend will be reflected on all subsequent

certificates of title regardless of whether the vehicle is subsequently rebuilt in this or any other state.

(5) Note: Once form MVT 41-1e is available for use by non-designated agents through MVTRIP, form MVT 41-1 may no longer be used to apply for salvage certificate of title.

(6) Effective January 1, 2012, when a settlement has occurred between an insurance company and the insured for a vehicle that has been reported as stolen in this state, the insurance company may make application for certificate of title in their name by completing form MVT 40-1e and submitting the following documents:

(a) Outstanding properly assigned certificate of title. Note: Documents evidencing an involuntary transfer of the vehicle by operation of law may be used in lieu of the outstanding certificate of title.

(b) Any other documents used to support the application or transfer of title.

(c) Fee as required in Section 32-8-6 (a) (1), Code of Alabama 1975.

(7) Upon receipt of a properly completed MVT 40-1e and the supporting documents as specified in paragraph 6, the Department will issue an electronic certificate of title in the name of the insurance company indicating that the vehicle is reported as stolen and unrecovered.

(8) Upon recovery of the vehicle, the insurance company shall electronically update the title record utilizing MVTRIP. The insurance company shall include, in the disclosure, whether the recovered vehicle was a total loss requiring that a salvage certificate of title be issued in the name of the insurance company. In addition, the insurance company shall provide, if applicable, an updated mailing address where the certificate of title shall be mailed.

(9) Upon receipt of the disclosure from the insurance company, the Department shall issue a certificate of title in paper form in the name of the insurance company.

NOTE: Scrap Metal Processors Acquiring A Total Loss Vehicle For The Purpose of Recycling Into Metallic Scrap for Remelting Purposes Are Not Required To Obtain A Salvage Certificate Of Title.

Author: Mike Gamble

Authority: Sections 32-8-1 through 32-8-88, Code of Alabama 1975

History: Amended November 5, 1997, effective December 10, 1997.
Emergency Rule: Filed April 12, 2006, expires August 9, 2006.
Permanent Rule: Filed July 26, 2006, effective August 31, 2006.
Amended: Filed April 21, 2010, effective May 26, 2010.
Amended: Filed January 6, 2011, effective February 10, 2011.