

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

Control No. 810 Department or Agency REVENUE

Rule No: **810-5-75-.68**

Rule Title: **Title Procedure – Exemptions from Titling**

X New _____ 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:**

This rule will eliminate title problems associated with older and non-standard model motor vehicles. These problems result in motor vehicles not being able to be properly registered and taxed. The rule will also allow the removal of more than 800,000 old title records from the title database maintained on ISD's mainframe.

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

This rule will eliminate the titling of an estimated 3,000 motor vehicles on an annual basis resulting in a decrease of \$45,000 per year to the general fund. However, processing and administrative costs associated with the titling of these vehicles will offset a significant portion of the decrease in revenue. Eliminating the problematic titling of these motor vehicles will allow the department to more efficiently process applications for certificate of title for motor vehicle which are subject to titling.

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:

This rule will reduce initial costs for affected motor vehicle owners.

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

APA-2
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-.68 Title Procedure –Exemptions from Titling. **(NEW RULE)**

(1) Effective January 1, 2012, no certificate of title shall be issued for any trailer, semi-trailer, travel trailer, or utility trailer more than twenty (20) model years old. This exemption is applicable on January 1 of each year and applies to all trailers, semi-trailers, travel trailers, and utility trailers with a model year, as designated by the manufacturer, older than twenty (20) years from the current calendar year.

(a) Example: As of January 1, 2012, all 1991 and prior year model trailers, semi-trailers, travel trailers, and utility trailers are exempt from the titling provisions of Chapter 8, Title 32, Code of Alabama 1975.

(2) Effective January 1, 2012, no certificate of title shall be issued for any motor vehicle more than thirty-five (35) model years old. This exemption is applicable on January 1 of each year and applies to all motor vehicles with a model year, as designated by the manufacturer, older than thirty-five (35) years from the current calendar year.

(a) Example: As of January 1, 2012, all 1976 and prior year motor vehicles are exempt from the titling provisions of Chapter 8, Title 32, Code of Alabama 1975.

(3) Effective January 1, 2012, no certificate of title shall be issued for a low speed vehicle. A low speed vehicle is defined as a four-wheeled motor vehicle with a top speed of not greater than 25 miles per hour, a gross vehicle weight rating (GVWR) of which is less than 3,000 pounds and complying with the safety standards provided in 49 C.F.R. Section 571.500. The term includes neighborhood electric vehicles.

(4) No title records will be maintained by the Department of Revenue for any motor vehicle or manufactured home exempted from titling under the provisions of Chapters 8 or 20 of Title 32, Code of Alabama 1975, or any rules promulgated thereunder.

(a) Example: As of January 1, 2012, the title records for the following motor vehicles will no longer be maintained due to the motor vehicle being exempt from titling by statute or rules promulgated thereunder:

1. Trailers more than twenty (20) model years which would include all 1991 and prior year model trailers.

2. Manufactured homes more than twenty (20) model years old which would include all 1991 and prior year manufactured homes.

3. Motor vehicles more than thirty-five (35) model years old which would include all 1976 and prior year model motor vehicles.

4. All low speed vehicles as specified in paragraph (3) of this rule.

Author: Mike Gamble
Authority: Sections 40-2A-7(a)(5), 32-8-3(b)(2), 32-20-3(b)(2) and 32-8-31(13),
Code of Alabama 1975
History: