

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-5-75-34

Rule Title: Title Procedure - Title Obtained Under Surety Bond

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 *Mark E. Mann*

Date 1/20/12

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

Control No. 810 Department or Agency REVENUE

Rule No: **810-5-75-.34**

Rule Title: Title Procedure - Title Obtained Under Surety Bond.

 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 amended rule is being implemented in order to provide uniform amounts for surety bonds that are being posted to obtain certificates of title. By establishing uniform surety bond amounts, the surety bond request process can be standardized and integrated into the electronic title application processing system (ETAPS).

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:

N/A

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: 810-5-1-.207 Motor Vehicle Wreckers

INTENDED ACTION: Adopt new rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to provide guidance regarding the new motor vehicle wrecker classification created by Act 2011-540.

RULE NO. & TITLE: 810-5-1-.212 Undercover License Plates

INTENDED ACTION: Adopt new rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to provide guidelines and procedures when issuing undercover license plates to law enforcement agencies.

RULE NO. & TITLE: 810-5-1-.247 Guidelines for Vehicle Identification Number (VIN) Inspections

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule due to the provisions of Act 2010-579 which exempt vehicles registered in this state in the previous two calendar years from a physical inspection by the county licensing official.

RULE NO. & TITLE: 810-5-8-.07 Vehicles Exempt from the Mandatory Liability Insurance Law

INTENDED ACTION: Adopt new rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to exempt vehicles covered by a blanket liability insurance policy or commercial automobile liability insurance policy from the Mandatory Liability Insurance Law verification process.

RULE NO. & TITLE: 810-5-75-.34 Title Procedure – Title Obtained Under Surety Bond

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to provide uniform amounts for surety bonds that are being posted to obtain certificates of title. By establishing uniform surety bond amounts, the surety bond request process can be standardized and integrated into the electronic title application processing system (ETAPS).

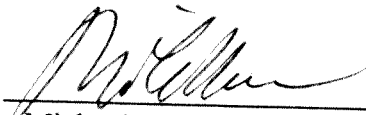
TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at 10:00 a.m. on Wednesday, March 7, 2012, in the Office of the Legal Division, Room 3114, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at www.revenue.alabama.gov/rulehear.html.

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:
Wednesday, March 7, 2012

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-.34 Title Procedure - Title Obtained Under Surety Bond.

~~(1) The term "Department" as used in this regulation shall mean the Department of Revenue of the State of Alabama.~~

(2) ~~(1)~~ Applicant(s) shall complete a request for an Alabama certificate of title under surety bond ~~(form MVT 10-1a) and attach required documents as specified in the MVT 10-1a form.~~ pursuant to Section 32-8-36 or 32-20-24(2), Code of Alabama 1975, utilizing the Motor Vehicle Title, Registration and Insurance Portal (MVTRIP). Upon approval of the surety bond request ~~form MVT 10-1a,~~ the applicant(s) will be ~~mailed provided a partially completed~~ certificate of title surety bond (form MVT 10-1) to be completed by the applicant(s) and the insurance company issuing the surety bond. Note: Form MVT 10-1a may be used to request a surety bond for motor vehicles until such time as the request feature is available in MVTRIP.

(2) The standardized amount of the surety bonds shall be as follows:

(a) Trailers:

1. Less than five (5) model years old - \$25,000
2. Five (5) model years old but less than ten (10) model years old - \$10,000
3. Ten (10) or more model years old - \$5,000

(b) Passenger vehicles and pickup trucks:

1. Less than five (5) model years old - \$50,000
2. Five (5) model years old but less than ten (10) model years old - \$25,000
3. Ten (10) or more model years old - \$10,000

(c) Trucks, buses and recreational vehicles:

1. Less than five (5) model years old - \$100,000
2. Five (5) model years old but less than ten (10) model years old - \$50,000
3. Ten (10) or more model years old - \$25,000

(d) Motorcycles:

1. Less than five (5) model years old - \$25,000
2. Five (5) model years old but less than ten (10) model years old - \$10,000
3. Ten (10) or more model years old - \$5,000

(e) Manufactured homes*:

1. Less than (10) model years old - \$50,000
2. Ten (10) or more model years old - \$25,000

*Note: Up to four (4) manufactured home identification numbers will be allowed for each manufactured home with multiple sections containing separate identification numbers. Each manufactured home identification number will be printed on the surety bond (form MVT-11B). Each MVT-11B shall be signed by a representative of a surety company authorized to conduct a surety business in this state. The same certificate of title surety bond number issued by the surety company shall be listed, in the appropriate space, on each MVT-11B.

~~(3) Designated agent completes MVT 5-1c (Application for Title). The application (MVT 5-1c) shall be machine printed or typewritten in black ink and shall be signed by the designated agent and the applicant(s) who claim(s) ownership of the vehicle.~~

(4) Upon completion of the surety bond (form MVT 10-1 or MVT 11B), the applicant(s) shall make application for certificate of title through a designated agent. The application must be made within ninety (90) days from the date the surety bond was created.

(5) Supporting documents required to accompany the application for certificate of title:

(a) Form MVT 10-1 or MVT 11B (Certificate of Title Surety Bond) properly completed by applicant(s) and an insurance company licensed to issue surety bonds in the State of Alabama. The surety company shall provide a power of attorney, to be attached with the MVT 10-1 or MVT-11B, for each representative authorized to sign on behalf of the surety company. Note that forms MVT 10-1 and MVT 11B will be acceptable to support an application for certificate of title for ninety (90) days from the date either surety bond was created.

~~(b) MVT 10-1a~~

(b) ~~(b)~~ Documents ~~previously submitted with MVT 10-1a~~ by which applicant(s) claim(s) ownership of the motor vehicle or manufactured home.

~~(d) Fee (See Schedule of Fees and Commissions).~~

(6) Title, when issued, will be **stamped printed** with the legend "THIS TITLE WAS SECURED UNDER THREE-YEAR SURETY BOND".

~~(7) The amount of the bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the Department. The Department may use as guides in establishing the value of the vehicle such publications as National Automobile Dealer's Association Official Used Car Guide Southeastern Edition, Redbook, other nationally recognized guides, written appraisals from individuals or companies whose experience can be expected to qualify them as experts, or other sources as the Department may deem acceptable.~~

(8) ~~(6)~~ When an application for title (MVT 5-1e) is supported by a title issued under surety bond that is currently in effect in another jurisdiction, the applicant(s) will be required to post a surety bond in Alabama in order to title the vehicle or manufactured home.

(9) Certificate of title surety bond (form MVT 10-1 or form MVT 11B) may not be **uplicated modified or altered**.

Author: Mike Gamble
Authority: Sections 32-8-1 through 32-8-88, Code of Alabama 1975
History: Amended: Filed November 23, 1998, effective December 28, 1998.

APPENDIX A - CHAPTER 810-5-75

Attachment 810-5-75-.34

Authority: Sections 40-2A-7(a)(5), 32-8-3(b)(2), 32-8-36, 32-20-3(b)(2) and 32-20-41(1), Code of Alabama 1975

History: MVT 10-1A (3/04) Surety Bond Request