



APA-6  
10/96

**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

- NO This rule has no economic impact.  
 YES This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
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:**

9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC  
HEALTH:**
  
10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH  
IF THE RULE IS NOT IMPLEMENTED:**
  
11. **OTHER COMMENTS:**

APA-2  
11/96

**ALABAMA DEPARTMENT OF REVENUE**  
**Motor Vehicle Division**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-5-12-.05                      Evidence of Blanket Liability Insurance Coverage for Licensed Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicle Rebuilders, and Motor Vehicle Wholesalers

**INTENDED ACTION:**        Amend the above rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rule which provides guidelines for required liability insurance coverage, and specifies the methods of proof of liability insurance before the license is issued.

**RULE NO. & TITLE**

810-5-75-.34                      Title Procedure - Title Obtained Under Surety Bond

**INTENDED ACTION:**        Amend the above rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rule to provide that surety bond form MVT 10-1 may be used to obtain a certificate of title for a motor vehicle or manufactured home. The rule also indemnifies any prior or subsequent owner and lienholder against any expense or loss by reason of a defect or undisclosed security interest in the vehicle for a period of three (3) years.

**RULE NO. & TITLE**

810-5-75-.52                      Designated Agent - Dealer, Financial Institution, Pawnshop and Insurance Company Appointments

**INTENDED ACTION:**        Repeal and Replace

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to repeal the existing language in the above rule and replace it with new language to comply with the provisions of Act 2014-158, which passed during the 2014 Regular Legislative Session.

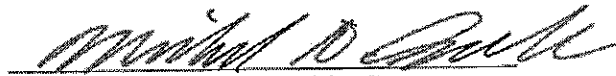
**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at 2:00 p.m. on Wednesday, September 10, 2014, Room 1203, First Floor, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at [ww.revenue.alabama.gov/rulehear.html](http://ww.revenue.alabama.gov/rulehear.html).

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, 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, September 10, 2014

**CONTACT PERSON AT AGENCY:**

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



Michael D. Gamble, Secretary  
Alabama Department of Revenue

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810-5-75-.34 ~~Title Procedure~~ - Title Obtained Under Surety Bond.

(1) If the department is not satisfied as to the ownership of the vehicle or manufactured home, or that there are no undisclosed security interests in the vehicle or manufactured home, the Applicant(s) shall complete an electronic request for an Alabama certificate of title under surety bond (form MVT 10-1A) 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 request for a surety bond request, the applicant(s) will be provided a certificate of title surety bond certificate of title surety bond for a motor vehicle or manufactured home (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~~ The manufactured home identification number for each section will be printed on the surety bond (form MVT 10-114B). ~~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 form MVT 10-114B.

(3) 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 executed.

(4) The following Supporting documents are required to accompany the application for certificate of title:

(a) Form MVT 10-1 ~~or MVT-11B (Certificate of Title Surety Bond)~~ must be properly completed by applicant(s) and an insurance company licensed to issue surety bonds in the State of Alabama.

(b) The certificate of title surety bond must be signed by a representative of the ~~The~~ surety company and shall include 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.~~

(c) Documents by which applicant(s) claim(s) ownership of the motor vehicle or manufactured home (i.e. bill of sale, registration, etc.).

(5) The certificate of title Title, when issued, will be printed with the legend "THIS TITLE WAS SECURED UNDER THREE-YEAR SURETY BOND".

(6) When an application for certificate of title (MVT-5-1e) is supported by a certificate of 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 motor vehicle or manufactured home.

(7) Once the Certificate of title surety bond (form MVT 10-1 or form MVT 11B) has been printed, it may not be modified or altered (i.e. strikethroughs, whiteout, etc.).

**(8) The surety bond will indemnify any prior owner and lienholder and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of title of the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle for a period of three (3) years from the date the bond is executed.**

Author: **James Starling**, Mike Gamble

Authority: Sections 40-2A-7(a)(5) and 32-8-1 through 32-8-88, Code of Alabama 1975

History: Amended: Filed November 23, 1998, effective December 28, 1998.  
Amended: Filed March 28, 2012, effective May 2, 2012.