

### TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-5-1-237

Rule Title: Mandatory Liability Insurance (MLI) Registration Reinstatement Procedures

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 10/22/12

APA-6  
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-5-1-.237

Rule Title: Mandatory Liability Insurance (MLI) Registration Reinstatement Procedures

           New   X   Amend            Repeal            Adopt by Reference

- NO  
 YES

This rule has no economic impact.

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**

810-5-1-.237                      Mandatory Liability Insurance (MLI) Registration Reinstatement Procedures

**INTENDED ACTION:**        Amend an existing rule

**SUBSTANCE OF PROPOSED ACTION:**    The department proposes to amend the above rule to address code changes effective January 1, 2013 related to reinstating a suspended registration and revoking registration on stored/inoperable vehicles.

**RULE NO. & TITLE**

810-5-8-.10                      Mandatory Liability Insurance (MLI) Procedures for Random Sampling, Questionnaire Form, and Notice of Suspension

**INTENDED ACTION:**        Amend an existing rule

**SUBSTANCE OF PROPOSED ACTION:**    The department proposes to amend the above rule to address code changes effective January 1, 2013 related to the Department's questionnaire/notice of suspension procedures and how responses are to be handled. In addition, the department proposes to amend the title of the rule.

**RULE NO. & TITLE**

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

**INTENDED ACTION:**        Amend an existing rule

**SUBSTANCE OF PROPOSED ACTION:**    The department proposes to amend the above rule to permit insurance companies, legally authorized to do business in Alabama and having a place of business in Alabama, to become designated agents of the Department. As designated agents, these companies could then utilize the electronic title application processing system

(ETAPS) to apply for certificates of title. In addition, the department proposes to amend the title of the rule.

**RULE NO. & TITLE**

810-14-1-.23 Refunds of Motor Vehicle Registration Fees

**INTENDED ACTION:** Repeal an existing rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to repeal the above rule due to the fact that similar refund provisions are also included in Administrative Rule 810-5-1-.468, Refunds of Motor Vehicle Registration Fees; therefore, this rule is no longer necessary.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at 10:00 a.m. on Thursday, December 6, 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](http://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, December 6, 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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810-5-1-.237 Mandatory Liability Insurance (MLI) Registration Reinstatement Procedures.

(1) The term "official" includes any official authorized to collect MLI reinstatement fees, as provided in Section 32-7A-912, Code of Alabama 1975.

(2) ~~Pursuant to Section 32-7A-10(a), Code of Alabama 1975,~~ The Department will provide a current list of registrations that have been suspended pursuant to **Section §32-7A-912** to any official authorized to collect MLI reinstatement fees, ~~as provided in Section 32-7A-9, Code of Alabama 1975.~~ This listing may be provided electronically or through other procedures **as prescribed by the Department.** These officials, at their discretion, may forward the list to the offices ~~of each respective county~~ responsible for assessing and collecting ad valorem taxes on motor vehicles **in their respective county.** ~~If the suspended registration has been reinstated in the state database, the license plate issuing o~~ Officials may register, renew or transfer ~~the registration as requested. License plate issuing officials are not authorized to issue~~ registrations **appearing on the list of suspended registrations only if the suspended registration has been reinstated based on comments or documents from the vehicle owner that the reinstatement fee has been paid and proof of insurance has been furnished.**

(3) Alabama vehicle owners whose motor vehicle registrations have been suspended pursuant to ~~§32-7A-3the Alabama Mandatory Liability Insurance Law, Code of Alabama 1975, Section 32-7A-3,~~ may apply to have their vehicle registrations reinstated by an official. **The registration shall be reinstated upon confirmation of insurance coverage utilizing the Online Insurance Verification System (OIVS). If the official cannot confirm insurance coverage utilizing OIVS, the official may accept evidence of insurance pursuant to §32-7A-17, Code of Alabama 1975. Once evidence of insurance is provided and applicable reinstatement fees are collected,** The vehicle owner shall be issued a ~~Mandatory Liability Insurance (MLI)~~ registration reinstatement ~~(reinstatement) for his or her vehicle~~ pending the confirmation of vehicle insurance coverage by the Department ~~or evidence of vehicle liability insurance exemption; provided, that any applicable reinstatement fee(s) are collected by the official prior to the issuance of the reinstatement.~~ If evidence of insurance coverage or proof of MLI exemption is provided for the insurance verification date, the official may then remove the suspension without requiring the payment of the reinstatement fee provided in **Section §32-7A-912.** ~~The insurer identified in the evidence of insurance coverage must be qualified to transact business within the State of Alabama. There is no additional fee to be collected for processing the reinstatement.~~

(4) Until the official reinstates the suspended vehicle registration, the vehicle may not be operated on the streets or highways.

~~(5) The effective date of the reinstatement will be the same date that the reinstatement is issued. The reinstatement will be valid for a period of no more than 60 days.~~

~~(6)~~(5) The following information and/or documents are required in order for a reinstatement to be issued:

(a) In cases where a vehicle owner affirms that the vehicle, for which the registration has been suspended, had insurance with an Alabama-licensed insurance company on the ADOR specified insurance verification date, the owner must provide evidence of said insurance coverage for the insurance verification date that includes:

1. the insurance company name;
2. the insurance company NAIC number;
3. the insurance company telephone number and address, including city, state, and zip code; and
4. the policy holder's insurance policy/binder number and policy effective and expiration dates.

~~The insurance information shall be recorded on the reinstatement by the official.~~

(b) When a vehicle owner affirms that the vehicle with the suspended registration was stored or inoperable on the ADOR specified insurance verification date, the owner must provide to the official, a response specifying that the suspended vehicle was stored or inoperable on the insurance verification date. The suspension may then be removed without the payment of the reinstatement fee; however, the registration will be revoked for the remainder of the registration period. In the event the vehicle is no longer stored, inoperable, or unused, a new license plate/ registration must be obtained prior to operating the vehicle, provided, the vehicle owner shall provide evidence of insurance coverage on the most current vehicle registration date. The evidence of said insurance coverage provided must include the information as detailed in 6 (a) 1 through 4.

(c) If a vehicle owner affirms that the vehicle with the suspended registration did not have liability insurance coverage on the ADOR specified insurance verification date and the vehicle does not qualify as an MLI exempt vehicle, as defined under **Section §32-7A-5, Code of Alabama 1975**, in addition to payment of any required reinstatement fee(s), the vehicle owner must **affirm that the vehicle is currently covered under a liability insurance policy with an Alabama-licensed insurance company and** provide to the official evidence of **said current** insurance coverage that includes the information as detailed in 5 (a) (1) through (4) 6 (a)(i) through (iv). ~~The insurance information shall be recorded on the reinstatement by the official.~~

~~(7)~~**(6)** Any required reinstatement fees due shall be paid using certified funds. Certified funds may include, but are not limited to the following if allowed by the official:

- (a) Cashier's check;
- (b) Money order;
- (c) Certified bank check;
- (d) Credit card;
- (e) Debit card; or
- (f) Cash. Cash payments should only be made in person.

**No additional fee may be collected by the official for processing the reinstatement.**

~~(8)~~**(7)** The reinstatement will be on a form and in the format prescribed by ADOR. **The reinstatement and** shall contain the following information:

- (a) The reinstatement issue and expiration dates.
- (b) Vehicle registrant's name, address, and driver license number.
- (c) Vehicle's VIN, year, make, and model.
- (d) Vehicle's current Alabama license plate number.
- (e) Vehicle insuring company's name, NAIC number, and address.
- (f) Insurance policy holder's binder number or policy number.

~~(g)~~ **For an MLI exempt vehicle, an explanation of the reason for the exemption.**

~~(h)~~ **(g) Identification of issuing clerk's ADOR assigned identification number.**

~~(9)~~**(8)** A reinstatement is valid up to sixty (60) days **from the date it is issued** pending confirmation of liability insurance coverage on the insurance verification date, provided, that if ADOR does not receive verification of insurance coverage for the specified date from the insurance company reported by the motor vehicle owner, the reinstatement shall be revoked by ADOR. A written notice of the revocation will be issued to owners of vehicles for which a reinstatement has been revoked. These notices shall be mailed by the U.S. Postal Service. Vehicle operators that operate the vehicle with a revoked reinstatement will be subject to the penalties addressed by **Section §32-7A-1821, Code of Alabama, 1975.**

~~(10)~~**(9)** Pending confirmation of vehicle liability insurance **coverage in accordance with the MLI law**, the reinstatement shall be retained within the motor vehicle operating with the reinstated registration. A reinstatement cannot be transferred to another vehicle or vehicle owner.

~~(11)~~**(10)** The reinstatement shall be presented, on demand, by the vehicle operator, for inspection by law enforcement officers. A copy of the reinstatement is acceptable as evidence of the registration reinstatement for law enforcement purposes, if the information contained on the document is legible, unaltered, and has not been



revoked by ADOR. Any erasures or other alterations of the information required on a reinstatement will render it void, and of no value to the person or vehicle described thereon.

~~(12)~~**(11)** The reinstatement is not acceptable as a substitute for a valid Alabama Motor Vehicle Registration Tag and Tax Receipt. The reinstatement is valid only for indicating that a motor vehicle MLI registration suspension has been temporarily reinstated, pending confirmation of vehicle liability insurance coverage in accordance with the MLI law.

~~(13)~~**(12)** Officials shall provide registration reinstatement and insurance information to ADOR no later than the next business day through electronic means.

~~(14)~~ **All reinstatement fees remitted by each official shall be accompanied by a form prescribed by ADOR.**

~~(15)~~**(13)** All reinstatement fees collected by each official less the amount to be retained as provided by **Section §32-7A-912, Code of Alabama 1975**, shall be remitted to ADOR by the tenth day of the month following the month that the reinstatement fees were collected along with **the a form prescribed by ADOR referenced in (14) above**. Funds may be deposited directly to an ADOR designated account and the deposit slip for each deposit forwarded to ADOR, or the funds may be remitted by check or Electronic Funds Transfer (EFT) to the ADOR.

~~(16)~~**(14)** Officials are not authorized to issue consecutive reinstatements for a motor vehicle, unless the preceding reinstatement for the vehicle has been voided due to clerical error and the replacement reinstatement is issued.

~~(17)~~**(15)** In cases where an official has processed a reinstatement in error, ADOR, or its designee, must be notified no later than the close of business **day** following the day that the reinstatement was processed.

Author: Sherry Helms  
Authority: Sections 40-2A-7(a)(5) and 32-7A-3(b), Code of Alabama 1975  
History: New rule: Filed December 1, 2006, effective January 5, 2007.  
Amended: Filed May 6, 2011, effective June 10, 2011.