

APA-6
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-5-8-.10

Rule Title: Mandatory Liability Insurance (MLI) Procedures for Random Sampling , Questionnaire Form, and Notice of Suspension

_____ 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:

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**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.

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

(1) In accordance with Section 32-7A-7(a), Code of Alabama 1975, ~~beginning in January 2001~~, the Department of Revenue, or its designee, ~~will randomly select a percentage of Alabama's motor vehicle registrations may review registrations of motor vehicles subject to §32-7A-4, or owners thereof to verify whether the motor vehicles are insured.~~

(2) ~~On a weekly basis, or as the Department determines, the randomly selected vehicle owners will be mailed a Mandatory Liability Insurance Questionnaire (Form # MV-MLI-6)~~ The Department may send MLI questionnaires to owners/registrants to be completed and returned to the Department "within 30 calendar days after the department mails a request." [Section §32-7A-7(e)]

(3) Section 32-7A-8 provides, in part, that "...the Department shall notify the owner that such owner's vehicle registration shall be suspended ~~45~~ 30 calendar days after the date of mailing the notice unless the owner ~~within 30 calendar days~~ furnishes proof evidence of insurance in effect on the verification date, as prescribed by the department. The notice shall be in writing and shall be mailed... by the U.S. Postal Service to the owner's registrant's last known address as reflected on the Department's motor vehicle registration records." The Department will provide a Notice of Suspension (~~Form # MV-MLI-7~~) to anyone whose registration is to be suspended pursuant to Chapter 7A of Title 32. The notice ~~provides~~ includes information ~~to the vehicle owner~~ regarding the suspension, including the reason for the suspension, the effective date of the suspension, and the earliest date the suspension may be removed, ~~and any fees required to end the suspension.~~ The notice provides additional information as to what procedures the vehicle owner must follow to prevent registration suspension or to have his or her vehicle registration reinstated.

(4) If the vehicle owner receives a Questionnaire or Notice of Suspension (NOS) and the subject vehicle was insured by a company qualified to transact business in Alabama on the insurance verification date shown on the questionnaire or NOS for the vehicle and vehicle license plate identified, the vehicle owner is required to provide the following information by one of the methods provided in this rule:

- (a) The name of the insurance company that is qualified to transact business in Alabama;
- (b) NAIC Number of the insurance company;
- (c) The address of the insurance company, including city, state, and zip code;
- (d) The insurance company telephone number;
- (e) The insurance policy number issued to the vehicle;

- (f) The effective date of the insurance policy;
- (g) The policy expiration date.

(5) If the vehicle listed on the questionnaire or NOS was not insured on the insurance verification date shown on the questionnaire or NOS **because the vehicle was stored, inoperable, or otherwise unused**, the vehicle owner **must** ~~is to~~ provide **an explanation this exemption reason as to why the vehicle was not insured as required by Section 32-7A-4. If the vehicle was exempt from insurance requirements on the insurance verification date pursuant to Section 32-7A-5, the vehicle owner is to provide details of the exempt status. The Department will revoke the current registration on the vehicle 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.**

(6). If the vehicle listed on the questionnaire or NOS was not insured on the insurance verification date shown on the questionnaire or NOS in violation of §32-7A-4, the department shall suspend the registration. The registrant must serve any required suspension period, remit reinstatement fees and provide current evidence of insurance in order to reinstate the registration.

~~(67)~~ The vehicle owner, or his/her authorized representative, is required to sign the questionnaire or NOS in the place provided on the questionnaire or NOS if mailed or faxed to the Department.

~~(78)~~ The Department must receive the required questionnaire or NOS information within 30 calendar days of the date of correspondence shown on the questionnaire or NOS form by one of the following methods:

(a) By entering information "on-line" at the Department's website and electronically transmitting it to the Department; or

(b) Faxing the questionnaire or NOS to the telephone number shown on the questionnaire or NOS; or

(c) Mailing the questionnaire or NOS to the **department address indicated in the correspondence address shown on the postage paid envelope.**

~~(89)~~ In accordance with ~~Section~~§ 32-7A-7(f), any vehicle owner failing to respond to the questionnaire or NOS "shall be deemed to have registered or maintained registration of a motor vehicle in violation of ~~Section~~§ 32-7A-4," and the Department shall suspend the registration.

~~(9) Also, in accordance with Section 32-7A-7(f), if the vehicle owner indicates on the questionnaire or NOS that the vehicle "was not covered by a~~

~~liability insurance policy in accordance with Section 32-7A-4," and/or does not qualify for an exemption, the Department shall deem the vehicle to have been registered or registration maintained in violation of Section 32-7A-4, and the Department shall suspend the registration.~~

(10) In accordance with ~~Section~~ § 32-7A-7(g), if the vehicle owner responds to the questionnaire or NOS "by asserting that his or her vehicle was covered by a liability insurance policy on the verification date stated in the department's request, the department may conduct a verification of the response through the Online Insurance Verification System (OIVS) or by furnishing necessary information to the insurer named in the response." Insurance information received from vehicle owners at the time of reinstatement should be processed the same as information received from insurance questionnaires or NOS.

(11) If the insurer fails to respond within 30 calendar days to the NOS ~~or responds that the vehicle listed on the questionnaire or NOS was not insured by the insurer in accordance with Section~~ § 32-7A-4, the Department shall suspend the registration.

~~(12) If a vehicle owner responds that the vehicle shown on the questionnaire or NOS has been sold or otherwise disposed of prior to the insurance verification date, the Department may select to place the registration or vehicle owner's name into a pool for subsequent verification of any vehicle owned by the owner.~~

Author: Sherry Helms
Authority: Sections 40-2A-7(a)(5) and 32-7A-3(a), Code of Alabama 1975
History: New Rule: Filed July 12, 2001, effective August 16, 2001.
Amended: Filed May 6, 2011, effective June 10, 2011.