

APA-1

Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency : Revenue

Rule Nos: 810-5-1-.205

Rule Title : Commitment to Purchase Distinctive License Plates

New; Amended; Repealed; Adopt by Reference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 result from the absence of the proposed rule? N/A

Are all the 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 10/04/2016

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-.205

Rule Title: Commitment to Purchase Distinctive License Plates

New 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:**

**ALABAMA DEPARTMENT OF REVENUE
Motor Vehicle Division**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-5-1-.205 Commitment to Purchase Distinctive License Plates

INTENDED ACTION: Adopt rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to provide direction to registrants desiring to register a vehicle in a new license plate category in accordance with Section 32-6-64, Code of Alabama 1975.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **9:30 a.m. on Friday, December 9, 2016, Room P103, Plaza Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://www.revenue.alabama.gov/analysis/rules.cfm>.

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 following publication of the notice up until the conclusion of the hearing. Interested parties may also appear at the hearing to present their views.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Friday, December 9, 2016

CONTACT PERSON AT AGENCY:

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



Michael D. Gamble, Secretary
Alabama Department of Revenue

810-5-1-.205 Commitment to Purchase Distinctive License Plates. (New Rule)

(1) Under the authority provided by Section 32-6-64, Code of Alabama 1975, each person desiring to register a vehicle in a new license plate category shall make application and shall remit, as a commitment to purchase, the additional fee associated with the license plate category in a manner as prescribed by rule of the Commissioner of Revenue. Applications for commitments to purchase a distinctive license plate (i.e. pre-commitment) shall be submitted electronically through a pre-commitment portal that is available on the Department's website.

(2) The applicant shall provide the following information through the portal:

- (a) Registrant name (individual or business)
- (b) Registrant email address
- (c) Registrant mailing address
- (d) Registration telephone number
- (e) Registrant county of residence
- (f) Current Alabama license plate number or
- (g) Vehicle identification number (VIN)
- (h) Vehicle make
- (i) Vehicle model
- (j) Vehicle year

(3) The applicant will be required to pay for the pre-commitment application using a credit card. As provided by Section 32-6-64, Code of Alabama 1975, any credit card processing fee associated with the transaction shall be paid by the person making the commitment to purchase the distinctive license plate and shall be nonrefundable. When payment is received, the applicant will receive an email with the pre-commitment payment receipt.

(4) The Department shall deduct from the additional fee for distinctive license plates and retain a two and one-half percent commission. The balance shall be forwarded to the Comptroller to be retained in escrow, until such time as the revenue received is equal to or greater than the minimum amount required to issue license plates in that category, or the distinctive license plate fails to receive the required number of pre-commitments during the one year commitment to purchase period.

(5) If the distinctive license plate sponsoring organization requires the applicant to substantiate qualification eligibility in order to obtain the distinctive license plate, the applicant will be required to provide proof of eligibility prior to payment. Upon the Department's receipt of the application, the applicant will receive an email with instructions for submission of proof of eligibility. Proof of eligibility may be provided to the Department, or the sponsoring organization may electronically verify an applicant's eligibility through the Department's pre-commitment portal. Proof of eligibility may include the following:

(a) Membership card,

(b) Letter from the chapter president identifying the applicant as a member of the organization,

(c) Any other documentation as prescribed by statute or the Department.

(6) Sponsoring organizations may apply for commitments to purchase the distinctive license plate category on behalf of their supporters. Supporters must complete form MVR 32-6-64CP and provide the completed form to the sponsoring organization. The sponsoring organization will complete the electronic pre-commitment application and remit payment through the pre-commitment portal. The sponsoring organization will be required to maintain the completed MVR 32-6-64CP forms for a period of five (5) years for audit purposes.

(7) Upon determination by the Department that a sufficient number of applications for a distinctive license plate category has been received (250 for quantity class 1, or 1,000 for quantity class 2), the department shall initiate the ordering processes for design and manufacture of the approved license plate. The applicant will receive an email with a license plate redemption voucher and redemption instructions.

(8) If, after one year from the date the commitment to purchase period begins, the number of pre-commitments for a distinctive license plate category fails to reach 250 for Quantity Class 1, or fails to reach 1,000 for Quantity Class 2, the Comptroller shall pay the money in escrow to the sponsoring organization and no further consideration for production of the proposed distinctive plate shall be made under this application. In addition, the sponsoring organization may not submit another application for a distinctive license plate for a period of one year from the date the commitment to purchase period ended.

(9) If it is determined that the distinctive license plate category did not meet the required number of commitments to purchase, the applicant will be directed to the sponsoring organization with any questions or refund requests.

(10) If a pre-commitment application is submitted in error, the applicant will be required to submit a refund request, if applicable, to the sponsoring organization. When

the refund is approved by the sponsoring organization, the pre-commitment application will be cancelled, and the number of pre-commitment applications received for the plate category will be adjusted.

(11) In order to redeem a pre-commitment, the applicant must present the pre-commitment voucher to the license plate issuing official in the county where the applicant resides. License plate issuing officials will redeem the pre-commitment voucher through the pre-commitment portal and submit a request to manufacture the license plate through the Department's Plate Reservation and Ordering System (PROS). The license plate issuing official will issue a temporary registration to the registrant and the license plate will be shipped to the registrant, or the license plate issuing official's office.

Author: Sherry Helms.

Authority: Sections 40-2A-7(a)(5), 32-6-64, and 32-6-64(b)(1)c, Code of Alabama 1975.

History: