

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

810-5-75-.24 Title Procedure - First & Second Lien(s) to be Recorded (Security Interest Created by Owner). Title Procedure - Assignment and Transfer of Lien by Lienholder. Reference: Sections 32-8-60 through 32-8-67, Code of Alabama 1975, as amended.

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to clarify the process for recording liens by designated agents and non-designated agents on motor vehicles and manufactured homes when there is no transfer of ownership. In addition, this amendment will clarify procedures for assigning and transferring liens on motor vehicles and manufactured homes. The rule title will also be amended under this proposed action.

RULE NO. & TITLE

810-5-75-.64 Report of Unclaimed Vehicle - Where Vehicle Unclaimed for Longer than Thirty (30) Days. (Form MVT 38-1)

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to require operators who are in the business of garaging, repairing, parking or storing vehicles for the public to electronically report a vehicle that has remained unclaimed for the time period designated in Section 32-8-84(c), Code of Alabama 1975.

RULE NO. & TITLE

810-5-8-.06 Affirmation of Motor Vehicle Liability Insurance

INTENDED ACTION: Repeal the above rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to repeal the above rule due to the fact that the code requirement for affirmation of insurance compliance has been removed; therefore, this rule is no longer necessary.

RULE NO. & TITLE

810-5-1-.486 Memorandum of Understanding Between the Administrative Office of Courts and the Alabama Department of Revenue - Parking Ticket Cases

810-5-1-.487 Memorandum of Understanding Between the Administrative Office of Courts and the Alabama Department of Revenue - Convictions/Violations of Liability Insurance Laws

INTENDED ACTION: Repeal the above rules

SUBSTANCE OF PROPOSED ACTION: The department proposes to repeal the above rules due to the fact that they are no longer necessary.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at 10:00 a.m. on Wednesday, June 13, 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, June 13, 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-.24 Title Procedure - First & Second Lien(s) to be Recorded (Security Interest Created by Owner). Title Procedure - Assignment and Transfer of Lien by Lienholder. **Reference: Sections 32-8-60 through 32-8-67, Code of Alabama 1975, as amended.**

(1) Whenever a lien is to be recorded on a certificate of title and there is no transfer of ownership, one of two (2) forms must be used depending on who is filing the lien the procedures listed below must be followed:

(1) Title Procedure – First Lien to be Recorded.

(a) If the lienholder is a designated agent **with of** the Department of Revenue **or can qualify as a designated agent in accordance with Section 32-8-34 or 32-20-22, Code of Alabama 1975, or rules promulgated thereunder,** then form MVT 5-1E, Application for Certificate of Title, must be completed by the lienholder **through an electronic application provided by the Department.**

(b) If the lienholder is not a designated agent **and cannot qualify as a designated agent in accordance with Section 32-8-34 or 32-20-22, Code of Alabama 1975, or rules promulgated thereunder,** then form MVT 20-1 **or MVT 20-1E,** Application for Certificate of Title to Record or Transfer a Lien, must be completed. **The Form MVT 20-1 or MVT 20-1E form** can only be used when the current certificate of title is an Alabama title and there is no change in ownership of the vehicle in conjunction with the recording of the new lien. **Note: Form MVT 20-1E is generated through an electronic application provided by the Department and form MVT 20-1 is a paper form that does not originate through the electronic application provided by the Department.**

(c) **Both documents, fForms MVT 5-1E, and MVT 20-1, and MVT 20-1E** must be completed legibly **and in their entirety.** **Once all pertinent information has been provided, the forms Form MVT5-1E** must be signed and dated by the designated agent and owner(s). **for form MVT 5-1E, or the Form MVT 20-1 or MVT 20-1E** must be signed by the lienholder and owner(s) **for form MVT 20-1.**

(2) The lienholder or designated agent shall immediately cause the application, **Alabama certificate of title,** supporting documents, and fee, as provided for in Section 32-8-6 **or 32-20-4,** Code of Alabama 1975, to be delivered to the Department in a manner as prescribed by the Department.

(3) Title Procedure – Second Lien to be Recorded.

(a) Whenever a second lien is to be recorded on a title, the procedures set forth in order to record the first lien will apply. No more than two liens may be recorded on the certificate of title.

(b) Once the **documents application** (Form MVT 5-1E, **or Form MVT 20-1, or MVT 20-1E**) **have has** been signed and dated, **they will it must** be delivered to the first

lienholder listed on the applications in accordance with Section 32-8-61, Code of Alabama 1975.

(c) The first lienholder will immediately cause the application, **Alabama certificate of title, any** supporting documents, and fee as provided for in Section 32-8-6, Code of Alabama 1975, to be delivered to the Department in a manner as prescribed by the Department.

(4) Title Procedure – Assignment and Transfer of First or Second Lien by Lienholder.

(a) In the event the lienholder needs to transfer a lien to another lienholder **and there is no transfer of ownership**, form MVT 20-1 **or MVT 20-1e** must be completed regardless of whether the lienholder is a designated agent or not. An example of the use for this form is as follows:

4- Example. The lienholder assigning the lien interest must list the new lien information on the form MVT 20-1 **or MVT 20-1E**. This procedure records the lien interest of the new lienholder and is required to record the lienholder on the Alabama certificate of title. The **owner(s) name(s) and** original lien date cannot be changed.

~~(b) This document **Form MVT 20-1 or MVT 20-1E** can only be used for lien transfers on Alabama certificates of title. Additionally, there must not be a change of ownership in conjunction with the transfer of a lien by the assigning lienholder.~~

(5) Note: Once form MVT 20-1E is available for use through an electronic application provided by the Department, form MVT 20-1 may no longer be used to apply for certificate of title to record a lien or assign and transfer a lien.

Author: Mike Gamble, Jonathan Lawrence
Authority: Sections 40-2A-7(a)(5), 32-8-3(b)(2), and 32-8-61, Code of Alabama 1975
History: Repealed and New: Filed March 25, 2010, effective April 29, 2010.