

APA-1
11/96

TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-5-75-48

Rule Title: Title Procedures - Defining "Junk", "Parts Only" and "Scrap" Vehicles and Requiring Notice

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 [Handwritten Signature]

Date 7/20/12

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-5-75-.48

Rule Title: Title Procedures - Defining "Junk", "Parts Only" and "Scrap" Vehicles and Requiring Notice

 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:

**ALABAMA DEPARTMENT OF REVENUE
Motor Vehicle Division**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-5-1-.230 The Sale of License Plates for Truck Tractors Limited to Travel within 15 Miles of its Domiciled Corporate Limits

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to provide procedures regarding the issuance of license plates to truck-tractors and tractors operated by certified motor carriers within 15 miles of the incorporated municipality in which the vehicle is domiciled. The rule is being amended to allow a truck-tractor and tractor displaying this restricted license plate to operate at the unladen weight of the vehicle with a temporary tag when the vehicle is being transferred from one incorporated municipality to another incorporated municipality. The temporary tag will be obtained prior to operation and shall be issued by the county license plate issuing official of the county in which the vehicle is presently domiciled. In addition, the department proposes to modify the title of the rule.

RULE NO. & TITLE

810-5-1-.247 Guidelines for Vehicle Identification Number (VIN) Inspections

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to include the provision that utility trailers are not required to be inspected by license plate issuing officials prior to registration. In addition, the department proposes to modify the title of the rule.

RULE NO. & TITLE

810-5-8-.08 Refunds of Mandatory Liability Insurance (MLI) Reinstatement Fees

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The purpose of the above amendment is to change a code reference cited in the rule to conform to the provisions of Act 2011-688.

RULE NO. & TITLE

810-5-8-.09 Identification Numbers

INTENDED ACTION: Adopt a new rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above new rule which will provide for department assigned identification numbers for vehicle registrants who are unable to provide a valid, unexpired driver's license or an identification card number.

RULE NO. & TITLE

810-5-75-.27 TITLE PROCEDURE - First Title For Vehicles Reconstructed With Glider Kits For A Vehicle To Be Titled That Has Been Reconstructed With A Glider Kit, The Glider Kit Must Be Designated By The Manufacturer On The Manufacturer's Certificate Of Origin A 1975 Or Subsequent Year Model. Reference: Sections 32-8-1 through 32-8-87, 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 procedures for obtaining first title for a vehicle assembled with a glider kit. In addition, the department proposes to modify the title of the rule.

RULE NO. & TITLE

810-5-75-.41 Dealer Required To Title Vehicle - Title Application Submitted to Department and is Returned to Dealer Because Transfer of Vehicle was not Consummated. Reference: Sections 32-8-1 through 32-8-87, Code of Alabama 1975, as amended.

INTENDED ACTION: Repeal an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to repeal the above rule because the requirement is no longer necessary due to the ability to track ownership electronically through the electronic title application processing system (ETAPS).

RULE NO. & TITLE

810-5-75-.48 Title Procedures - Defining "Junk", "Parts Only" and "Scrap" Vehicles and Requiring Notice

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule which clarifies the procedures for reporting the transfer of a motor vehicle for the purpose of dismantling or recycling it into metallic scrap.

RULE NO. & TITLE

810-5-75-.68 Title Procedure –Exemptions from Titling

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule which provides exemptions from titling motor vehicles and clarifies exemptions from titling manufactured homes.


TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at 10:00 a.m. on Wednesday, September 12, 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, September 12, 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-.48 Title Procedures - Defining "Junk", "Parts Only" and "Scrap" Vehicles and Requiring Notice.

(1) Section 32-8-87(j), Code of Alabama 1975, as amended, prohibits the issuance of a certificate of title for any motor vehicle for which a "junk" certificate has been issued or for a vehicle which is sold "for parts only". Equivalent certificates of title from other states such as, but not limited to, a certificate of destruction, a permit to dismantle or a non-rebuildable branded title shall also be considered junk.

(2) Any motor vehicle for which a certificate has been issued by any State with the notation of junk, parts car, parts only, non-rebuildable, or bills-of-sale issued for transfer of the vehicle which contain this information shall be considered to be a "junk" vehicle and shall not be **titled** in this State.

(3) In addition, no certificate of title may be issued for any motor vehicle where the frame or the majority of the major component parts, as defined in Section 32-8-87, Code of Alabama 1975, were obtained from a "junk" vehicle as defined in this rule.

(4) Except as provided in **paragraph Section** (5) of this rule, every licensed automotive dismantler and parts recycler or secondary metals recycler, **in this state**, who acquires a motor vehicle for the purpose of dismantling it or recycling it into metallic scrap for remelting purposes or any person who crushes a motor vehicle acquired from anyone other than a licensed automotive dismantler and parts recycler or secondary metals recycler shall be required to take the following actions prior to crushing the motor vehicle or dismantling it or recycling it into metallic scrap for remelting purposes:

(a) Obtain the properly assigned certificate of title, and

(b) Electronically transmit the following information through the Department's Motor Vehicle Title Registration Insurance Portal (MVTRIP):

1. Name and address of the licensed automotive dismantler and parts recycler, secondary metals recycler or person who crushes a motor vehicle acquired from anyone other than a licensed automotive dismantler and parts recycler or secondary metals recycler,

2. Date of acquisition,

3. Vehicle Identification Number (VIN),

4. Title number and state of issuance,

5. Year,

6. Make,

7. Model, and

8. Odometer reading (for vehicles not exempt from federal odometer certification disclosure requirements).

The department will provide and utilize a real-time online system to validate the vehicle and title information and verify that the vehicle is not reported as stolen. Upon completing the real-time online verification and validation, the Department will immediately provide an electronic confirmation receipt with a unique confirmation number.

(5) Every licensed automotive dismantler and parts recycler or secondary metals recycler, **in this state**, who acquires a motor vehicle, twelve or more model years old, for the purpose of dismantling or recycling it into metallic scrap shall complete form MVT 5-18 whenever the owner or authorized agent of the owner did not obtain a certificate of title in his or her name.

(a) The following information shall be provided on form MVT 5-18:

1. Statement that the motor vehicle shall never be titled again and it must be dismantled or scrapped,

2. Printed name of the seller,

3. Signature of seller and date signed,

4. Printed name of authorized agent of seller (if applicable),

5. Signature of authorized agent of seller and date signed (if applicable),

6. Seller's driver's license number or identification number and state of Issuance,

7. Certification by the seller that the seller is lawfully in possession of the motor vehicle and the seller is the current owner of the motor vehicle and the seller never obtained a title to the vehicle in his or her name,

8. Name and address of the licensed automotive dismantler and parts recycler or secondary metals recycler,

9. Printed name of business agent,

10. Signature of business agent and date signed,

11. National Motor Vehicle Title Information System (NMVTIS) ID number assigned to the licensed automotive dismantler and parts recycler or secondary metals recycler,

12. Date of acquisition,

13. Vehicle Identification Number (VIN),

14. Year,

15. Make,

16. Model, and

17. License plate number and state of issuance of any vehicle transporting the motor vehicle being sold.

(b) Upon completion of form MVT 5-18, the licensed automotive dismantler and parts recycler or secondary metals recycler shall electronically transmit the information in subsection (a) through the Department's Motor Vehicle Title Registration Insurance Portal (MVTRIP). The Department will, upon receipt of the information required in subsection (a), utilizing a real-time online system, verify that no lien has been recorded on the motor vehicle in the past five years, that there are no pending electronic notices of lien filed within the last five years and that the motor vehicle is not reported as stolen. Upon verification, the Department will immediately provide an electronic confirmation receipt with a unique confirmation number.

(6) The fee per electronic transmittal, as provided for in **paragraphs Sections (4) and (5)**, shall be the amount as specified by Section 32-8-87(t), Code of Alabama 1975. In lieu of a per transmittal charge, an automotive dismantler and parts recycler or secondary metals recycler may pay an annual fee as specified by Section 32-8-87(t), Code of Alabama 1975, for all transmittals made during a fiscal year. The fiscal year begins October 1st and ends the following September 30th. The annual fee shall be applicable for each location or licensee.

(7) Every automotive dismantler and parts recycler and secondary metals recycler shall maintain the original signed documents as provided under this rule for a period of not less than five years.

(8) An automotive dismantler and parts recycler or secondary metals recycler, located outside of Alabama, who acquires a motor vehicle and the properly assigned Alabama certificate of title for the purpose of dismantling the motor vehicle or recycling it into metallic scrap may, upon proper registration and payment of the fee(s) as specified in Section 6 of this rule, utilize the

Department's Motor Vehicle Title Registration Insurance Portal (MVTRIP) to provide the information as specified in Section 4(b) of this rule.

(9) Any transaction that is not successfully completed within 3 days from the initial filing date shall be voided and a new transaction must be initiated and completed to comply with the requirements of Section 32-8-87, Code of Alabama 1975.

(10) A motor vehicle that has previously been successfully reported as scrap through the Department's Motor Vehicle Title Registration Insurance Portal (MVTRIP) shall not be required to be reported again by a party who has subsequently acquired the motor vehicle for the purpose of dismantling the motor vehicle or recycling it into metallic scrap. A copy of the receipt, as provided for in Section 4 or 5 of this rule, shall serve as evidence that the motor vehicle has previously been successfully reported as scrap.

(8) (11) The requirement of obtaining a salvage title in accordance with Section 32-8-87, Code of Alabama 1975, shall not be affected by this rule.

Author: Mike Gamble
Authority: Section 40-2A-7(a)(5) and 32-8-3(b)(3), Code of Alabama 1975
History: Filed August 22, 1990, effective September 25, 1990.
Emergency Rule Filed: Effective August 4, 2009, expires December 1, 2009.
Permanent Rule Filed: December 8, 2009, effective January 12, 2010.
Amended: Filed April 21, 2010, effective May 26, 2010.
Amended: Filed November 18, 2011, effective December 23, 2011.