

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-5-75-52

Rule Title: Designated Agent - Dealer, Financial Institution, Pawnshop and Insurance Company Appointments

XX New;      Amend; XX 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.

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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 *Monty D. ...*

Date 7/21/14

APA-6  
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: **810-5-75-.52**

Rule Title: **Designated Agent - Dealer, Financial Institution, Pawnshop and Insurance Company Appointments**

New  Amend  Repeal  Adopt by Reference

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. **NEED/EXPECTED BENEFIT OF RULE:**

This rule has no need or expected benefit. It is an exact duplicate of an existing rule, 810-6-1-.109, entitled Name Plates, Metal.

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 WHERE 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**

810-5-12-.05                      Evidence of Blanket Liability Insurance Coverage for Licensed  
Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor  
Vehicle Rebuilders, and Motor Vehicle Wholesalers

**INTENDED ACTION:**        Amend the above rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rule which provides guidelines for required liability insurance coverage, and specifies the methods of proof of liability insurance before the license is issued.

**RULE NO. & TITLE**

810-5-75-.34                      Title Procedure - Title Obtained Under Surety Bond

**INTENDED ACTION:**        Amend the above rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rule to provide that surety bond form MVT 10-1 may be used to obtain a certificate of title for a motor vehicle or manufactured home. The rule also indemnifies any prior or subsequent owner and lienholder against any expense or loss by reason of a defect or undisclosed security interest in the vehicle for a period of three (3) years.

**RULE NO. & TITLE**

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

**INTENDED ACTION:**        Repeal and Replace

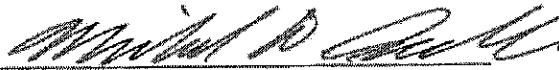
**SUBSTANCE OF PROPOSED ACTION:** The department proposes to repeal the existing language in the above rule and replace it with new language to comply with the provisions of Act 2014-158, which passed during the 2014 Regular Legislative Session.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at 2:00 p.m. on Wednesday, September 10, 2014, Room 1203, First Floor, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at [ww.revenue.alabama.gov/rulehear.html](http://ww.revenue.alabama.gov/rulehear.html).

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 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 10, 2014

**CONTACT PERSON AT AGENCY:**  
Patricia Toles  
Alabama Department of Revenue  
4131 Gordon Persons Building  
Montgomery, Alabama 36132  
(334) 242-1380



Michael D. Gamble, Secretary  
Alabama Department of Revenue

0938APC.INT

810-5-75-.52 Designated Agent - Dealer, Financial Institution, Pawnshop and Insurance Company Appointments: (REPEALED)

(1) The term "Department" as used in this regulation shall mean the Department of Revenue of the State of Alabama.

(2) Every dealer as defined in Section 32-8-2 (2), Code of Alabama 1975, as amended, shall be a designated agent of the Department. A dealer may make application on form MVT 4-1 to become a designated agent of the Department. If the application is approved by the Commissioner of Revenue, the applicant shall enter into a bond with a corporate surety authorized to do business in this state as surety thereon, approved by the Commissioner of Revenue, payable to the State of Alabama in a sum to be determined by the Department, but in no event less than ten thousand dollars (\$10,000), conditioned on the faithful performance of its duties under the Act. (Bond form MVT 4-3 is provided by the Department.)

(3) A financial institution making mortgage loans on motor vehicles or a pawnshop licensed to enter into pawn transactions for motor vehicle certificates of title, legally authorized to do business in Alabama and having a place of business in Alabama, may make application on form MVT 4-2 to become a designated agent of the Department. If the application is approved by the Commissioner of Revenue, the applicant shall enter into a bond with a corporate surety authorized to do business in this state as surety thereon, approved by the Commissioner of Revenue, payable to the State of Alabama in a sum to be determined by the Department, but in no event less than ten thousand dollars (\$10,000), conditioned on the faithful performance of its duties under the Act. (Bond form MVT 4-3 is provided by the Department.)

(4) An insurance company, legally authorized to do business in Alabama and having a place of business in Alabama, may make application on form MVT 4-2 to become a designated agent of the Department. If the application is approved by the Commissioner of Revenue, the applicant shall enter into a bond with a corporate surety authorized to do business in this state as surety thereon, approved by the Commissioner of Revenue, payable to the State of Alabama in a sum to be determined by the Department, but in no event less than ten thousand dollars (\$10,000), conditioned on the faithful performance of its duties under the Act. (Bond form MVT 4-3 is provided by the Department.)

(5) The Department shall not appoint an out of state dealer, financial institution, pawnshop or insurance company as a designated agent of the Department. Designated agents of the Department located outside the State of Alabama that were qualified prior to January 1, 2004, may continue to operate as a designated agent of the Department as long as they comply with the requirements of Chapter 8, Title 32 of the Code of 2 Alabama 1975, as amended. Should the designated agent license of an out of state designated agent be cancelled, the designated agent cannot be reinstated.

Author: James Starling, Mike Gamble

Authority: Sections 40-2A-7(a)(5), 32-8-3(b)(2) and 32-8-34(c), Code of Alabama 1975

History: New rule: Filed May 18, 2004, effective June 22, 2004.

Amended: Filed April 21, 2010, effective May 26, 2010.

Amended: Filed January 6, 2011, effective February 10, 2011.

Amended: Filed January 10, 2013, effective February 14, 2013.

810-5-75-.52 Designated Agent Appointments. (NEW RULE)

(1) Under the authority of Section 32-8-34, Code of Alabama 1975, the following entities, which are legally authorized to do business in Alabama and having a place of business in Alabama, shall make application to become designated agents of the Department:

- (a) Automobile dealers
- (b) Manufactured home dealers
- (c) Financial Institutions making mortgage loans
- (d) Pawnshops licensed to enter into pawn transactions on motor vehicles
- (e) Insurance companies

(2) The above entities shall make application on form MVT 4-1 to become a designated agent of the Department.

(3) If the application is approved by the Commissioner of Revenue, the applicant shall deliver to the Commissioner a good and sufficient surety bond, executed by the applicant as principal and by a corporate surety company qualified to do business in the State as surety, in the sum of twenty-five thousand dollars (\$25,000). Such bond shall be conditioned upon the faithful performance of its duties as a designated agent under Chapter 8 of Title 32, Code of Alabama 1975. Such bond shall be payable to the commissioner and shall be in favor of any person who shall recover any judgment for any loss as a result of any violation of the conditions of the bond. Bond form MVT 4-3 shall be provided by the Department.

(4) The Department shall not appoint an entity located outside the State of Alabama as a designated agent of the Department. Designated agents of the Department located outside the State of Alabama that were qualified prior to January 1, 2004, may continue to operate as a designated agent of the Department as long as they comply with the requirements of Chapter 8, Title 32 of the Code of Alabama 1975. Should the designated agent license of an out of state designated agent be cancelled, the designated agent cannot be reinstated.

(5) The provisions of this rule will become operative on December 1, 2014.

Author: James Starling  
Authority: Sections 40-2A-7(a)(5), 32-8-3(b)(2) and 32-8-34(c), Code of Alabama 1975  
History: