

**TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION**

Control 810 Department or Agency REVENUE

Rule Nos. 810-5-12-04

Rule Title: Investigation Procedures for Open Assignment of Title

XX 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                                

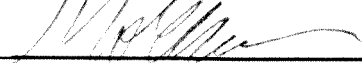
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Does the proposed rule have any economic impact?                                 No                                

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 

Date 5/21/12

APA-6  
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-5-12-.04.

Rule Title: Investigation Procedures for Open Assignment of Title .

New  Amend  Repeal  Adopt by Reference

- NO This rule has no economic impact.  
 YES 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:

APA-2  
11/96

**ALABAMA DEPARTMENT OF REVENUE  
Motor Vehicle Division**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-5-12-.04                      Investigation Procedures for Open Assignment of Title

**INTENDED ACTION:**      Adopt a new rule

**SUBSTANCE OF PROPOSED ACTION:**      The department proposes to promulgate the above rule to provide the investigative procedures and penalties for open title assignments.

**RULE NO. & TITLE**

810-8-5-.04                      Investigation Procedures for Open Assignment of Title

**INTENDED ACTION:**      Repeal an existing rule

**SUBSTANCE OF PROPOSED ACTION:**      The department proposes to repeal the above rule due to the fact that it is being superseded by proposed New Rule 810-5-12-.04.

**RULE NO. & TITLE**

810-5-1-.217                      License Plate Design Specifications

**INTENDED ACTION:**      Adopt a new rule

**SUBSTANCE OF PROPOSED ACTION:**      The department proposes to promulgate the above rule to provide specifications on license plate designs.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:**      A public hearing will be held at 2:00 p.m. on Wednesday, July 11, 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](http://www.revenue.alabama.gov/rulehear.html).

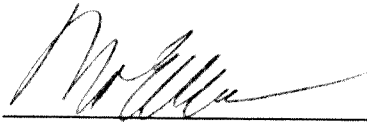
All interested parties may present their views in writing to the **Deputy Commissioner of the Alabama Department of Revenue, Room 4112, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**

Wednesday, July 11, 2012

**CONTACT PERSON AT AGENCY:**

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



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Michael E. Mason, Deputy Commissioner  
Alabama Department of Revenue

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810-5-12-.04 Investigation Procedures for Open Assignment of Title. **(NEW RULE)**

(1) An open title is defined in Section 40-12-396(b)(3), Code of Alabama 1975, as "...accepting open assignment of title and/or bill of sale for a motor vehicle which is not completed by identifying said licensee as the purchaser or assignee of the motor vehicle." The following procedures will be utilized when it is determined a licensee (as licensed under 40-12-392, Code of Alabama 1975) is accepting open titles in violation of the code.

(2) A Notice of Statutory Non-Compliance will be issued giving the taxpayer ten calendar days from the date of the notice to comply.

(a) The Department will compile a list of all open title(s) reflecting the issuing state, title number, vehicle identification number, make and model of the vehicle, and other information as deemed necessary.

(b) A copy of the front and back of each open title will be obtained.

(3) Revisit the licensee after the expiration of the ten calendar day period. If the licensee is then in compliance, no further action will be pursued. However, if the licensee is found to still be in possession of open title(s), the licensee may be assessed a \$1,000 penalty for willful failure to comply under Section 40-12-29, Code of Alabama 1975. An action to revoke the license may also be initiated. In the event that the licensee is a designated agent and the license is revoked, the licensee's designated agent status will also be revoked.

(4) Should a licensee previously given a Notice of Statutory Non-Compliance be in possession of open titles(s) in the future, a Notice of Statutory Non-Compliance will be issued to the licensed motor vehicle dealer to take effect upon date of the notice. This offense shall be considered willful failure to comply and a \$1,000 penalty will be assessed under Section 40-12-29. An action to revoke the license may also be initiated. In the event that the licensee is a designated agent and the license is revoked, the licensee's designated agent status will also be revoked.

(5) A licensee who accepts an open title assignment and subsequently sells a motor vehicle and does not complete the assignment of title identifying said licensee as the purchaser or assignee of the motor vehicle shall be considered to have intentionally and willfully failed to comply with the provisions of Article 8 of Chapter 12 of Title 40 and a \$1,000 penalty will be assessed under Section 40-12-29. An action to revoke the license may also be initiated. In the event that the licensee is a designated agent and the license is revoked, the licensee's designated agent status will also be revoked.

(6) The motor vehicle licensee will be provided a copy of his appeal rights under Section 40-2A-8, Code of Alabama 1975, when action to revoke his license is taken.

Author: Mike Gamble  
Authority: Sections 40-2A-7(a)(5), 32-8-34(b), 40-2A-7(a)(5), 40-12-29, and 40-12-396, Code of Alabama 1975  
History: