

1 SB185
2 163991-1
3 By Senator Sanford
4 RFD: Transportation and Energy
5 First Read: 10-MAR-15

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SYNOPSIS: Under existing law, persons holding a current automotive dismantler and parts recycler license or their agents or employees can buy at a salvage pool or salvage disposal sale provided they have a buyer's identification card.

This bill would revise the qualifications for buying at a salvage pool or salvage disposal sale and would require operators to maintain certain records pertaining to sales at salvage pools or salvage disposal sales.

This bill would require notice to a purchaser that a motor vehicle for which a salvage or junk certificate has been issued by this state or other state may not be driven or operated on the highways or other public places of this state, except under certain conditions relating to restoration of the vehicle.

This bill would also require the licensee to deposit a bond with the Commissioner of Revenue that is the same as the bond required for motor

1 vehicle dealers and would authorize the department,
2 by rule, to allow a bond obtained by a motor
3 vehicle dealer to serve in lieu of the required
4 bond for automotive dismantler and parts recycler
5 licensees.

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To amend Sections 40-12-414 and 40-12-421, Code of
12 Alabama 1975, relating to restrictions on sales at salvage
13 pools or salvage disposal sales; to revise the qualifications
14 for persons making purchases at salvage pool or salvage
15 disposal sales; to require notice to purchasers; to revise the
16 requirements for the deposit of a bond by licensees; to allow
17 for an alternative bond if authorized by department rule; and
18 to repeal Sections 40-12-422 and 40-12-423, Code of Alabama
19 1975, relating to salvage dealers licensed in other states and
20 license plates from dismantled vehicles, respectively.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Sections 40-12-414 and 40-12-421, Code of
23 Alabama 1975, are amended to read as follows:

24 "§40-12-414.

25 "Every (a) Except as provided in subsection (b),
26 every person, firm, or corporation, before being licensed
27 under this article, must show proof of responsibility by

1 depositing with the Commissioner of Revenue ~~cash in the amount~~
2 ~~of \$10,000~~ or a continuing bond in the amount ~~of \$10,000~~
3 prescribed in Section 40-12-398 with surety thereon of a
4 company authorized to do business in the State of Alabama,
5 which bond shall be approved by the Commissioner of Revenue,
6 payable to the State of Alabama, and shall be conditioned upon
7 the faithful observance of all the provisions of this article
8 and shall also indemnify any person who suffers any loss by
9 reason of a failure to observe the provisions of this article.

10 "(b) The department, by rule, may permit a surety
11 bond obtained pursuant to Section 40-12-398, to serve in lieu
12 of the surety bond prescribed in subsection (a).

13 "§40-12-421.

14 ~~"(a) Sales at a salvage pool or a salvage disposal~~
15 ~~sale shall be open only to persons holding a current~~
16 ~~automotive dismantler and parts recycler license or their~~
17 ~~agents or employees as hereinafter defined. Such persons must~~
18 ~~have a separate buyer's identification card to buy at a~~
19 ~~salvage pool or salvage disposal sale.~~

20 ~~"(b) Any person, firm, or corporation desiring to~~
21 ~~purchase a buyer's identification card must do so by making~~
22 ~~application to the Department of Revenue upon a form~~
23 ~~prescribed by the department, which form shall contain:~~

24 ~~"(1) The name of the applicant.~~

25 ~~"(2) The street address of the applicant's principal~~
26 ~~place of business.~~

1 ~~"(3) If an agent or employee, the name of the~~
2 ~~licensee for whom the applicant will be making purchases at~~
3 ~~salvage pools or salvage disposal sales.~~

4 ~~"(4) The license number under which the applicant~~
5 ~~will be making purchases.~~

6 ~~"(5) Such other information as may be required by~~
7 ~~the Department of Revenue.~~

8 ~~"(c) In order to obtain a buyer's identification~~
9 ~~card, a person, firm or corporation must:~~

10 ~~"(1) Be a licensed automotive dismantler and parts~~
11 ~~recycler or an agent or employee of a licensed automotive~~
12 ~~dismantler and parts recycler.~~

13 ~~"(2) Pay a fee of \$10 to the Department of Revenue~~
14 ~~for processing said buyer's identification card. The card~~
15 ~~shall be valid as long as the holder is a licensed automotive~~
16 ~~dismantler and parts recycler or an agent or employee of the~~
17 ~~same licensed automotive dismantler and parts recycler at the~~
18 ~~time the card is issued. Buyer's identification cards are not~~
19 ~~transferable, and should the holder no longer be a licensed~~
20 ~~automotive dismantler and parts recycler or an agent or~~
21 ~~employee of a licensed automotive dismantler and parts~~
22 ~~recycler, then the card becomes invalid and it is the duty of~~
23 ~~the holder to return the same to the Department of Revenue.~~

24 ~~"(d) A licensee shall not have more than three~~
25 ~~agents or employees who are holders of a buyer's~~
26 ~~identification card.~~

1 ~~"(e) It shall be unlawful for the owner, manager, or~~
2 ~~person in charge of any salvage pool or salvage disposal sale~~
3 ~~to permit the bidding by a person who does not possess a valid~~
4 ~~buyer's identification card at a sale.~~

5 ~~"(f) All buyer identification cards heretofore~~
6 ~~issued by the Department of Revenue are hereby revoked and~~
7 ~~each person, firm, or corporation who qualify and desire to~~
8 ~~obtain a new buyer's identification card must resubmit their~~
9 ~~application and pay the fee prescribed.~~

10 "(a) Sales at a salvage pool or salvage disposal
11 sale are open to any person, firm, or corporation that is
12 licensed in this state pursuant to Section 40-12-391 or
13 40-12-411, and to any firm, person, or corporation that is
14 domiciled in another state or jurisdiction that has a similar
15 license to either of those provided for under Section
16 40-12-391 or 40-12-411.

17 "(b) Notwithstanding any other law to the contrary,
18 a person, firm, or corporation may purchase a vehicle with a
19 junk or non-salvage certificate of title at a salvage pool or
20 salvage disposal sale.

21 "(c) (1) A salvage pool or salvage disposal sale
22 operator shall maintain a register of all sales of salvage
23 vehicles showing the make, model, year, style, vehicle
24 identification number of each vehicle sold and the names,
25 addresses, and licenses as applicable under this section of
26 the purchaser and seller of the motor vehicle and shall
27 maintain these records for a period of five years.

1 "(2) Records maintained under subdivision (1) shall
2 be submitted to the Department of Revenue upon request.

3 "(c) A person, firm, or corporation that conducts a
4 salvage pool or salvage disposal sale shall provide notice to
5 the purchaser of a vehicle sold with a salvage certificate of
6 title of the following:

7 "(1) That a salvage certificate of title has been
8 issued due to the fact that the vehicle has been deemed a
9 total loss in accordance with Section 32-8-87, or an
10 equivalent law in another state.

11 "(2) That no motor vehicle for which a salvage or
12 junk certificate has been issued by this state or other state
13 shall be driven or operated on the highways or other public
14 places of this state. A vehicle which is in this state and for
15 which a salvage certificate has been issued, and the vehicle
16 is being restored to its operating condition which existed
17 prior to the event which caused the salvage certificate of
18 title to issue may be moved to and from repair points as
19 necessary by the rebuilder to complete the restoration or may
20 be moved as permitted by the Department of Revenue for
21 inspection or for any other purpose. A valid Alabama dealer
22 transit license plate shall be displayed on the vehicle during
23 its movement."

24 Section 2. Sections 40-12-422 and 40-12-423, Code of
25 Alabama 1975, relating to salvage dealers licensed in other
26 states and license plates from dismantled vehicles,
27 respectively, are repealed.

1 Section 3. Sections 1 and 3 of this act shall become
2 effective on October 1, 2015, following its passage and
3 approval by the Governor, or its otherwise becoming law.
4 Section 2 of this act shall become effective October 1, 2016,
5 following its passage or otherwise becoming law.