

1 SB224
2 129513-3
3 By Senator Marsh
4 RFD: *Commerce, Transportation, and Utilities*
5 First Read: 22-MAR-11

4 ENGROSSED
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6

7 A BILL
8

9 TO BE ENTITLED
10

11 AN ACT
12

13 To amend Sections 32-8-87, as last amended by Act
14 2010-748, 2010 Regular Session (Acts 2010, p. 1892),
15 40-12-412, and 40-12-116, Code of Alabama 1975, to provide for
16 transfer of certain motor vehicles without a title to an
17 automotive dismantler and parts recycler or secondary metals
18 recycler; to require a statement from the owner containing
19 certain information with regard to the vehicle; to require an
20 automotive dismantler and parts recycler or secondary metals
21 recycler to maintain certain records; to provide criminal
22 penalties for violations; to require the electronic
23 recordation and release of certain motor vehicle liens within
24 a certain time; to require the Department of Revenue to
25 maintain an electronic lien verification system; to add
26 Section 32-8-64.2 to the Code of Alabama 1975, relating to
27 release of certain liens; and in connection therewith would
have as its purpose or effect the requirement of a new or
increased expenditure of local funds within the meaning of

1 Amendment 621 of the Constitution of Alabama of 1901, now
2 appearing as Section 111.05 of the Official Recompilation of
3 the Constitution of Alabama of 1901, as amended.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Section 32-8-87, Code of Alabama 1975, as
6 last amended by Act 2010-748, 2010 Regular Session (Acts 2010,
7 p. 1892), is amended to read as follows:

8 "§32-8-87.

9 (a) Each owner of a motor vehicle and each person
10 mentioned as owner in the last certificate of title who
11 scraps, dismantles, destroys, or changes the motor vehicle in
12 such a manner that it is not the same motor vehicle described
13 in the certificate of origin or certificate of title shall as
14 soon as practicable cause the certificate of origin or
15 certificate of title, if any, and any other documents or
16 information required by the department to be mailed or
17 delivered to the department for processing. The department
18 shall, with the consent of any holder of liens noted on the
19 surrendered certificate, enter a cancellation upon its
20 records. Upon cancellation of a certificate of origin or
21 certificate of title in the manner prescribed by this section,
22 the department shall cancel all certificates of origin or
23 certificates of title in that chain of title. A certificate of
24 title for the vehicle shall not again be issued except upon
25 application containing the information the department
26 requires, accompanied by a certificate of inspection in the
27 form and content as specified in this section.

"No motor vehicle for which a salvage or junk certificate has been issued by this state or any other state shall be driven or operated on the highways or other public places of this state. A vehicle which is in this state and for which a salvage certificate has been issued, and the vehicle is being restored to its operating condition which existed prior to the event which caused the salvage certificate of title to issue, may be moved to and from repair points as necessary by the rebuilder to complete the restoration or may be moved as permitted by the Department of Revenue for inspection or for any other purpose. A valid Alabama dealer license plate shall be displayed on the vehicle during its movement. A person who violates this subsection shall, upon conviction, be guilty of a Class A misdemeanor and shall be punishable as required by law.

"(b) When the frame or engine is removed from a motor vehicle and not immediately replaced by another frame or engine, or when an insurance company has paid money or made other monetary settlement as compensation for a total loss of any motor vehicle, the motor vehicle shall be considered to be salvage. The owner of every motor vehicle in which total loss or salvage has occurred in this state, shall, within 72 hours after the total loss or salvage occurs, make application for a salvage certificate of title and forward to the department the certificate of origin or certificate of title to the motor vehicle, whereupon the department shall process the certificate of origin or certificate of title in a manner

prescribed by law or regulation. An insurance company which pays money or makes other monetary settlement as compensation for total loss of a motor vehicle shall at the time of payment or monetary settlement obtain the vehicle's properly assigned certificate of origin or certificate of title and, as soon as practicable after receiving them it, shall forward them it along with their application for a salvage certificate, to the department for processing. In the event the payment or monetary settlement was made because of the theft of the vehicle, which shall be considered a total loss as defined in this section, the insurance company shall forward the vehicle's properly assigned certificate of origin or certificate of title as provided herein, to the department as soon as practicable after the vehicle is recovered. When a stolen motor vehicle has been reported to the department in compliance with this section and is later recovered, and for which a salvage certificate has been issued, the owner recorded on the salvage certificate shall assign that certificate to the purchaser. A person who violates this subsection shall, upon conviction, be guilty of a Class A misdemeanor and shall be punishable as required by law.

"(c) If an insurance company acquires a motor vehicle in settlement of an insurance claim and holds the vehicle for resale and procures the certificate of origin or certificate of title from the owner or lienholder within 15 days after delivery of the vehicle to the insurance company, and if the vehicle was not a total loss as defined by this

1 section, the insurance company need not send the certificate
2 of origin or certificate of title to the department but, upon
3 transferring the vehicle to another person, other than by the
4 creation of a security interest, the insurance company shall
5 complete an affidavit of acquisition and disposition of the
6 motor vehicle on a form prescribed by the department and
7 deliver the certificate of origin or certificate of title,
8 affidavit, and any other documents required by the department
9 to the transferee at the time of delivery of the motor
10 vehicle.

11 "(d) For the purposes of this section, a total loss
12 shall occur when an insurance company or any other person pays
13 or makes other monetary settlement to a person when a vehicle
14 is damaged and the damage to the vehicle is greater than or
15 equal to 75 percent of the fair retail value of the vehicle
16 prior to damage as set forth in a current edition of a
17 nationally recognized compilation of retail values, including
18 automated data bases. The compensation for total loss as
19 defined in this subsection shall not include payments by an
20 insurer or other person for medical care, bodily injury,
21 vehicle rental, or for anything other than the amount paid for
22 the actual damage to the motor vehicle. A vehicle that has
23 sustained minor damage as a result of theft or vandalism shall
24 not be considered a total loss. Any person acquiring ownership
25 of a damaged motor vehicle that meets the definition of total
26 loss for which a salvage title has not been issued shall apply
27 for a salvage title, other than a scrap metal processor

1 acquiring such vehicle for purposes of recycling into metallic
2 scrap for remelting purposes only. This application shall be
3 made before the vehicle is further transferred, but in any
4 event, within 30 days after ownership is acquired.

5 "(e) It shall be unlawful for the owner of any
6 junkyard, salvage yard, or ~~motor vehicle~~ automotive dismantler
7 and parts recycler or his or her agents or employees to have
8 in their possession any motor vehicle which is junk or salvage
9 or a total loss when the manufacturer's vehicle identification
10 number plate or plates, authorized replacement vehicle
11 identification number plate or plates, or serial plate or
12 plates have been removed, unless previously required to be
13 removed by a statute or law of this state or another
14 jurisdiction. A person who violates this subsection shall,
15 upon conviction, be guilty of a Class A misdemeanor and shall
16 be punishable as required by law.

17 "(f) It shall be unlawful for a person, firm, or
18 corporation to possess, sell or exchange, offer to sell or
19 exchange, or to give away any certificate of origin,
20 certificate of title, salvage certificate of title,
21 manufacturer's identification number plate or plates,
22 authorized replacement vehicle identification number plate or
23 plates, serial plate or plates, or motor vehicle license plate
24 or plates of any motor vehicle which has been scrapped,
25 dismantled, or sold as junk or salvage or as a total loss
26 contrary to this section, and every officer, agent, or
27 employee of a person, firm, or corporation, and every person

1 who shall authorize, direct, aid in or consent to the
2 possession, sale or exchange, or offer to sell, exchange, or
3 give away such certificate of origin, certificate of title,
4 salvage certificate of title, manufacturer's vehicle
5 identification number plate or plates, authorized replacement
6 vehicle identification number plate or plates, serial plate or
7 plates, or motor vehicle license plate or plates contrary to
8 this section, shall, upon conviction, be guilty of a Class A
9 misdemeanor and shall be punishable as required by law.

10 "(g) The department is authorized to issue a salvage
11 certificate of title for a fee of fifteen dollars (\$15), on a
12 form prescribed by the department which shall provide for
13 assignments of this title. The salvage certificate of title is
14 to replace a certificate of origin or certificate of title
15 required to be surrendered by this section. The department
16 shall prescribe necessary forms and procedures to comply with
17 this subsection.

18 "(h) It shall be unlawful for a person to sign as
19 assignor or for a person to have in his or her possession a
20 salvage certificate of title which has been signed by the
21 owner as assignor without the name of the assignee and other
22 information called for on the form prescribed by the
23 department. A person who violates this subsection, upon
24 conviction, shall be guilty of a Class A misdemeanor and shall
25 be punishable as required by law.

26 "(i) Every owner of a salvage or junk motor vehicle
27 who sells or transfers the vehicle to any person shall provide

1 at the time of the sale or transfer a properly executed
2 assignment and warranty of title to the transferee in the
3 space provided therefor on the salvage certificate of title or
4 junk certificate of title or as the department prescribes. A
5 person who willfully violates this subsection shall, upon
6 conviction, be guilty of a Class A misdemeanor and shall be
7 punishable as required by law.

8 "(j) The department may issue a certificate of title
9 to any motor vehicle for which a salvage certificate has been
10 issued by this or any other state, and the vehicle has, in
11 this state, been completely restored to its operating
12 condition which existed prior to the event which caused the
13 salvage certificate of title to issue, provided that all
14 requirements of this section have been met. The department may
15 issue a certificate of title for any motor vehicle for which a
16 salvage certificate of title has been issued by this or any
17 other state or when the department has evidence that a salvage
18 title should have been issued by this or any other state, and
19 the vehicle has been completely restored outside of this state
20 to its operating condition which existed prior to the event
21 which caused the salvage certificate of title to be issued,
22 provided the department is satisfied that the vehicle was
23 rebuilt in the other state in accordance with that state's
24 salvage rebuilding laws. Any motor vehicle for which a
25 certificate of title has been issued by any state with the
26 notation of junk, parts car, parts only, nonrebuildable, or
27 when a certificate of destruction or bill of sale has been

1 issued for transfer of the vehicle with similar language shall
2 be considered to be a junk vehicle and shall not be titled in
3 this state. In addition, no certificate of title may be issued
4 for any vehicle where the frame or the majority of the major
5 component parts were obtained from a junk vehicle as
6 previously defined.

7 "(k) Every owner of a salvage motor vehicle
8 designated a 1975 year model and all models subsequent thereto
9 which is in this state and which has been restored in this
10 state to its operating condition which existed prior to the
11 event which caused the salvage certificate of title to issue
12 shall make application to the department for an inspection of
13 the vehicle in the form and content as determined by the
14 department. Each application for inspection of a salvage
15 vehicle which has been so restored shall be accompanied by all
16 of the following:

17 "(1) The outstanding salvage certificate or
18 out-of-state title previously issued for the salvage vehicle.

19 "(2) Notarized bills of sale evidencing acquisition
20 of all major component parts (listing the manufacturer's
21 vehicle identification number of the vehicle from which the
22 parts were removed, if parts contain or should contain the
23 manufacturer's vehicle identification number) used to restore
24 the vehicle and bills of sale evidencing acquisition of all
25 minor component parts. Notarization shall not be required on
26 bills of sale for minor component parts; provided that a
27 notarized bill of sale which lists the manufacturer's vehicle

1 identification number of the vehicle from which the parts were
2 removed, if parts contain or should contain the manufacturer's
3 vehicle identification number, shall be required for a
4 transmission.

5 "(3) Evidence that the owner is a licensed motor
6 vehicle rebuilder as defined in Section 40-12-390, unless
7 otherwise exempt from the licensing requirement by Chapter 12
8 of Title 40. Notwithstanding the foregoing, where an owner
9 acquires an Alabama salvage certificate of title to his or her
10 own vehicle from his or her insurance company in settlement of
11 a claim, a prior registration or other documentation that
12 shows that the owner owned the vehicle prior to the salvage
13 title being issued may be submitted in lieu of a rebuilder's
14 license.

15 "(4) The owner shall also provide a written
16 affirmation which states the following:

17 "a. The actions taken to restore the vehicle to its
18 operating condition which existed prior to the event which
19 caused the salvage certificate to issue.

20 "b. That the owner personally inspected the
21 completed vehicle and it complies with all safety requirements
22 set forth by the State of Alabama and any regulations
23 promulgated thereunder.

24 "c. That the identification numbers of the restored
25 vehicle and its parts have not, to the knowledge of the owner,
26 been removed, destroyed, falsified, altered, or defaced.

"d. That the salvage certificate document or out-of-state title certificate attached to the application has not to the knowledge of the owner been forged, falsified, altered, or counterfeited.

"e. That all information contained on the application and its attachments is true and correct to the knowledge of the owner.

"f. The owner, as specified in subsection (r), shall be required to post a bond in accordance with Section 32-8-36 in the event that the owner cannot provide any information required in subsection (k) or any other information specified by the department.

"(1) The application fee for each inspection of a restored vehicle shall be seventy-five dollars (\$75), payable to the department in a manner as prescribed by the department, which shall accompany the application.

"(1) All application fees and title fees received by the department pursuant to this subsection shall be applied toward the personnel and maintenance costs of the vehicle inspection program and the vehicle inspection program shall be conducted by the office of investigations and inspections of the department. Upon receipt of the application for inspection, application fee of seventy-five dollars (\$75), its supporting documents, and title fee of fifteen dollars (\$15), payable to the department in a manner as prescribed by the department, the department shall require an inspection to be

1 made of the title and the vehicle by qualified agents or law
2 enforcement officers of the department.

3 "(2) The inspection and certification shall include
4 an examination of the vehicle and its parts to determine that
5 the identification numbers of the vehicle or its parts have
6 not been removed, falsified, altered, defaced, destroyed, or
7 tampered with; that the vehicle information contained in the
8 application for certificate of title and supporting documents
9 is true and correct; and that there are no indications that
10 the vehicle or any of its parts are stolen. The certification
11 shall not attest to the roadworthiness or safety condition of
12 the vehicle.

13 "(m) Component parts are defined as:

14 "(1) PASSENGER VEHICLES.

15 "(a. Major components:

16 "(1. Motor or engine.

17 "(2. Trunk floor pan or rear section and roof.

18 "(3. Frame or any portion thereof (except frame
19 horn), or, in the case of a unitized body, the supporting
20 structure which serves as the frame, except when it is a part
21 of the trunk floor pan, or rear section and roof.

22 "(4. Cowl, firewall, or any portion thereof.

23 "(5. Roof assembly.

24 "(b. Minor components:

25 "(1. Each door allowing entrance to or egress from
26 the passenger compartment.

27 "(2. Hood.

1 "3. Each front fender or each rear fender when used
2 with a rear section and roof.

3 "4. Deck lid, tailgate, or hatchback (whichever is
4 present).

5 "5. Each quarter panel.

6 "6. Each bumper.

7 "7. T-tops, moon roof, or whichever is present.

8 "8. Transmission or trans-axle.

9 "(2) TRUCK, TRUCK TYPE, OR BUS TYPE VEHICLES.

10 "a. Major components:

11 "1. Motor or engine.

12 "2. Transmission or trans-axle.

13 "3. Frame or any portion thereof (except frame
14 horn), or, in the case of a unitized body, the supporting
15 structure which serves as the frame.

16 "4. Cab.

17 "5. Cowl or firewall or any portion thereof.

18 "6. Roof assembly.

19 "7. Cargo compartment floor panel or passenger
20 compartment floor pan.

21 "b. Minor components:

22 "1. Each door.

23 "2. Hood.

24 "3. Grill, except on one ton or smaller trucks.

25 "4. Each bumper.

26 "5. Each front fender.

27 "6. Roof panel and rear cab panel.

"7. Each rear fender or side panel.

"8. Pickup box.

"9. Body or bed.

"(3) MOTORCYCLE: COMPONENT PARTS.

"a. Engine or motor.

"b. Transmission or trans-axle.

"c. Frame.

"d. Front fork.

"e. Crankcase.

"(n) A salvage vehicle which has been restored in this state to its operating condition which existed prior to the event which caused the salvage certificate of title to issue shall be issued a certificate of title which shall contain the word rebuilt.

"(o) (1) Each salvage vehicle restored or rebuilt in this state which is required to be inspected by the department pursuant to subsection (l) and for which a certificate of title may be issued pursuant to subsection (n) shall be issued a decal, plate, or other emblem as prescribed by the department to reflect that the vehicle is rebuilt. The decal, plate, or other emblem shall be attached to the vehicle in a place and in a manner prescribed by the department.

"(2) A person who willfully removes, mutilates, tampers with, obliterates, or destroys a decal, plate, or other emblem issued and attached to a salvage vehicle pursuant to this subsection is guilty of a Class A misdemeanor punishable as provided by law.

"(p) Each person who sells, exchanges, delivers, or otherwise transfers any interest in any vehicle for which a title bearing the designation salvage or rebuilt has been issued shall disclose in writing the existence of this title to the prospective purchaser, recipient in exchange, recipient by donation, or recipient by other act of transfer. The disclosure, which shall be made at the time of or prior to the completion of the sale, exchange, donation, or other act of transfer, shall contain the following information in no smaller than 10 point type: "This vehicle's title contains the designation salvage or rebuilt."

"(q) (1) Any motor vehicle for which an insurance company has paid a total loss due, in part, to being damaged by water shall be deemed a flood vehicle. The motor vehicle's certificate of title and every subsequent certificate of title shall contain the designation flood vehicle.

"(2) Each person who sells, exchanges, donates, delivers, or otherwise transfers any interest for which a certificate of title bearing the designation flood vehicle has been issued shall disclose in writing the existence of this designation to the prospective purchaser, recipient in exchange, recipient by donation, or recipient by other act of transfer. The disclosure shall be made at the time of or prior to the completion of the sale, exchange, donation, delivery, or other act of transfer and shall contain the following information in no smaller than 10 point type: The certificate

1 of title of this motor vehicle contains the designation flood
2 vehicle.

3 "(r) If an owner acquires a salvage vehicle for
4 which a previous insurer or owner did not properly obtain a
5 salvage title from this or any other state or the vehicle was
6 rebuilt by a rebuilder who is no longer licensed as a
7 rebuilder, the current owner may proceed as provided in
8 subsection (k) and apply for an inspection of the vehicle. In
9 any case where the department has determined that an insurer
10 or prior owner did not properly obtain a salvage certificate
11 of title, a prior registration or other documentation that
12 shows that the owner owned the vehicle prior to the
13 notification by the department may be submitted in lieu of a
14 rebuilder's license.

15 "(s) (1)a. ~~A scrap metal processor who acquires a~~
16 ~~motor vehicle for the purpose of recycling it into metallic~~
17 ~~scrap for remelting purposes shall surrender the certificate~~
18 ~~of title to the department for cancellation in a manner as~~
19 ~~prescribed by the department. Each scrap metal processor shall~~
20 ~~maintain records of every motor vehicle acquired for the~~
21 ~~purpose of recycling into metallic scrap for remelting~~
22 ~~purposes. The records shall be maintained by the scrap metal~~
23 ~~processor for a period of not less than five years and shall~~
24 ~~include the vehicle identification number, name and address of~~
25 ~~the seller, copy of the seller's state issued driver's license~~
26 ~~or identification card, the date of sale, and a copy of the~~
27 ~~certificate of title surrendered to the department. A person~~

1 who violates this subsection, upon conviction, shall be guilty
2 of a Class A misdemeanor and shall be punishable as required
3 by law. A licensed automotive dismantler and parts recycler as
4 defined in Section 40-12-410, secondary metals recycler as
5 defined in Section 13A-8-30, who acquires a motor vehicle for
6 the purpose of dismantling it or recycling it into metallic
7 scrap for melting purposes or any person who crushes a motor
8 vehicle acquired from anyone other than a licensed automotive
9 dismantler and parts recycler or a secondary metal recycler,
10 except as provided in subdivision (2), shall surrender any
11 certificate of title received to the department for
12 cancellation in a manner as prescribed by the department. A
13 notice of cancellation shall be submitted and a receipt of the
14 notice shall be obtained from the department prior to crushing
15 the vehicle or dismantling the vehicle or recycling it into
16 metallic scrap for remelting purposes. A licensed automotive
17 dismantler and parts recycler or secondary metals recycler may
18 file the notice electronically and the department, at the time
19 of filing, shall provide the filer with an electronic notice
20 of receipt. The licensed automotive dismantler and parts
21 recycler or secondary metals recycler shall maintain the
22 properly assigned original certificate of title when the
23 notice is filed electronically. The department shall verify
24 through its records that the title is the current title of the
25 motor vehicle and that the vehicle is not reported as stolen
26 prior to issuing the receipt.

"b. Each licensed automotive dismantler and parts recycler, secondary metals recycler, and any other person who crushes a motor vehicle shall maintain records of every motor vehicle crushed or acquired for the purpose of dismantling it or recycling it into metallic scrap for remelting purposes. The records shall be maintained by these parties for a period of not less than five years and shall include the vehicle identification number, name and address of the seller, copy of the seller's state issued driver's license or identification card, the date of sale, and a copy of the certificate of title surrendered to the department. In the event that a person crushes a vehicle or vehicles on behalf of the owner but does not acquire the vehicle or vehicles, that person shall maintain a record of the vehicle identification number, and the name and address of the entity for whom the vehicles were crushed, as well as a copy of the person's state issued driver's license or identification card, or state issued tax ID number if the entity is not a natural person. For purposes of this chapter, a crushed motor vehicle as defined in Section 40-12-116 shall not be deemed a motor vehicle or vehicle, provided, however, that any person who is responsible for transforming a motor vehicle into a crushed motor vehicle is responsible for complying with this section.

"(2) Notwithstanding any other provision of this title to the contrary, if the owner or authorized agent of the owner of a motor vehicle has not obtained a title in his or her name for the motor vehicle to be transferred, he or she

1 may sign a sworn statement that, in addition to the foregoing
2 conditions, the vehicle is worth one thousand dollars (\$1,000)
3 or less and is at least 12 model years old. The statement
4 described in this subsection may be used only to transfer such
5 a motor vehicle to a licensed automotive dismantler and parts
6 recycler as defined at Section 40-12-410 or secondary metals
7 recycler as defined at Section 13A-8-30 and shall be used in
8 lieu of a certificate of title when the motor vehicle is being
9 dismantled or recycled into metallic scrap. The department, in
10 consultation with the above industries, shall promulgate a
11 form for the statement which shall include, but not be limited
12 to, all of the following information:

13 "a. A statement that the motor vehicle shall never
14 be titled again and that it must be dismantled or scrapped.

15 "b. A description of the motor vehicle including the
16 year, make, model, and vehicle identification number.

17 "c. The license plate number and state of issue of
18 any vehicle transporting the motor vehicle being sold.

19 "d. The name, address, and driver's license number
20 of the seller.

21 "e. A certification by the seller that the seller is
22 lawfully in possession of the vehicle and the seller is the
23 current owner of the vehicle and the seller never obtained a
24 title to the motor vehicle in his or her name.

25 "f. A certification that the motor vehicle meets all
26 of the following requirements:

27 "1. Is worth one thousand dollars (\$1,000) or less.

1 "2. Is at least 12 model years old.

2 "3. Is not subject to any recorded security interest
3 or lien.

4 "g. An acknowledgment, made under penalties of
5 perjury, that the seller realizes this information will be
6 filed with the department and that it is a Class C felony to
7 knowingly falsify any information on this statement.

8 "h. The seller's signature and the date of the
9 transaction.

10 "i. The name and address of the business acquiring
11 the vehicle.

12 "j. The unique registration number provided by the
13 Administrator of the National Motor Vehicle Title Information
14 System known as the NMVTIS ID Number.

15 "k. A certification by the business, made under
16 penalties of perjury, that one thousand dollars (\$1,000) or
17 less was paid to acquire the vehicle.

18 "l. The business agent's signature and date along
19 with a printed name and title if the agent is signing on
20 behalf of a corporation.

21 "m. The unique tracking number provided by a
22 Department of Revenue system that indicates that the
23 automotive dismantler and parts recycler or secondary metals
24 recycler has utilized that system to verify that the vehicle
25 is not currently reported as stolen and that there is no
26 recorded lien or notice of a lien on file or that the
27 department has no record of the vehicle. A licensed automotive

1 dismantler and parts recycler or secondary metals recycler
2 shall file the notice electronically, and the department shall
3 provide the filer with an electronic notice of receipt. This
4 statement shall be invalid without this tracking number and
5 without the purchaser's NMVTIS ID number.

6 "(3) The automotive dismantler and parts recycler or
7 secondary metals recycler shall electronically deliver the
8 statement required under this subsection to the department
9 within 72 hours of the completion of the transaction,
10 requesting that the department cancel the certificate of title
11 and registration. The transmittal shall be completed and a
12 receipt of the notice, generated at the time of the
13 transmittal, shall be obtained from the department before
14 dismantling the vehicle or recycling it into metallic scrap
15 for remelting purposes. In addition, the automotive dismantler
16 and parts recycler or secondary metals recycler shall maintain
17 the original signed documents required by this subsection for
18 a period of not less than five years. An automotive dismantler
19 and parts recycler or secondary metals recycler who has
20 complied with the requirements of this section shall be immune
21 from, and held harmless from, any claims related to liens
22 which were not recorded or a notice of lien was not recorded,
23 or stolen vehicles not reported, at the time that the vehicle
24 was purchased and the inquiry made and documented with the
25 unique tracking number issued by the department.

26 "(4) Any person who knowingly and willfully violates
27 this subsection, or any person who falsifies the statement

1 required under this subsection, or any person who knowingly
2 and willfully sells a vehicle upon which there is an
3 unsatisfied lien, shall be guilty of a Class C felony. In
4 addition to any punishment rendered, each person convicted
5 shall be subject to the laws regarding restitution.

6 "5) Any motor vehicle used to transport another
7 motor vehicle or crushed motor vehicle illegally sold under
8 this section may be seized by law enforcement and is subject
9 to forfeiture ordered by the court; provided, however, that no
10 motor vehicle used by any person in the transaction of a sale
11 of such motor vehicle shall be subject to forfeiture unless
12 the owner or other person in charge of the motor vehicle is a
13 consenting or knowing party to the commission of a crime, and
14 a forfeiture of the motor vehicle is subject to the rights of
15 any lienholder who holds a perfected security interest in the
16 motor vehicle so long as the lienholder had no knowledge of or
17 consented to the act. Whenever property is forfeited under
18 this subsection by order of the court, it shall be sold and
19 the proceeds distributed, pro rata after payment of all
20 property expenses relating to the forfeiture and sale,
21 including any court ordered restitution to the owner of the
22 vehicle, satisfaction of any liens associated with the vehicle
23 sold in violation of this section, and any losses incurred by
24 the automotive dismantler and parts recycler or secondary
25 metals recycler to the general fund of the state or any county
26 or municipality whose department, office, or agency
27 contributed to the investigation of the acts resulting in

1 forfeiture, based upon the contribution, including expenses,
2 of the department, office, or agency, as determined by the
3 court.

4 "(t) The Department of Revenue shall provide a
5 system for a real-time online verification of motor vehicle
6 titles, liens, and stolen vehicle status that can be accessed
7 by an automotive dismantler and parts recycler or a secondary
8 metals recycler. The system shall be capable of transmitting
9 the information from the statement required pursuant to
10 subsection (s) either online or by bulk electronic
11 transmission and shall provide a unique tracking number on a
12 receipt at the time of the submission that indicates that the
13 automotive dismantler and parts recycler or a secondary metals
14 recycler has used the system and that at the time of the
15 inquiry, the vehicle was not reported as stolen and that there
16 were no recorded liens or notices of liens on file associated
17 with the vehicle, or that the department has no record of the
18 vehicle. The charge assessed for the transmittal of the
19 statement required by subsection (s) to the automotive
20 dismantler and parts recycler or secondary metals recycler
21 shall be five dollars (\$5) per submittal. In lieu of a per
22 submittal charge, an automotive dismantler and parts recycler
23 or a secondary metals recycler may pay an annual fee of five
24 hundred dollars (\$500) for all submittals and inquiries made
25 during that fiscal year. The fee shall be paid on a fiscal
26 year basis, beginning October 1 of each fiscal year. Every
27 automotive dismantler and parts recycler, secondary metals

recycler or person or company licensed pursuant to Section 40-12-116, shall pay the annual fee for each location or license. Any fees collected under this section shall be retained by the department for use solely by the Motor Vehicle Division of the department for training and technological and processing improvements."

Section 2. Sections 40-12-412 and 40-12-116, Code of Alabama 1975, are amended to read as follows:

"§40-12-412.

"Every person, firm, or corporation desiring to engage in the business of an automotive dismantler and parts recycler shall apply in writing to the Department of Revenue on a form prescribed by the department, which form shall contain:

"(1) The name of the applicant.

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

"(3) A statement that the applicant's place of business meets federal, state, and local laws concerning screening and beautification, which is a requirement to be licensed under this article.

"(4) The type of business organization of the applicant.

"(5) The applicant's sales tax number.

"(6) The applicant's unique registration number provided by the Administrator of the National Motor Vehicle Title Information System known as the NMVTIS ID Number.

1 "(6)(7) Such additional information as may be
2 required by the Department of Revenue.

3 "§40-12-116.

4 "(a) Each junk dealer shall pay the following
5 license tax: in all places of less than 1,000 inhabitants,
6 whether incorporated or not, \$10; in towns of 1,000
7 inhabitants and less than 3,000 inhabitants, or within 10
8 miles thereof, \$20; in cities and towns of 3,000 and less than
9 10,000 inhabitants, or within 10 miles of the city limits
10 thereof, \$30; in cities and towns of 10,000 and less than
11 20,000 inhabitants, or within 10 miles of the city limits
12 thereof, \$50; in cities and towns of 20,000 inhabitants and
13 less than 50,000 inhabitants, or within 10 miles of the city
14 limits thereof, \$75; and in cities and towns of 50,000
15 inhabitants and over or within 10 miles of the city limits
16 thereof, \$150. Each junk dealer, his clerk, agent or employee
17 shall keep a book open to inspection in which he shall make
18 entries of all articles of railroad iron or brass, pieces of
19 machinery and plumbing material, automobiles, automobile
20 tires, parts, and accessories, or other articles purchased by
21 him, together with the name of the party from whom purchased;
22 and, upon failure to keep such book or record and produce it
23 on demand, the dealer shall forfeit his license. Each junk
24 dealer, his clerk, agent or employee to whom any new and
25 unused articles or railroad brass and iron, pieces of
26 machinery, automobiles, automobile tires, parts and
27 accessories, or other articles shall be presented for sale

1 shall notify the police authorities that such articles are
2 offered for sale within a reasonable time thereafter,
3 otherwise, his license shall be forfeited. Any junk dealer
4 whose place of business is within 10 miles of more than one
5 city shall pay the license as provided herein for the larger
6 of the cities within 10 miles.

7 "(b) Any person or company operating car crushing
8 equipment, other than licensed junk dealers, automotive
9 dismantlers, and parts recyclers and secondary metals
10 recyclers as defined in Section 13A-8-30, shall pay a license
11 fee, on an annual basis, of two hundred dollars (\$200) per
12 piece of car crushing equipment. The provisions of this title
13 permitting the payment of a half-year license after April 1
14 shall not apply to this section. Furthermore, any additional
15 car crushing equipment acquired during the license year shall
16 require an additional license in accordance with this section.
17 Anyone operating car crushing equipment without a license
18 shall be guilty of a Class C felony and such equipment shall
19 be subject to forfeiture to law enforcement. Upon proper
20 process and hearing as required by the State of Alabama in
21 forfeiture proceedings, including notifying any lienholders,
22 the car crushing equipment may be seized and held for
23 forfeiture, as described in this act. In addition to any
24 punishment rendered, each person convicted shall be subject to
25 the laws regarding restitution of the state. For purposes of
26 this section, car crushing equipment means a machine that
27 compacts or flattens a motor vehicle into a crushed motor

vehicle and is designed to be transported on a highway; and a
crushed motor vehicle means a motor vehicle, the frame or
unibody of which is compacted or flattened so that it no
longer resembles any particular year, model, or make of motor
vehicle and is less than half of the motor vehicle's original
volume as measured in cubic feet."

Section 3. Section 32-8-64.2 is added to the Code of Alabama 1975, to read as follows:

§32-8-64.2.

(a) Except for liens and security interests listed on certificates of title for travel trailers or vehicles that weigh more than 12,000 pounds gross weight, which shall be satisfied only in conformity with Section 32-8-64, any lien or security interest shall be considered satisfied and release shall not be required after five years from the date of the security agreement as recorded on the certificate of title for vehicles which are 12 or more model years old. Nothing in this section shall preclude the perfection of a lien or security agreement, or the perfection of an extension of a lien or security agreement beyond a period of five years, by application for a new certificate of title on which the lien or security agreement is listed. In order to provide for the continuous perfection of a lien or security interest originally entered into for a period of more than five years for a vehicle other than a travel trailer or vehicle that weighs more than 12,000 pounds gross vehicle weight, an application for a second title on which the lien or security

1 interest is listed shall be submitted to the designated agent
2 before five years from the date of the security agreement as
3 recorded on the original title. Otherwise, the lien or
4 security interest shall be perfected as provided by Section
5 32-8-61.

6 (b) The department may require that all lien
7 releases shall be electronically submitted to the department
8 within 10 days of the date that a lien or security interest in
9 a motor vehicle is satisfied.

10 Section 4. Although this bill would have as its
11 purpose or effect the requirement of a new or increased
12 expenditure of local funds, the bill is excluded from further
13 requirements and application under Amendment 621, now
14 appearing as Section 111.05 of the Official Recompilation of
15 the Constitution of Alabama of 1901, as amended, because the
16 bill defines a new crime or amends the definition of an
17 existing crime.

18 Section 5. The provisions of this act are severable.
19 If any part of this act is declared invalid or
20 unconstitutional, that declaration shall not affect the part
21 which remains.

22 Section 6. This act shall become effective January
23 1, 2012.

1

2

3 Senate

4 Read for the first time and referred to the Senate
5 committee on Commerce, Transportation, and Utili-
6 ties.....

22-MAR-11

7

8 Read for the second time and placed on the calen-
9 dar with 1 substitute and.....

14-APR-11

10

11 Read for the third time and passed as amended

25-MAY-11

12

Yea 24

13

Nays 5

14

15

16

17

18

Patrick Harris
Secretary