

1 SB224
2 132247-3
3 By Senator Marsh
4 RFD: Commerce, Transportation, and Utilities
5 First Read: 22-MAR-11

1 SB224

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4 ENROLLED, An Act,

5 To amend Sections 32-8-87, as last amended by Act
6 2010-748, 2010 Regular Session (Acts 2010, p. 1892),
7 40-12-412, and 40-12-116, Code of Alabama 1975, to provide for
8 transfer of certain motor vehicles without a title to an
9 automotive dismantler and parts recycler or secondary metals
10 recycler; to require a statement from the owner containing
11 certain information with regard to the vehicle; to require an
12 automotive dismantler and parts recycler or secondary metals
13 recycler to maintain certain records; to provide criminal
14 penalties for violations; to require the electronic
15 recordation and release of certain motor vehicle liens within
16 a certain time; to require the Department of Revenue to
17 maintain an electronic lien verification system; to add
18 Section 32-8-64.2 to the Code of Alabama 1975, relating to
19 release of certain liens; and in connection therewith would
20 have as its purpose or effect the requirement of a new or
21 increased expenditure of local funds within the meaning of
22 Amendment 621 of the Constitution of Alabama of 1901, now
23 appearing as Section 111.05 of the Official Recompilation of
24 the Constitution of Alabama of 1901, as amended.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§32-8-87.

"(a) Each owner of a motor vehicle and each person mentioned as owner in the last certificate of title who scraps, dismantles, destroys, or changes the motor vehicle in such a manner that it is not the same motor vehicle described in the certificate of origin or certificate of title shall as soon as practicable cause the certificate of origin or certificate of title, if any, and any other documents or information required by the department to be mailed or delivered to the department for processing. The department shall, with the consent of any holder of liens noted on the surrendered certificate, enter a cancellation upon its records. Upon cancellation of a certificate of origin or certificate of title in the manner prescribed by this section, the department shall cancel all certificates of origin or certificates of title in that chain of title. A certificate of title for the vehicle shall not again be issued except upon application containing the information the department requires, accompanied by a certificate of inspection in the 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

1 shall be driven or operated on the highways or other public
2 places of this state. A vehicle which is in this state and for
3 which a salvage certificate has been issued, and the vehicle
4 is being restored to its operating condition which existed
5 prior to the event which caused the salvage certificate of
6 title to issue, may be moved to and from repair points as
7 necessary by the rebuilder to complete the restoration or may
8 be moved as permitted by the Department of Revenue for
9 inspection or for any other purpose. A valid Alabama dealer
10 license plate shall be displayed on the vehicle during its
11 movement. A person who violates this subsection shall, upon
12 conviction, be guilty of a Class A misdemeanor and shall be
13 punishable as required by law.

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

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

22 "(c) If an insurance company acquires a motor
23 vehicle in settlement of an insurance claim and holds the
24 vehicle for resale and procures the certificate of origin or
25 certificate of title from the owner or lienholder within 15

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

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

1 not be considered a total loss. Any person acquiring ownership
2 of a damaged motor vehicle that meets the definition of total
3 loss for which a salvage title has not been issued shall apply
4 for a salvage title, other than a scrap metal processor
5 acquiring such vehicle for purposes of recycling into metallic
6 scrap for remelting purposes only. This application shall be
7 made before the vehicle is further transferred, but in any
8 event, within 30 days after ownership is acquired.

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

21 "(f) It shall be unlawful for a person, firm, or
22 corporation to possess, sell or exchange, offer to sell or
23 exchange, or to give away any certificate of origin,
24 certificate of title, salvage certificate of title,
25 manufacturer's identification number plate or plates,

1 authorized replacement vehicle identification number plate or
2 plates, serial plate or plates, or motor vehicle license plate
3 or plates of any motor vehicle which has been scrapped,
4 dismantled, or sold as junk or salvage or as a total loss
5 contrary to this section, and every officer, agent, or
6 employee of a person, firm, or corporation, and every person
7 who shall authorize, direct, aid in or consent to the
8 possession, sale or exchange, or offer to sell, exchange, or
9 give away such certificate of origin, certificate of title,
10 salvage certificate of title, manufacturer's vehicle
11 identification number plate or plates, authorized replacement
12 vehicle identification number plate or plates, serial plate or
13 plates, or motor vehicle license plate or plates contrary to
14 this section, shall, upon conviction, be guilty of a Class A
15 misdemeanor and shall be punishable as required by law.

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

24 "(h) It shall be unlawful for a person to sign as
25 assignor or for a person to have in his or her possession a

1 salvage certificate of title which has been signed by the
2 owner as assignor without the name of the assignee and other
3 information called for on the form prescribed by the
4 department. A person who violates this subsection, upon
5 conviction, shall be guilty of a Class A misdemeanor and shall
6 be punishable as required by law.

7 "(i) Every owner of a salvage or junk motor vehicle
8 who sells or transfers the vehicle to any person shall provide
9 at the time of the sale or transfer a properly executed
10 assignment and warranty of title to the transferee in the
11 space provided therefor on the salvage certificate of title or
12 junk certificate of title or as the department prescribes. A
13 person who willfully violates this subsection shall, upon
14 conviction, be guilty of a Class A misdemeanor and shall be
15 punishable as required by law.

16 "(j) The department may issue a certificate of title
17 to any motor vehicle for which a salvage certificate has been
18 issued by this or any other state, and the vehicle has, in
19 this state, been completely restored to its operating
20 condition which existed prior to the event which caused the
21 salvage certificate of title to issue, provided that all
22 requirements of this section have been met. The department may
23 issue a certificate of title for any motor vehicle for which a
24 salvage certificate of title has been issued by this or any
25 other state or when the department has evidence that a salvage

1 title should have been issued by this or any other state, and
2 the vehicle has been completely restored outside of this state
3 to its operating condition which existed prior to the event
4 which caused the salvage certificate of title to be issued,
5 provided the department is satisfied that the vehicle was
6 rebuilt in the other state in accordance with that state's
7 salvage rebuilding laws. Any motor vehicle for which a
8 certificate of title has been issued by any state with the
9 notation of junk, parts car, parts only, nonrebuildable, or
10 when a certificate of destruction or bill of sale has been
11 issued for transfer of the vehicle with similar language shall
12 be considered to be a junk vehicle and shall not be titled in
13 this state. In addition, no certificate of title may be issued
14 for any vehicle where the frame or the majority of the major
15 component parts were obtained from a junk vehicle as
16 previously defined.

17 "(k) Every owner of a salvage motor vehicle
18 designated a 1975 year model and all models subsequent thereto
19 which is in this state and which has been restored in this
20 state to its operating condition which existed prior to the
21 event which caused the salvage certificate of title to issue
22 shall make application to the department for an inspection of
23 the vehicle in the form and content as determined by the
24 department. Each application for inspection of a salvage

1 vehicle which has been so restored shall be accompanied by all
2 of the following:

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

5 "(2) Notarized bills of sale evidencing acquisition
6 of all major component parts (listing the manufacturer's
7 vehicle identification number of the vehicle from which the
8 parts were removed, if parts contain or should contain the
9 manufacturer's vehicle identification number) used to restore
10 the vehicle and bills of sale evidencing acquisition of all
11 minor component parts. Notarization shall not be required on
12 bills of sale for minor component parts; provided that a
13 notarized bill of sale which lists the manufacturer's vehicle
14 identification number of the vehicle from which the parts were
15 removed, if parts contain or should contain the manufacturer's
16 vehicle identification number, shall be required for a
17 transmission.

18 "(3) Evidence that the owner is a licensed motor
19 vehicle rebuilder as defined in Section 40-12-390, unless
20 otherwise exempt from the licensing requirement by Chapter 12
21 of Title 40. Notwithstanding the foregoing, where an owner
22 acquires an Alabama salvage certificate of title to his or her
23 own vehicle from his or her insurance company in settlement of
24 a claim, a prior registration or other documentation that
25 shows that the owner owned the vehicle prior to the salvage

1 title being issued may be submitted in lieu of a rebuilder's
2 license.

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

5 "a. The actions taken to restore the vehicle to its
6 operating condition which existed prior to the event which
7 caused the salvage certificate to issue.

8 "b. That the owner personally inspected the
9 completed vehicle and it complies with all safety requirements
10 set forth by the State of Alabama and any regulations
11 promulgated thereunder.

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

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

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

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

1 required in subsection (k) or any other information specified
2 by the department.

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

7 "(1) All application fees and title fees received by
8 the department pursuant to this subsection shall be applied
9 toward the personnel and maintenance costs of the vehicle
10 inspection program and the vehicle inspection program shall be
11 conducted by the office of investigations and inspections of
12 the department. Upon receipt of the application for
13 inspection, application fee of seventy-five dollars (\$75), its
14 supporting documents, and title fee of fifteen dollars (\$15),
15 payable to the department in a manner as prescribed by the
16 department, the department shall require an inspection to be
17 made of the title and the vehicle by qualified agents or law
18 enforcement officers of the department.

19 "(2) The inspection and certification shall include
20 an examination of the vehicle and its parts to determine that
21 the identification numbers of the vehicle or its parts have
22 not been removed, falsified, altered, defaced, destroyed, or
23 tampered with; that the vehicle information contained in the
24 application for certificate of title and supporting documents
25 is true and correct; and that there are no indications that

1 the vehicle or any of its parts are stolen. The certification
2 shall not attest to the roadworthiness or safety condition of
3 the vehicle.

4 " (m) Component parts are defined as:

5 " (1) PASSENGER VEHICLES.

6 "a. Major components:

7 "1. Motor or engine.

8 "2. Trunk floor pan or rear section and roof.

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

13 "4. Cowl, firewall, or any portion thereof.

14 "5. Roof assembly.

15 "b. Minor components:

16 "1. Each door allowing entrance to or egress from
17 the passenger compartment.

18 "2. Hood.

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

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

23 "5. Each quarter panel.

24 "6. Each bumper.

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

1 "8. Transmission or trans-axle.

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

3 "a. Major components:

4 "1. Motor or engine.

5 "2. Transmission or trans-axle.

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

9 "4. Cab.

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

11 "6. Roof assembly.

12 "7. Cargo compartment floor panel or passenger
13 compartment floor pan.

14 "b. Minor components:

15 "1. Each door.

16 "2. Hood.

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

18 "4. Each bumper.

19 "5. Each front fender.

20 "6. Roof panel and rear cab panel.

21 "7. Each rear fender or side panel.

22 "8. Pickup box.

23 "9. Body or bed.

24 "(3) MOTORCYCLE: COMPONENT PARTS.

25 "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

1 issued shall disclose in writing the existence of this title
2 to the prospective purchaser, recipient in exchange, recipient
3 by donation, or recipient by other act of transfer. The
4 disclosure, which shall be made at the time of or prior to the
5 completion of the sale, exchange, donation, or other act of
6 transfer, shall contain the following information in no
7 smaller than 10 point type: "This vehicle's title contains the
8 designation salvage or rebuilt."

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

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

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

13 "(s)(1)a. A licensed automotive dismantler and parts
14 recycler as defined in Section 40-12-410, secondary metals
15 recycler as defined in Section 13A-8-30, who acquires a motor
16 vehicle for the purpose of dismantling it or recycling it into
17 metallic scrap for melting purposes or any person who crushes
18 a motor vehicle acquired from anyone other than a licensed
19 automotive dismantler and parts recycler or a secondary metal
20 recycler, except as provided in subdivision (2), shall
21 surrender any certificate of title received to the department
22 for cancellation in a manner as prescribed by the department.
23 A notice of cancellation shall be submitted and a receipt of
24 the notice shall be obtained from the department prior to
25 crushing the vehicle or dismantling the vehicle or recycling

1 it into metallic scrap for remelting purposes. A licensed
2 automotive dismantler and parts recycler or secondary metals
3 recycler shall file the notice electronically and the
4 department, at the time of filing, shall provide the filer
5 with an electronic notice of receipt. The licensed automotive
6 dismantler and parts recycler or secondary metals recycler
7 shall maintain the properly assigned original certificate of
8 title when the notice is filed electronically. The department
9 shall verify through its records that the title is the current
10 title of the motor vehicle and that the vehicle is not
11 reported as stolen prior to issuing the receipt.

12 "b. Each licensed automotive dismantler and parts
13 recycler, secondary metals recycler, and any other person who
14 crushes a motor vehicle shall maintain records of every motor
15 vehicle crushed or acquired for the purpose of dismantling it
16 or recycling it into metallic scrap for remelting purposes.
17 The records shall be maintained by these parties for a period
18 of not less than five years and shall include the vehicle
19 identification number, name and address of the seller, copy of
20 the seller's state issued driver's license or identification
21 card, the date of sale, and a copy of the certificate of title
22 surrendered to the department. In the event that a person
23 crushes a vehicle or vehicles on behalf of the owner but does
24 not acquire the vehicle or vehicles, that person shall
25 maintain a record of the vehicle identification number, and

1 the name and address of the entity for whom the vehicles were
2 crushed, as well as a copy of the person's state issued
3 driver's license or identification card, or state issued tax
4 ID number if the entity is not a natural person. For purposes
5 of this chapter, a crushed motor vehicle as defined in Section
6 40-12-116 shall not be deemed a motor vehicle or vehicle,
7 provided, however, that any person who is responsible for
8 transforming a motor vehicle into a crushed motor vehicle is
9 responsible for complying with this section.

10 "(2) Notwithstanding any other provision of this
11 title to the contrary, if the owner or authorized agent of the
12 owner of a motor vehicle has not obtained a title in his or
13 her name for the motor vehicle to be transferred, he or she
14 may sign a sworn statement that, in addition to the foregoing
15 conditions, the vehicle is worth one thousand dollars (\$1,000)
16 or less and is at least 12 model years old. The statement
17 described in this subsection may be used only to transfer such
18 a motor vehicle to a licensed automotive dismantler and parts
19 recycler as defined at Section 40-12-410 or secondary metals
20 recycler as defined at Section 13A-8-30 and shall be used in
21 lieu of a certificate of title when the motor vehicle is being
22 dismantled or recycled into metallic scrap. The department, in
23 consultation with the above industries, shall promulgate a
24 form for the statement which shall include, but not be limited
25 to, all of the following information:

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

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

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

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

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

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

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

"2. Is at least 12 model years old.

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

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

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

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

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

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

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

"m. The unique tracking number provided by a Department of Revenue system that indicates that the automotive dismantler and parts recycler or secondary metals recycler has utilized that system to verify that the vehicle is not currently reported as stolen and that there is no recorded lien or notice of a lien on file or that the department has no record of the vehicle. A licensed automotive dismantler and parts recycler or secondary metals recycler shall file the notice electronically, and the department shall provide the filer with an electronic notice of receipt. This statement shall be invalid without this tracking number and without the purchaser's NMVTIS ID number.

"n. An acknowledgement by the automotive dismantler and parts recycler or secondary metals recycler that the motor

1 vehicle will not be crushed or shredded for a period of 48
2 hours not including Saturday and Sunday after the initial
3 filing with the department of the notice required in this
4 subsection and receipt of such notice.

5 "(3) The automotive dismantler and parts recycler or
6 secondary metals recycler shall electronically deliver the
7 statement required under this subsection to the department
8 within 72 hours of the completion of the transaction,
9 requesting that the department cancel the certificate of title
10 and registration. A transmission of the identical information,
11 in the identical format as prescribed by the Alabama
12 Department of Revenue, shall be sent by the automotive
13 dismantler and parts recycler or secondary metals recycler to
14 the sheriff of the county, or the chief of police if located
15 in a municipality, if requested by the sheriff or chief of
16 police. The transmittal shall be completed and a receipt of
17 the notice, generated at the time of the transmittal, shall be
18 obtained from the department before dismantling the vehicle or
19 recycling it into metallic scrap for remelting purposes. In
20 addition, the automotive dismantler and parts recycler or
21 secondary metals recycler shall maintain the original signed
22 documents required by this subsection for a period of not less
23 than five years. An automotive dismantler and parts recycler
24 or secondary metals recycler who has complied with the
25 requirements of this section shall be immune from, and held

harmless from, any claims related to liens which were not recorded or a notice of lien was not recorded, or stolen vehicles not reported, at the time that the vehicle was purchased and the inquiry made and documented with the unique tracking number issued by the department.

"(4) Any person who knowingly and willfully violates this subsection, or any person who falsifies the statement required under this subsection, or any person who knowingly and willfully sells a vehicle upon which there is an unsatisfied lien, shall be guilty of a Class C felony. In addition to any punishment rendered, each person convicted shall be subject to the laws regarding restitution.

"(5) Any motor vehicle used to transport another motor vehicle or crushed motor vehicle illegally sold under this section may be seized by law enforcement and is subject to forfeiture ordered by the court; provided, however, that no motor vehicle used by any person in the transaction of a sale of such motor vehicle shall be subject to forfeiture unless the owner or other person in charge of the motor vehicle is a consenting or knowing party to the commission of a crime, and a forfeiture of the motor vehicle is subject to the rights of any lienholder who holds a perfected security interest in the motor vehicle so long as the lienholder had no knowledge of or consented to the act. Whenever property is forfeited under this subsection by order of the court, it shall be sold and

1 the proceeds distributed, pro rata after payment of all
2 property expenses relating to the forfeiture and sale,
3 including any court ordered restitution to the owner of the
4 vehicle, satisfaction of any liens associated with the vehicle
5 sold in violation of this section, and any losses incurred by
6 the automotive dismantler and parts recycler or secondary
7 metals recycler to the general fund of the state or any county
8 or municipality whose department, office, or agency
9 contributed to the investigation of the acts resulting in
10 forfeiture, based upon the contribution, including expenses,
11 of the department, office, or agency, as determined by the
12 court.

13 "(t) The Department of Revenue shall provide a
14 system for a real-time online verification of motor vehicle
15 titles, liens, and stolen vehicle status that can be accessed
16 by an automotive dismantler and parts recycler or a secondary
17 metals recycler. The system shall be capable of transmitting
18 the information from the statement required pursuant to
19 subsection (s) either online or by bulk electronic
20 transmission and shall provide a unique tracking number on a
21 receipt at the time of the submission that indicates that the
22 automotive dismantler and parts recycler or a secondary metals
23 recycler has used the system and that at the time of the
24 inquiry, the vehicle was not reported as stolen and that there
25 were no recorded liens or notices of liens on file associated

1 with the vehicle, or that the department has no record of the
2 vehicle. The charge assessed for the transmittal of the
3 statement required by subsection (s) to the automotive
4 dismantler and parts recycler or secondary metals recycler
5 shall be five dollars (\$5) per submittal. In lieu of a per
6 submittal charge, an automotive dismantler and parts recycler
7 or a secondary metals recycler may pay an annual fee of five
8 hundred dollars (\$500) for all submittals and inquiries made
9 during that fiscal year. The fee shall be paid on a fiscal
10 year basis, beginning October 1 of each fiscal year. Every
11 automotive dismantler and parts recycler, secondary metals
12 recycler or person or company licensed pursuant to Section
13 40-12-116, shall pay the annual fee for each location or
14 license. Any fees collected under this section shall be
15 retained by the department for use solely by the Motor Vehicle
16 Division of the department for training and technological and
17 processing improvements."

20 "§40-12-412.

1 "(1) The name of the applicant.

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

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

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

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

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

14 "(7) Such additional information as may be required
15 by the Department of Revenue.

16 "§40-12-116.

17 "(a) Each junk dealer shall pay the following
18 license tax: in all places of less than 1,000 inhabitants,
19 whether incorporated or not, \$10; in towns of 1,000
20 inhabitants and less than 3,000 inhabitants, or within 10
21 miles thereof, \$20; in cities and towns of 3,000 and less than
22 10,000 inhabitants, or within 10 miles of the city limits
23 thereof, \$30; in cities and towns of 10,000 and less than
24 20,000 inhabitants, or within 10 miles of the city limits
25 thereof, \$50; in cities and towns of 20,000 inhabitants and

1 less than 50,000 inhabitants, or within 10 miles of the city
2 limits thereof, \$75; and in cities and towns of 50,000
3 inhabitants and over or within 10 miles of the city limits
4 thereof, \$150. Each junk dealer, his clerk, agent or employee
5 shall keep a book open to inspection in which he shall make
6 entries of all articles of railroad iron or brass, pieces of
7 machinery and plumbing material, automobiles, automobile
8 tires, parts, and accessories, or other articles purchased by
9 him, together with the name of the party from whom purchased;
10 and, upon failure to keep such book or record and produce it
11 on demand, the dealer shall forfeit his license. Each junk
12 dealer, his clerk, agent or employee to whom any new and
13 unused articles or railroad brass and iron, pieces of
14 machinery, automobiles, automobile tires, parts and
15 accessories, or other articles shall be presented for sale
16 shall notify the police authorities that such articles are
17 offered for sale within a reasonable time thereafter,
18 otherwise, his license shall be forfeited. Any junk dealer
19 whose place of business is within 10 miles of more than one
20 city shall pay the license as provided herein for the larger
21 of the cities within 10 miles.

22 "(b) Any person or company operating car crushing
23 equipment, other than licensed junk dealers, automotive
24 dismantlers, and parts recyclers and secondary metals
25 recyclers as defined in Section 13A-8-30, shall pay a license

1 fee, on an annual basis, of two hundred dollars (\$200) per
2 piece of car crushing equipment. The provisions of this title
3 permitting the payment of a half-year license after April 1
4 shall not apply to this section. Furthermore, any additional
5 car crushing equipment acquired during the license year shall
6 require an additional license in accordance with this section.
7 Anyone operating car crushing equipment without a license
8 shall be guilty of a Class C felony and such equipment shall
9 be subject to forfeiture to law enforcement. Upon proper
10 process and hearing as required by the State of Alabama in
11 forfeiture proceedings, including notifying any lienholders,
12 the car crushing equipment may be seized and held for
13 forfeiture, as described in this act. In addition to any
14 punishment rendered, each person convicted shall be subject to
15 the laws regarding restitution of the state. For purposes of
16 this section, car crushing equipment means a machine that
17 compacts or flattens a motor vehicle into a crushed motor
18 vehicle and is designed to be transported on a highway; and a
19 crushed motor vehicle means a motor vehicle, the frame or
20 unibody of which is compacted or flattened so that it no
21 longer resembles any particular year, model, or make of motor
22 vehicle and is less than half of the motor vehicle's original
23 volume as measured in cubic feet."

24 Section 3. Section 32-8-64.2 is added to the Code of
25 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 interest is listed shall be submitted to the designated agent before five years from the date of the security agreement as recorded on the original title. Otherwise, the lien or security interest shall be perfected as provided by Section 32-8-61.

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

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

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

Section 6. Section 1 of the act shall become effective January 1, 2012, and the remaining sections of this act shall become effective October 1, 2011.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

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SB224

8

Senate 25-MAY-11

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I hereby certify that the within Act originated in and passed
the Senate, as amended.

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Patrick Harris
Secretary

16

House of Representatives

17

Amended and passed 02-JUN-11

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19

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Senate concurred in House amendment 02-JUN-11

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By: Senator Marsh