

1 HB509
2 129629-1
3 By Representative Wood
4 RFD: Commerce and Small Business
5 First Read: 14-APR-11

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8 SYNOPSIS: Existing law requires a scrap metal
9 processor who acquires a motor vehicle for the
10 purpose of recycling the metal to surrender the
11 title to the Department of Revenue.

12 This bill would provide a procedure where
13 the owner of a motor vehicle could transfer to an
14 automotive dismantler and parts recycler or a
15 secondary metals recycler a motor vehicle without a
16 title if certain conditions are met and the owner
17 of the motor vehicle issues a statement regarding
18 the ownership, value, and identifying
19 characteristics of the motor vehicle.

20 This bill would require an automotive
21 dismantler and parts recycler or a secondary metals
22 recycler to provide the statement to the Department
23 of Revenue.

24 This bill would require the automotive
25 dismantler and parts recycler or secondary metals
26 recycler to maintain certain records of vehicles
27 purchased for recycling or remelting.

1 This bill would provide criminal penalties
2 for violations.

3 This bill would authorize law enforcement to
4 confiscate a motor vehicle or tools used in an
5 illegal sale.

6 Amendment 621 of the Constitution of Alabama
7 of 1901, now appearing as Section 111.05 of the
8 Official Recompilation of the Constitution of
9 Alabama of 1901, as amended, prohibits a general
10 law whose purpose or effect would be to require a
11 new or increased expenditure of local funds from
12 becoming effective with regard to a local
13 governmental entity without enactment by a 2/3 vote
14 unless: it comes within one of a number of
15 specified exceptions; it is approved by the
16 affected entity; or the Legislature appropriates
17 funds, or provides a local source of revenue, to
18 the entity for the purpose.

19 The purpose or effect of this bill would be
20 to require a new or increased expenditure of local
21 funds within the meaning of the amendment. However,
22 the bill does not require approval of a local
23 governmental entity or enactment by a 2/3 vote to
24 become effective because it comes within one of the
25 specified exceptions contained in the amendment.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

3
4 To amend Sections 32-8-87, as last amended by Act
5 2010-748, 2010 Regular Session (Acts 2010, p. 1892),
6 40-12-412, and 40-12-116, Code of Alabama 1975, to provide for
7 transfer of certain motor vehicles without a title to an
8 automotive dismantler and parts recycler or secondary metals
9 recycler; to require a statement from the owner containing
10 certain information with regard to the vehicle; to require an
11 automotive dismantler and parts recycler or secondary metals
12 recycler to maintain certain records; to provide criminal
13 penalties for violations; to require the electronic
14 recordation and release of certain motor vehicle liens within
15 a certain time; to require the Department of Revenue to
16 maintain an electronic lien verification system; to add
17 Section 32-8-64.2 to the Code of Alabama 1975, relating to
18 release of certain liens; and in connection therewith would
19 have as its purpose or effect the requirement of a new or
20 increased expenditure of local funds within the meaning of
21 Amendment 621 of the Constitution of Alabama of 1901, now
22 appearing as Section 111.05 of the Official Recompilation of
23 the Constitution of Alabama of 1901, as amended.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

1 "§32-8-87.

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

21 "No motor vehicle for which a salvage or junk
22 certificate has been issued by this state or any other state
23 shall be driven or operated on the highways or other public
24 places of this state. A vehicle which is in this state and for
25 which a salvage certificate has been issued, and the vehicle
26 is being restored to its operating condition which existed
27 prior to the event which caused the salvage certificate of

1 title to issue, may be moved to and from repair points as
2 necessary by the rebuilder to complete the restoration or may
3 be moved as permitted by the Department of Revenue for
4 inspection or for any other purpose. A valid Alabama dealer
5 license plate shall be displayed on the vehicle during its
6 movement. A person who violates this subsection shall, upon
7 conviction, be guilty of a Class A misdemeanor and shall be
8 punishable as required by law.

9 "(b) When the frame or engine is removed from a
10 motor vehicle and not immediately replaced by another frame or
11 engine, or when an insurance company has paid money or made
12 other monetary settlement as compensation for a total loss of
13 any motor vehicle, the motor vehicle shall be considered to be
14 salvage. The owner of every motor vehicle in which total loss
15 or salvage has occurred in this state, shall, within 72 hours
16 after the total loss or salvage occurs, make application for a
17 salvage certificate of title and forward to the department the
18 certificate of origin or certificate of title to the motor
19 vehicle, whereupon the department shall process the
20 certificate of origin or certificate of title in a manner
21 prescribed by law or regulation. An insurance company which
22 pays money or makes other monetary settlement as compensation
23 for total loss of a motor vehicle shall at the time of payment
24 or monetary settlement obtain the vehicle's properly assigned
25 certificate of origin or certificate of title and, as soon as
26 practicable after receiving ~~them~~ it, shall forward ~~them~~ it
27 along with their application for a salvage certificate, to the

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

15 "(c) If an insurance company acquires a motor
16 vehicle in settlement of an insurance claim and holds the
17 vehicle for resale and procures the certificate of origin or
18 certificate of title from the owner or lienholder within 15
19 days after delivery of the vehicle to the insurance company,
20 and if the vehicle was not a total loss as defined by this
21 section, the insurance company need not send the certificate
22 of origin or certificate of title to the department but, upon
23 transferring the vehicle to another person, other than by the
24 creation of a security interest, the insurance company shall
25 complete an affidavit of acquisition and disposition of the
26 motor vehicle on a form prescribed by the department and
27 deliver the certificate of origin or certificate of title,

1 affidavit, and any other documents required by the department
2 to the transferee at the time of delivery of the motor
3 vehicle.

4 "(d) For the purposes of this section, a total loss
5 shall occur when an insurance company or any other person pays
6 or makes other monetary settlement to a person when a vehicle
7 is damaged and the damage to the vehicle is greater than or
8 equal to 75 percent of the fair retail value of the vehicle
9 prior to damage as set forth in a current edition of a
10 nationally recognized compilation of retail values, including
11 automated data bases. The compensation for total loss as
12 defined in this subsection shall not include payments by an
13 insurer or other person for medical care, bodily injury,
14 vehicle rental, or for anything other than the amount paid for
15 the actual damage to the motor vehicle. A vehicle that has
16 sustained minor damage as a result of theft or vandalism shall
17 not be considered a total loss. Any person acquiring ownership
18 of a damaged motor vehicle that meets the definition of total
19 loss for which a salvage title has not been issued shall apply
20 for a salvage title, other than a scrap metal processor
21 acquiring such vehicle for purposes of recycling into metallic
22 scrap for remelting purposes only. This application shall be
23 made before the vehicle is further transferred, but in any
24 event, within 30 days after ownership is acquired.

25 "(e) It shall be unlawful for the owner of any
26 junkyard, salvage yard, or ~~motor vehicle~~ automotive dismantler
27 and parts recycler or his or her agents or employees to have

1 in their possession any motor vehicle which is junk or salvage
2 or a total loss when the manufacturer's vehicle identification
3 number plate or plates, authorized replacement vehicle
4 identification number plate or plates, or serial plate or
5 plates have been removed, unless previously required to be
6 removed by a statute or law of this state or another
7 jurisdiction. A person who violates this subsection shall,
8 upon conviction, be guilty of a Class A misdemeanor and shall
9 be punishable as required by law.

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

1 this section, shall, upon conviction, be guilty of a Class A
2 misdemeanor and shall be punishable as required by law.

3 "(g) The department is authorized to issue a salvage
4 certificate of title for a fee of fifteen dollars (\$15), on a
5 form prescribed by the department which shall provide for
6 assignments of this title. The salvage certificate of title is
7 to replace a certificate of origin or certificate of title
8 required to be surrendered by this section. The department
9 shall prescribe necessary forms and procedures to comply with
10 this subsection.

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

19 "(i) Every owner of a salvage or junk motor vehicle
20 who sells or transfers the vehicle to any person shall provide
21 at the time of the sale or transfer a properly executed
22 assignment and warranty of title to the transferee in the
23 space provided therefor on the salvage certificate of title or
24 junk certificate of title or as the department prescribes. A
25 person who willfully violates this subsection shall, upon
26 conviction, be guilty of a Class A misdemeanor and shall be
27 punishable as required by law.

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

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

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

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

26 "(3) Evidence that the owner is a licensed motor
27 vehicle rebuilder as defined in Section 40-12-390, unless

1 otherwise exempt from the licensing requirement by Chapter 12
2 of Title 40. Notwithstanding the foregoing, where an owner
3 acquires an Alabama salvage certificate of title to his or her
4 own vehicle from his or her insurance company in settlement of
5 a claim, a prior registration or other documentation that
6 shows that the owner owned the vehicle prior to the salvage
7 title being issued may be submitted in lieu of a rebuilder's
8 license.

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

11 "a. The actions taken to restore the vehicle to its
12 operating condition which existed prior to the event which
13 caused the salvage certificate to issue.

14 "b. That the owner personally inspected the
15 completed vehicle and it complies with all safety requirements
16 set forth by the State of Alabama and any regulations
17 promulgated thereunder.

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

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

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

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

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

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

22 "(2) The inspection and certification shall include
23 an examination of the vehicle and its parts to determine that
24 the identification numbers of the vehicle or its parts have
25 not been removed, falsified, altered, defaced, destroyed, or
26 tampered with; that the vehicle information contained in the
27 application for certificate of title and supporting documents

1 is true and correct; and that there are no indications that
2 the vehicle or any of its parts are stolen. The certification
3 shall not attest to the roadworthiness or safety condition of
4 the vehicle.

5 "(m) Component parts are defined as:

6 "(1) PASSENGER VEHICLES.

7 "a. Major components:

8 "1. Motor or engine.

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

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

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

15 "5. Roof assembly.

16 "b. Minor components:

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

19 "2. Hood.

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

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

24 "5. Each quarter panel.

25 "6. Each bumper.

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

27 "8. Transmission or trans-axle.

1 "(2) TRUCK, TRUCK TYPE, OR BUS TYPE VEHICLES.
2 "a. Major components:
3 "1. Motor or engine.
4 "2. Transmission or trans-axle.
5 "3. Frame or any portion thereof (except frame
6 horn), or, in the case of a unitized body, the supporting
7 structure which serves as the frame.
8 "4. Cab.
9 "5. Cowl or firewall or any portion thereof.
10 "6. Roof assembly.
11 "7. Cargo compartment floor panel or passenger
12 compartment floor pan.
13 "b. Minor components:
14 "1. Each door.
15 "2. Hood.
16 "3. Grill, except on one ton or smaller trucks.
17 "4. Each bumper.
18 "5. Each front fender.
19 "6. Roof panel and rear cab panel.
20 "7. Each rear fender or side panel.
21 "8. Pickup box.
22 "9. Body or bed.
23 "(3) MOTORCYCLE: COMPONENT PARTS.
24 "a. Engine or motor.
25 "b. Transmission or trans-axle.
26 "c. Frame.
27 "d. Front fork.

1 "e. Crankcase.

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

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

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

20 "(p) Each person who sells, exchanges, delivers, or
21 otherwise transfers any interest in any vehicle for which a
22 title bearing the designation salvage or rebuilt has been
23 issued shall disclose in writing the existence of this title
24 to the prospective purchaser, recipient in exchange, recipient
25 by donation, or recipient by other act of transfer. The
26 disclosure, which shall be made at the time of or prior to the
27 completion of the sale, exchange, donation, or other act of

1 transfer, shall contain the following information in no
2 smaller than 10 point type: "This vehicle's title contains the
3 designation salvage or rebuilt."

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

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

21 "(r) If an owner acquires a salvage vehicle for
22 which a previous insurer or owner did not properly obtain a
23 salvage title from this or any other state or the vehicle was
24 rebuilt by a rebuilder who is no longer licensed as a
25 rebuilder, the current owner may proceed as provided in
26 subsection (k) and apply for an inspection of the vehicle. In
27 any case where the department has determined that an insurer

1 or prior owner did not properly obtain a salvage certificate
2 of title, a prior registration or other documentation that
3 shows that the owner owned the vehicle prior to the
4 notification by the department may be submitted in lieu of a
5 rebuilder's license.

6 " (s) (1) a. ~~A scrap metal processor who acquires a~~
7 ~~motor vehicle for the purpose of recycling it into metallic~~
8 ~~scrap for remelting purposes shall surrender the certificate~~
9 ~~of title to the department for cancellation in a manner as~~
10 ~~prescribed by the department. Each scrap metal processor shall~~
11 ~~maintain records of every motor vehicle acquired for the~~
12 ~~purpose of recycling into metallic scrap for remelting~~
13 ~~purposes. The records shall be maintained by the scrap metal~~
14 ~~processor for a period of not less than five years and shall~~
15 ~~include the vehicle identification number, name and address of~~
16 ~~the seller, copy of the seller's state issued driver's license~~
17 ~~or identification card, the date of sale, and a copy of the~~
18 ~~certificate of title surrendered to the department. A person~~
19 ~~who violates this subsection, upon conviction, shall be guilty~~
20 ~~of a Class A misdemeanor and shall be punishable as required~~
21 ~~by law. A licensed automotive dismantler and parts recycler as~~
22 ~~defined in Section 40-12-410, secondary metals recycler as~~
23 ~~defined in Section 13A-8-30, who acquires a motor vehicle for~~
24 ~~the purpose of dismantling it or recycling it into metallic~~
25 ~~scrap for melting purposes or any person who crushes a motor~~
26 ~~vehicle acquired from anyone other than a licensed automotive~~
27 ~~dismantler and parts recycler or a secondary metal recycler,~~

1 except as provided in subdivision (2), shall surrender any
2 certificate of title received to the department for
3 cancellation in a manner as prescribed by the department. A
4 notice of cancellation shall be submitted and a receipt of the
5 notice shall be obtained from the department prior to crushing
6 the vehicle or dismantling the vehicle or recycling it into
7 metallic scrap for remelting purposes. A licensed automotive
8 dismantler and parts recycler or secondary metals recycler may
9 file the notice electronically and the department, at the time
10 of filing, shall provide the filer with an electronic notice
11 of receipt. The licensed automotive dismantler and parts
12 recycler or secondary metals recycler shall maintain the
13 properly assigned original certificate of title when the
14 notice is filed electronically. The department shall verify
15 through its records that the title is the current title of the
16 motor vehicle and that the vehicle is not reported as stolen
17 prior to issuing the receipt.

18 "b. Each licensed automotive dismantler and parts
19 recycler, secondary metals recycler, and any other person who
20 crushes a motor vehicle shall maintain records of every motor
21 vehicle crushed or acquired for the purpose of dismantling it
22 or recycling it into metallic scrap for remelting purposes.
23 The records shall be maintained by these parties for a period
24 of not less than five years and shall include the vehicle
25 identification number, name and address of the seller, copy of
26 the seller's state issued driver's license or identification
27 card, the date of sale, and a copy of the certificate of title

1 surrendered to the department. In the event that a person
2 crushes a vehicle or vehicles on behalf of the owner but does
3 not acquire the vehicle or vehicles, that person shall
4 maintain a record of the vehicle identification number, and
5 the name and address of the entity for whom the vehicles were
6 crushed, as well as a copy of the person's state issued
7 driver's license or identification card, or state issued tax
8 ID number if the entity is not a natural person. For purposes
9 of this chapter, a crushed motor vehicle as defined in Section
10 40-12-116 shall not be deemed a motor vehicle or vehicle,
11 provided, however, that any person who is responsible for
12 transforming a motor vehicle into a crushed motor vehicle is
13 responsible for complying with this section.

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

1 form for the statement which shall include, but not be limited
2 to, all of the following information:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 "(3) The automotive dismantler and parts recycler or
25 secondary metals recycler shall electronically deliver the
26 statement required under this subsection to the department
27 within 72 hours of the completion of the transaction,

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

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

24 "(5) Any motor vehicle used to transport another
25 motor vehicle or crushed motor vehicle illegally sold under
26 this section may be seized by law enforcement and is subject
27 to forfeiture ordered by the court; provided, however, that no

1 motor vehicle used by any person in the transaction of a sale
2 of such motor vehicle shall be subject to forfeiture unless
3 the owner or other person in charge of the motor vehicle is a
4 consenting or knowing party to the commission of a crime, and
5 a forfeiture of the motor vehicle is subject to the rights of
6 any lienholder who holds a perfected security interest in the
7 motor vehicle so long as the lienholder had no knowledge of or
8 consented to the act. Whenever property is forfeited under
9 this subsection by order of the court, it shall be sold and
10 the proceeds distributed, pro rata after payment of all
11 property expenses relating to the forfeiture and sale,
12 including any court ordered restitution to the owner of the
13 vehicle, satisfaction of any liens associated with the vehicle
14 sold in violation of this section, and any losses incurred by
15 the automotive dismantler and parts recycler or secondary
16 metals recycler to the general fund of the state or any county
17 or municipality whose department, office, or agency
18 contributed to the investigation of the acts resulting in
19 forfeiture, based upon the contribution, including expenses,
20 of the department, office, or agency, as determined by the
21 court.

22 "(t) The Department of Revenue shall provide a
23 system for a real-time online verification of motor vehicle
24 titles, liens, and stolen vehicle status that can be accessed
25 by an automotive dismantler and parts recycler or a secondary
26 metals recycler. The system shall be capable of transmitting
27 the information from the statement required pursuant to

1 subsection (s) either online or by bulk electronic
2 transmission and shall provide a unique tracking number on a
3 receipt at the time of the submission that indicates that the
4 automotive dismantler and parts recycler or a secondary metals
5 recycler has used the system and that at the time of the
6 inquiry, the vehicle was not reported as stolen and that there
7 were no recorded liens or notices of liens on file associated
8 with the vehicle, or that the department has no record of the
9 vehicle. The charge assessed for the transmittal of the
10 statement required by subsection (s) to the automotive
11 dismantler and parts recycler or secondary metals recycler
12 shall be five dollars (\$5) per submittal. In lieu of a per
13 submittal charge, an automotive dismantler and parts recycler
14 or a secondary metals recycler may pay an annual fee of five
15 hundred dollars (\$500) for all submittals and inquiries made
16 during that fiscal year. The fee shall be paid on a fiscal
17 year basis, beginning October 1 of each fiscal year. Every
18 automotive dismantler and parts recycler, secondary metals
19 recycler or person or company licensed pursuant to Section
20 40-12-116, shall pay the annual fee for each location or
21 license. Any fees collected under this section shall be
22 retained by the department for use solely by the Motor Vehicle
23 Division of the department for training and technological and
24 processing improvements."

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

27 "§40-12-412.

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

6 "(1) The name of the applicant.

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

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

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

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

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

19 "~~(6)~~ (7) Such additional information as may be
20 required by the Department of Revenue.

21 "§40-12-116.

22 "(a) Each junk dealer shall pay the following
23 license tax: in all places of less than 1,000 inhabitants,
24 whether incorporated or not, \$10; in towns of 1,000
25 inhabitants and less than 3,000 inhabitants, or within 10
26 miles thereof, \$20; in cities and towns of 3,000 and less than
27 10,000 inhabitants, or within 10 miles of the city limits

1 thereof, \$30; in cities and towns of 10,000 and less than
2 20,000 inhabitants, or within 10 miles of the city limits
3 thereof, \$50; in cities and towns of 20,000 inhabitants and
4 less than 50,000 inhabitants, or within 10 miles of the city
5 limits thereof, \$75; and in cities and towns of 50,000
6 inhabitants and over or within 10 miles of the city limits
7 thereof, \$150. Each junk dealer, his clerk, agent or employee
8 shall keep a book open to inspection in which he shall make
9 entries of all articles of railroad iron or brass, pieces of
10 machinery and plumbing material, automobiles, automobile
11 tires, parts, and accessories, or other articles purchased by
12 him, together with the name of the party from whom purchased;
13 and, upon failure to keep such book or record and produce it
14 on demand, the dealer shall forfeit his license. Each junk
15 dealer, his clerk, agent or employee to whom any new and
16 unused articles or railroad brass and iron, pieces of
17 machinery, automobiles, automobile tires, parts and
18 accessories, or other articles shall be presented for sale
19 shall notify the police authorities that such articles are
20 offered for sale within a reasonable time thereafter,
21 otherwise, his license shall be forfeited. Any junk dealer
22 whose place of business is within 10 miles of more than one
23 city shall pay the license as provided herein for the larger
24 of the cities within 10 miles.

25 "(b) Any person or company operating car crushing
26 equipment, other than licensed junk dealers, automotive
27 dismantlers, and parts recyclers and secondary metals

1 recyclers as defined in Section 13A-8-30, shall pay a license
2 fee, on an annual basis, of two hundred dollars (\$200) per
3 piece of car crushing equipment. The provisions of this title
4 permitting the payment of a half-year license after April 1
5 shall not apply to this section. Furthermore, any additional
6 car crushing equipment acquired during the license year shall
7 require an additional license in accordance with this section.
8 Anyone operating car crushing equipment without a license
9 shall be guilty of a Class C felony and such equipment shall
10 be subject to forfeiture to law enforcement. Upon proper
11 process and hearing as required by the State of Alabama in
12 forfeiture proceedings, including notifying any lienholders,
13 the car crushing equipment may be seized and held for
14 forfeiture, as described in this act. In addition to any
15 punishment rendered, each person convicted shall be subject to
16 the laws regarding restitution of the state. For purposes of
17 this section, car crushing equipment means a machine that
18 compacts or flattens a motor vehicle into a crushed motor
19 vehicle and is designed to be transported on a highway; and a
20 crushed motor vehicle means a motor vehicle, the frame or
21 unibody of which is compacted or flattened so that it no
22 longer resembles any particular year, model, or make of motor
23 vehicle and is less than half of the motor vehicle's original
24 volume as measured in cubic feet."

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

27 §32-8-64.2.

1 (a) Except for liens and security interests listed
2 on certificates of title for travel trailers or vehicles that
3 weigh more than 12,000 pounds gross weight, which shall be
4 satisfied only in conformity with Section 32-8-64, any lien or
5 security interest shall be considered satisfied and release
6 shall not be required after five years from the date of the
7 security agreement as recorded on the certificate of title for
8 vehicles which are 12 or more model years old. Nothing in this
9 section shall preclude the perfection of a lien or security
10 agreement, or the perfection of an extension of a lien or
11 security agreement beyond a period of five years, by
12 application for a new certificate of title on which the lien
13 or security agreement is listed. In order to provide for the
14 continuous perfection of a lien or security interest
15 originally entered into for a period of more than five years
16 for a vehicle other than a travel trailer or vehicle that
17 weighs more than 12,000 pounds gross vehicle weight, an
18 application for a second title on which the lien or security
19 interest is listed shall be submitted to the designated agent
20 before five years from the date of the security agreement as
21 recorded on the original title. Otherwise, the lien or
22 security interest shall be perfected as provided by Section
23 32-8-61.

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

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

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

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