

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-5-8-.01

Rule Title: Issuance of Certificate of Motor Vehicle Liability Bond

New;  Amend;  Repeal;  Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?

No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?

Yes

Is there another, less restrictive method of regulation available that could adequately protect the public?

No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?

No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?

N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?

Yes

\*\*\*\*\*

Does the proposed rule have any economic impact?

No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer *Michael D. Powell*

Date 9/16/15

APA-6  
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-5-8-.01

Rule Title: Issuance of Certificate of Motor Vehicle Liability Bond

           New   X   Amend            Repeal            Adopt by Reference

- NO This rule has no economic impact.  
 YES This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
  
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
  
3. EFFECT OF THIS RULE ON COMPETITION:
  
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
  
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
  
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
  
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:
  
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND

**BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE  
BENEFITS AND BURDEN COMPARISON:**

9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC  
HEALTH:**

10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH  
IF THE RULE IS NOT IMPLEMENTED:**

11. **OTHER COMMENTS:**

APA-2  
11/96

**ALABAMA DEPARTMENT OF REVENUE  
Motor Vehicle Division**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-5-1-.228.01                      Sending in Monthly Vehicle Reports

**INTENDED ACTION:**              Repeal rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes repeal the above rule to delete obsolete procedures.

**RULE NO. & TITLE**

810-5-1-.237                      Mandatory Liability Insurance (MLI) Registration Reinstatement  
Procedures

**INTENDED ACTION:**              Repeal rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to repeal the above rule and replace it with new proposed rule 810-5-8-.06. The purpose of this action is to ensure that all mandatory liability insurance administrative rules are included within the same taxing division area of the rules index.

**RULE NO. & TITLE**

810-5-1-.442                      Farm and Forest Products License Plates

**INTENDED ACTION:**              Amend rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rule to comply with the provisions of Act 2015-499.

**RULE NO. & TITLE**

810-5-8-.01                      Issuance of Certificate of Motor Vehicle Liability Bond  
810-5-8-.02                      Issuance of Certificate of Cash Bond and Satisfaction of  
Judgements

**INTENDED ACTION:**              Amend rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to clarify that liability bond amounts and cash bond amounts are in accordance with Section 32-7-6(c), Code of Alabama 1975.

**RULE NO. & TITLE**

810-5-8-.05 Evidence of Insurance Requirements

**INTENDED ACTION:** Amend rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rule to clarify, in accordance with Section 32-7A-6, Code of Alabama 1975, that evidence of insurance can be provided in either a tangible or in an electronic format.

**RULE NO. & TITLE**

810-5-8-.06 Mandatory Liability Insurance (MLI) Registration Reinstatement Procedures

**INTENDED ACTION:** Adopt rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to adopt the above new rule which will replace existing rule 810-5-1-.237. The purpose of this action is to ensure that all mandatory liability insurance administrative rules are included within the same taxing division area of the rules index.

**RULE NO. & TITLE**

810-5-8-.10 Mandatory Liability Insurance (MLI) Questionnaire and Notice of Suspension

**INTENDED ACTION:** Amend rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rule to clarify, in accordance with Section 32-7A-26, Code of Alabama 1975, that the department may send notices in an electronic format, instead of mailing such notices, when an electronic mail address is available.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at 10:00 a.m. on Thursday, November 12, 2015, Room 1203, First Floor, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://revenue.alabama.gov/analysis/upcoming-rule-hearings.cfm>

All interested parties may present their views in writing to the Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street,

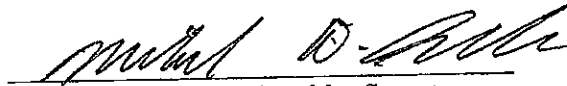
Montgomery, Alabama 36132 at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

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

Thursday, November 12, 2015

**CONTACT PERSON AT AGENCY:**

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



Michael D. Gamble, Secretary  
Alabama Department of Revenue

0969APC.INT

810-5-8-.01 Issuance of Certificate of Motor Vehicle Liability Bond.

(1) Section 32-7A-4, Code of Alabama 1975, provides an alternative to motor vehicle liability insurance requirements for motor vehicles covered by a "motor vehicle liability bond" and **states the bond "shall be a sum of not less than fifty thousand dollars (\$50,000.00)-in the amount of not less than the minimum amounts of liability coverage for bodily injury or death and for destruction of property under subsection (c) of Section 32-7-6"**.

(2) The "Motor Vehicle Liability Bond" (Form MV-MLI-004) shall be filed with the Department of Revenue's Motor Vehicle Division. The bond must be executed by a company qualified to conduct a surety business in Alabama, and shall be conditioned on the payment of the amount of any judgement rendered against the principal in the bond or any person responsible for the operation of the principal's motor vehicle with his or her express or implied consent, arising from injury, death, or damage sustained through the use, operation, maintenance, or control of the motor vehicle within the State of Alabama.

(3) In order to prove their coverage, persons who purchase a motor vehicle liability bond, shall carry within each vehicle the "Motor Vehicle Liability Bond Certificate" (Form MV-MLI-005) (or legible copy thereof) as issued by the Department of Revenue. The "Motor Vehicle Liability Bond Certificate" shall contain the vehicle identification number.

(4) The "Motor Vehicle Liability Bond Certificate" (or legible copy thereof) shall be displayed upon request by any law enforcement officer as provided under Section 32-7A-6(h) in order for the officer to ascertain that the vehicle owner or operator is covered under the provisions of Chapter 7A of Title 32. If the owner refuses or fails to provide proof of exemption as provided in this rule, the person shall be in violation of Section 32-7A-16.

(5) In the event that the person to whom a "Motor Vehicle Liability Bond Certificate" is issued, elects to and does terminate the bond, the person is canceled by the surety, or the bond otherwise becomes invalid, the owner or operator shall obtain insurance coverage as provided by Chapter 7A of Title 32. Anyone who cancels or has his/her liability bond canceled shall not display the "Motor Vehicle Liability Bond Certificate" (or legible copy thereof). Anyone displaying a "Motor Vehicle Liability Bond Certificate" knowing the Certificate has been canceled or knowing the Certificate is illegally altered, counterfeit or otherwise invalid, is in violation of Section 32-7A-16.

Author: **Sherry Helms**, Robert McCain  
Authority: Sections 40-2A-7(a)(5) and 32-7A-3(a), Code of Alabama 1975  
History: Adopted through APA March 22, 2001, effective April 26, 2001.