

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-.02

Rule Title: Issuance of Certificate of Cash Bond and Satisfaction of Judgements

 New X Amend Repeal Adopt by Reference

NO
 YES

This rule has no economic impact.

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:

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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,**

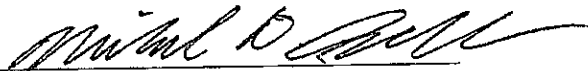
Montgomery, Alabama 36132 at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

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

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810-5-8-.02 Issuance of Certificate of Cash Bond and Satisfaction of Judgements.

(1) Section 32-7A-4, Code of Alabama 1975, provides an alternative to motor vehicle liability insurance requirements for motor vehicles covered by a "deposit of cash with the State Treasurer" and states the cash 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 as detailed in Section 32-7-6". The "Application for Cash Bond Certificate" (Form MV-MLI-001) ~~will~~ shall be submitted to the department specifying the owner's name, Alabama certificate of title number, if applicable, and vehicle identification number.

(2) Persons who deposit cash with the ~~State Treasurer~~ department in the amount of not less than the minimum amounts of liability coverage for bodily injury or death and for destruction of property as detailed in Section 32-7-6 ~~fifty thousand (\$50,000.00)~~ are to be covered by a certificate of cash bond, ~~in order to prove their coverage,~~ shall carry within each vehicle the "Cash Bond Certificate" (Form MV-MLI-002) (or legible copy thereof) as issued by the Department of Revenue in order to prove their coverage. The "Cash Bond Certificate" shall contain the vehicle identification number.

(3) The "Cash 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 deemed in violation of Section 32-7A-16.

(4) In the event that the person to whom a "Cash Bond Certificate" is issued elects to and does withdraw his/her cash deposit from the ~~State Treasurer~~ department, the owner or operator shall obtain insurance coverage as required by Chapter 7A of Title 32. Anyone who withdraws his/her cash deposit from the ~~State Treasurer~~ department shall not display the "Cash 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.

(5) In the event that the minimum principal on deposit of fifty thousand dollars (\$50,000.00) is drawn upon as a result of any judgement rendered against the principal in the cash 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; and the principal is reduced to an amount less than the ~~fifty thousand dollars (\$50,000.00)~~ minimum amount required by Section 32-7A-4, he/she will, within 30 calendar days, deposit cash with the ~~State Treasurer~~ department in an amount sufficient to meet the requirements of Section 32-7A-4.

(6) In the event that the person to whom a "Cash Bond Certificate" is issued elects to withdraw the funds deposited with the ~~State Treasurer~~ department, that person will do so on the Cash Bond Withdrawal Request (Form MV-MLI-003). These funds will be held for a period

of sixty (60) calendar days prior to the release of the funds. If during this sixty day period, the department is notified of pending litigation of judgement rendered against the principal in the cash 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, said funds will be held until such time that all pending claims against the fund has been resolved.

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 April 26, 2001.