

810-8-5-.04 Investigation Procedures for Open Assignment of Title. **(REPEALED)**

(1) An open title is defined in Section 40-12-396(b)(3), Code of Alabama 1975, as "...accepting open assignment of title and/or bill of sale for a motor vehicle which is not completed by identifying said licensee as the purchaser or assignee of the motor vehicle." The following procedures will be utilized when it is determined a licensed motor vehicle dealer is accepting open titles in violation of the code.

(2) A Notice of Statutory Non-Compliance will be issued giving the taxpayer ten calendar days from the date of the notice to comply.

(a) A list of all open title(s) will be made reflecting the issuing state, title number, vehicle identification number, make a model of the vehicle, and other information as deemed necessary.

(b) A copy of the front and back of each open title will be obtained.

(3) Revisit the licensed motor vehicle dealer after the expiration of the ten calendar day period. If the dealer is then in compliance, no further action will be pursued. However, if the dealer is found to still be in possession of open title(s), an investigation report will be delivered to the Manager of the License Section for evaluation. Based upon the findings, the dealer may be assessed a \$1,000 penalty for willful failure to comply under Section 40-12-29, Code of Alabama 1975. An action to revoke the licensed motor vehicle dealer's license may be initiated.

(4) Should a dealer previously given a Notice of Statutory Non-Compliance be in possession of open titles(s) in the future, a Notice of Statutory Non-Compliance will be issued to the licensed motor vehicle dealer to take effect upon date of the notice. This offense shall be considered willful failure to comply and a \$1,000 penalty will be assessed under Section 40-12-29. An action to revoke the licensed motor vehicle dealer's license may also be initiated.

(5) The motor vehicle dealer will be provided a copy of his appeal rights under Section 40-2A-8, Code of Alabama 1975, when action to revoke his license is taken.

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Authority: Sections 40-2A-7(a)(5), 40-12-29, and 40-12-396, Code of Alabama 1975.

History: Adopted through APA effective November 19, 1998.