

Notice re Motor Vehicle Junk Dealers, Car Crushers and Scrap Metal Processors

Act 2010-478, effective June 1, 2010, changed Alabama law regarding junk motor vehicle dealers and scrap metal to require that any scrap metal processor who acquires a 1975 or subsequent year model motor vehicle for the purpose of recycling it into metallic scrap for remelting purposes shall surrender the certificate of title to the Department of Revenue for cancellation in conjunction with a Notice of Junk, Parts Only or Scrap Vehicle form (MVT 5-48). This requirement will continue into effect until January 1, 2012. At that time, **Act 2011-633** will make further changes to implement a new procedure.

Meanwhile, **Act 2011-633** has two important provisions that are **effective on October 1, 2011**:

1. Automotive dismantlers and parts recyclers **MUST** have a unique registration number provided by the administrator of the National Motor Vehicle Title Information System known as the NMVTIS ID Number when they obtain their 2011/2012 annual license.
2. Any person or company **operating car crushing equipment**, other than licensed junk dealers, automotive dismantlers and parts recyclers and secondary metals recyclers, must pay a license fee, on an annual basis, of three hundred dollars (\$300) per piece of car crushing equipment. This license is purchased at the county Probate Judge's or License Commissioner's office by the person or company. **The license is due and payable by October 1 but it is not delinquent until November 1**. If an individual or general partnership, they are subject to the Immigration Act and must provide proof of citizenship or lawful presence in the United States when they purchase the license. **Anyone operating car crushing equipment without a license shall be guilty of a Class C felony and such equipment shall be subject to forfeiture to law enforcement.**

The enforcement of these new provisions will be enforced by Alabama law enforcement officers beginning October 1, 2011. Particular attention may be given to portable car crushing equipment that may attempt to evade the existing requirements of Alabama law that a vehicle shall not be crushed without complying with the record-keeping requirements, including a certificate of title for vehicles crushed.

Sections 40-12-116 and Section 40-12-412, as amended by Act 2011-633 are attached hereto:

Section 40-12-116

Junk dealers.

(a) Each junk dealer shall pay the following license tax: in all places of less than 1,000 inhabitants, whether incorporated or not, \$10; in towns of 1,000 inhabitants and less than 3,000 inhabitants, or within 10 miles thereof, \$20; in cities and towns of 3,000 and less than 10,000 inhabitants, or within 10 miles of the city limits thereof, \$30; in cities and towns of 10,000 and less than 20,000 inhabitants, or within 10 miles of the city limits thereof, \$50; in cities and towns of 20,000 inhabitants and less than 50,000 inhabitants, or within 10 miles of the city limits thereof, \$75; and in cities and towns of 50,000 inhabitants and over or within 10 miles of the city limits thereof, \$150. Each junk dealer, his clerk, agent or employee shall keep a book open to inspection in which he shall make entries of all articles of railroad iron or brass, pieces of machinery and plumbing material, automobiles, automobile tires, parts, and accessories, or other articles purchased by him, together with the name of the party from whom purchased; and, upon failure to keep such book or record and produce it on demand, the dealer shall forfeit his license. Each junk dealer, his clerk, agent or employee to whom any new and unused articles or railroad brass and iron, pieces of machinery, automobiles, automobile tires, parts and accessories, or other articles shall be presented for sale shall notify the police authorities that such articles are offered for sale within a reasonable time thereafter, otherwise, his license shall be forfeited. Any junk dealer whose place of business is within 10 miles of more than one city shall pay the license as provided herein for the larger of the cities within 10 miles.

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

(Acts 2011, No. 633, p. 26, §2)

Section 40-12-412

License - Application.

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

- (1) The name of the applicant.
- (2) The street address of the applicant's principal place of business.
- (3) A statement that the applicant's place of business meets federal, state, and local laws concerning screening and beautification, which is a requirement to be licensed under this article.
- (4) The type of business organization of the applicant.
- (5) The applicant's sales tax number.
- (6) The applicant's unique registration number provided by the administrator of the National Motor Vehicle Title Information System known as the NMVTIS ID Number.
- (7) Such additional information as may be required by the Department of Revenue.

(Acts 2011, No. 633, p. 25, §2.)