

810-5-12-.03 Motor Vehicle Bond Claim.

(1) Sections 40-12-398 and 40-12-414, Code of Alabama 1975, provide that the bond shall be approved by the Commissioner of Revenue, payable to the State of Alabama, in favor of any person who shall recover any judgment for any loss as a result of any violation of the conditions of the license of a motor vehicle dealer, motor vehicle rebuilder, motor vehicle wholesaler, or automotive dismantler and parts recycler. This rule establishes the procedures to be followed for making a bond claim with the commissioner.

(2) In order to make a bond claim, a claimant must first secure a final judgment from a court of competent jurisdiction.

(3) A person wishing to make a bond claim must exhaust all available remedies in attempting to collect the judgment, prior to making a bond claim with the commissioner.

(4) The following items must be submitted to the commissioner in order for a bond claim to be processed:

(a) A complaint relating to the violation of the conditions of a contract made in connection with the sale or exchange of a motor vehicle; or the violation of any provision of law relating to the conduct of the business of a motor vehicle dealer, motor vehicle rebuilder, ~~or~~ motor vehicle wholesaler, or automotive dismantler and parts recycler.

(b) A final judgment relating to the complaint in item (a) above. The judge rendering such must sign the judgment. No certificate or any other document that is not signed by the judge will be accepted.

(c) A description of efforts made to enforce the judgment; along with a statement of all amounts recovered, or a statement that no amount has been recovered.

(5) The following procedures will be followed when processing bond claims:

(a) Upon receipt and review of the required documents, the Department will determine if the motor vehicle dealer, motor vehicle rebuilder, motor vehicle wholesaler or automotive dismantler and parts recycler has in fact violated the provisions of Title 40, Chapter 12, Article 8 or 9, as evidenced by the documents presented.

(b) If additional information is required, the plaintiff will be contacted.

(c) Upon receipt of the properly completed documentation and after determining that a violation has occurred, the Department shall file a claim with the surety company of record. The maximum amount of the claim filed cannot exceed the value of the bond.

(d) Upon receipt of the claim, the surety company has 30 days to remit the payment or request an extension to further investigate the claim.

(e) The surety company may request additional information from the plaintiff to substantiate the claim.

(f) Upon determination that the claim is valid, the surety company shall remit payment to the Alabama Department of Revenue.

(g) The Department shall endorse the check from the surety company and mail it to the plaintiff.

(h) If the surety company fails to respond by the deadline, a claim shall be forwarded to the Department's Legal Division for further action.

(6) The total amount of all bond claims made against a single bond shall not exceed \$25,000. Once the bond claim limit of \$25,000 has been reached, no further claims shall be allowed against the bond.

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Authority: Sections 40-2A-7(a)(5), 40-12-392 and 40-12-398, Code of Alabama 1975
History: New rule: Filed July 27, 2012, effective August 31, 2012.
Amended: Filed October 27, 2014, effective December 1, 2014.
Filed: October 20, 2017, Effective December 04, 2017.