Steps to Become an Authorized Title Service Provider

Effective October 1, 2019, Legislative Act 2019-238 amended Section 32-8-2 and 32-8-34, Code of Alabama 1975, to allow authorized title service providers to act on behalf of a designated agent of the department or a lienholder. If an authorized title service provider fails to perform its duties, the department may revoke the authority of the title service provider to act on behalf of a designated agent or lienholder. The Act further clarifies that “No dealer appointed as a designated agent shall process title applications on behalf of another dealer unless both dealerships are owned by the same entity”.

To qualify as an authorized title service provider, an individual or entity must comply with the provisions of Ala. Administrative Rule 810-5-75-52.01, including submission of the following forms:

1. Memorandum of Agreement with the department
2. Title Service Provider Application (form MVT 4-6)
3. Motor Vehicle Surety Bond (form MVT 4-3)
4. Power of Attorney for each dealer, designated agent or lienholder (form MVT 5-13)

In addition, the title service provider applicant must complete the department’s designated agent class. Upon completion of the designated agent class and compliance with all requirements of Chapter 8 of Title 32, Code of Alabama 1975, and rules promulgated thereunder, the authorized title service provider will be provided access to the Alabama Title System (ALTS). The ALTS Title Training Manual and the training schedule are available on the department’s website https://revenue.alabama.gov/motor-vehicle/alts-alabama-titling-system/training-schedule/.

Please contact the Motor Vehicle Division at (334) 242-9000 or MVD@revenue.alabama.gov if you have any questions.
COMPANY NAME: |

TELEPHONE: |

PHYSICAL ADDRESS: |

MAILING ADDRESS (if different from above): |

CITY: |

COUNTY: |

STATE: |

ZIP: |

EMAIL ADDRESS: |

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The following are required to apply:

- A Corporate Surety Bond in the amount of $25,000.00, payable to the State of Alabama. (form MVT 4-3.)
- Memorandum of Agreement
- Power of Attorney for each licensed dealer, designated agent or lienholder (form MVT 5-13)
- Complete the department’s designated agent class

The undersigned states under the penalties of perjury that all information contained in this application is true and correct to the best of his/her knowledge and belief:

BY: _______________________________

SIGNATURE AND TITLE

__________________________________

DATE
MEMORANDUM OF AGREEMENT
FOR
TITLE SERVICE PROVIDERS

Authority

This agreement (hereinafter referred to as AGREEMENT) is made between the Alabama Department of Revenue, Motor Vehicle Division (hereinafter referred to as ADOR), and __________________________, (hereinafter referred to as COMPANY) through their duly authorized representatives pursuant to Section 40-2A-10, Code of Alabama, 1975.

Purpose

The purpose of this AGREEMENT is to allow the COMPANY upon approval as an authorized title service provider to act on behalf of a dealer, lienholder or other persons as prescribed by Section 32-8-34, Code of Alabama 1975.

Scope of Agreement

The COMPANY agrees to the following:

1. Provide the name, address, telephone number, email address, federal employee identification number, and any other identifying information that may be required by the ADOR in order to establish the COMPANY as an authorized Title Service Provider.
2. Provide a signed Power of Attorney (MVT 5-13) from each customer, which grants the COMPANY the authority to act on behalf of the customer.
3. Provide notice to the ADOR within five (5) calendar days of the customer discontinuing services of the COMPANY.
4. The COMPANY pursuant to Section 32-8-34, Code of Alabama 1975, agrees to post, with the ADOR, a bond executed with a corporate surety authorized to do business in Alabama as a surety, thereon payable to the state in a sum provided in Section 40-12-398, Code of Alabama 1975, conditioned on the faithful performance of duties.

Upon the COMPANY’s satisfaction of all requirements to become an authorized Title Service Provider, the ADOR agrees to the following:

1. Provide the COMPANY with an Alabama Title System (ALTS) user identification and password with Title Service Provider access.
2. Provide the COMPANY with all information necessary in order to comply with this AGREEMENT and act as an agent for their customer to process title applications on their behalf.

Confidentiality

The COMPANY agrees to require its personnel with access to the data available on the Alabama Title System (ALTS) to sign the ADOR Non-employee Confidentiality and Disclosure Statement (COM: 103 form) acknowledging that the use of the data is to be
MEMORANDUM OF AGREEMENT
FOR
TITLE SERVICE PROVIDERS

confined solely to the purpose of providing motor vehicle data for the above mentioned purposes. The COMPANY personnel signing the Disclosure Statement shall be responsible for ensuring that access to the data is for official purposes only, and that use of such data for any other purposes than those specifically enumerated herein could be a violation of the federal Driver’s Privacy Protection Act; also, that the improper use of the information could constitute a violation of the Alabama Computer Crime Act. Any unauthorized use or disclosure of information obtained by virtue of this AGREEMENT shall constitute grounds for termination of this AGREEMENT.

If the COMPANY has reason to suspect that unauthorized access to or disclosure of personal information has occurred in a manner which would constitute a violation of this agreement, or any applicable state or federal law, the recipient must notify the ADOR by telephone by the end of the next business day and follow-up with written notification within five business days. The written notification must provide the date and the specific records affected by the unauthorized access to or disclosure of personal information.

**Commencement/Termination**

This AGREEMENT is entered into on this ______ day of ________________, 2019. This AGREEMENT will become effective on the day that it is executed by both parties, is not limited to periods of time or years, and will be considered in effect until terminated.

Either party may terminate this AGREEMENT upon at least thirty (30) days written notice to the other party, said notice to specify the date of termination. In addition, the ADOR may terminate this AGREEMENT at any time without written notice when it is made aware that COMPANY is not fully and faithfully performing its obligations under this AGREEMENT and provisions of Chapter 8 of Title 32, Code of Alabama 1975, and rules promulgated thereunder.

ALABAMA DEPARTMENT OF REVENUE

Vernon Barnett, Commissioner
Alabama Department of Revenue

Mark Griffin, Chief Legal Counsel
Alabama Department of Revenue

COMPANY

By: ________________________________

Title: ________________________________
Motor Vehicle Surety Bond

KNOW ALL MEN BY THESE PRESENTS, that we ___________________________________________________________.

City________________________, County _________________, State ____________________________,

As Principal (hereinafter called Principal), and ___________________________________________________________,

of ___________________________________________________________, as Surety (hereafter call Surety), are held and firmly bound unto the Commissioner of Revenue of the State of Alabama in the sum of Twenty Five Thousand Dollars ($25,000.00), for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents. The conditions of the foregoing obligation are such that:

WHEREAS, the Principal has been duly licensed as a “Motor Vehicle Dealer” by the Alabama Department of Revenue as provided in Sections 40-12-390 through 40-12-400, Code of Alabama 1975, subject to the execution of this bond.

WHEREAS, the Principal has been duly appointed as a “Designated Agent” by the Alabama Department of Revenue as provided in Sections 32-8-34 and 32-20-22, Code of Alabama 1975, subject to the execution of this bond.

WHEREAS, the Principal has been duly appointed as a “Title Service Provider” by the Alabama Department of Revenue as provided in Sections 32-8-2 and 32-8-34, Code of Alabama 1975, subject to the execution of this bond.

WHEREAS, the Principal has been duly appointed as an “Automotive Dismantler and Parts Recycler” by the Alabama Department of Revenue as provided in Sections 40-12-410 through 40-12-425, Code of Alabama 1975, subject to the execution of this bond.

WHEREAS, the Principal has been duly licensed as a “Manufacturer” or a “Boat Dealer” by the Alabama Department of Revenue as provided in Sections 32-6-212, Code of Alabama 1975, subject to the execution of this bond.

NOW THEREFORE, in consideration of the Premises:

If the aforementioned Principal shall well and faithfully perform the duties as such “Motor Vehicle Dealer” and “Designated Agent,” then this obligation shall be null and void; otherwise, the same shall remain in full force and effect.

It is expressly understood and agreed that neither this obligation nor any liability thereunder shall be released or the validity thereof affected by reason of the adoption by the State of Alabama of any Act in lieu of or amendatory to said laws, but this obligation shall continue in full force and effect with respect to said statutes or any amendments thereto or changes therein which may be adopted before the cancellation of this obligation as herein provided, or before the actual cancellation and surrender of this obligation by the State of Alabama pursuant to any law now existing or hereafter adopted relating thereto.

The Surety on this bond may be released and discharged from any and all liability to the State of Alabama accruing on this bond after the expiration of sixty (60) days from the date upon which said Surety shall have filed with the Alabama Department of Revenue written request to be released and discharged provided; however, such request shall not operate to relieve, release or discharge such Surety from any liability already accrued or which shall accrue before the expiration of said sixty (60) day period.

IN WITNESS WHEREOF, we hereunto set our names and seals on this ____________ day of _______________________________ , ________.

(Surety) ___________________________________________________________.

(Agent of Surety Company) _________________________________________________.

(Surety) Authorized Representative of Business (Principal) – Typed Name

(Agent of Surety Company) – Typed Name

(Agent of Surety Company) – Signature

(Agent of Surety Company) – Signature

(State of Alabama, Commissioner of Revenue) _______________________________________.

Authorized Representative of Business (Principal) – Signature

(See back for instructions)
Bond Form Instructions

The surety company must complete all bonds on the form prescribed by the Alabama Department of Revenue.

Completion of the Bond:

The bond must include the true legal name of the party for whom the bond is being sought, as follows:

• If an individual ownership, the applicant’s name as well as the business name; Example: John Doe, DBA ABC Auto Sales
• If a partnership, the names of all partners and the name of the partnership; Example: John Doe & Jane Doe, DBA ABC Auto Sales
• If a limited liability company, the true legal name of the company; Example: ABC Auto Sales, LLC
• If a corporation, the complete corporate name; Example: ABC Auto Sales, Inc.

The bond must also reflect the following:

• The city, county and state in which the business is located;
• The name of the surety company providing the coverage;
• The date the bond was executed (postdated bonds are not acceptable);

Signature Requirements:

All signatures must be originals.

The bond must include the signatures of the following:

• The signature of the surety company agent;
• The signature of the applicant (individual owner), all partners, all LLC members, or a corporate officer. If anyone other than the executive officer, managing partner or managing member is signing on behalf of a company, the bond must be accompanied by a resolution from the company’s board of directors, managing partner or managing member authorizing the signature on behalf of the company.

Type the name of the person(s) signing the form.

Power of Attorney Requirements:

An original power of attorney form indicating that the agent is authorized to execute the bond on behalf of the surety company must accompany the bond.

The power of attorney must have the same date as that on the bond.

All required documents must be mailed to:

Alabama Department of Revenue
Motor Vehicle Division
P.O. Box 327643
Montgomery, AL 36132-7643

Any bond or power of attorney received separately will be returned to sender.

The bond form may not be duplicated. The bond form must be an original. White-outs or alterations are not acceptable. No facsimiles, photocopies, letters or phone calls are acceptable substitutes for the original bond.
As my attorney-in-fact to sign my name and do all things necessary for the following purpose(s):

- Title application, transfer or lien filing
- IFTA transaction(s)
- register and purchase license plate(s),
- Title service provider - Section A is not required
- other purpose, describe: ____________________________________________________________________________,

for my motor vehicle described above.

**ACTS AUTHORIZED**
The representative(s) is authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the matters described above. The authority does not include the power to receive refund checks or the power to sign certain returns.

**LIST ANY SPECIFIC ADDITIONS OR RESTRICTIONS TO THE ACTS OTHERWISE AUTHORIZED IN THIS POWER OF ATTORNEY:**

________________________________________________________________________

________________________________________________________________________

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________________________________________________________________________

__________________________  ____________________
SIGNATURE OF TAXPAYER     DATE

__________________________  ____________________
SIGNATURE OF TAXPAYER     DATE

Signature of Appointee:  ____________________
SIGNATURE OF TAXPAYER     DATE

NOT VALID WITHOUT THIS SIGNATURE

If a business firm or corporation is appointed, the signature shall be of an authorized representative of the firm who will perform as attorney-in-fact for the owner.

**SPECIAL NOTICE:** Any alterations or strikeovers shall void this Power of Attorney. *Original signatures are required.*