

(1) Under the authority of §32-8-34, Code of Ala. 1975, every motor vehicle dealer shall be a designated agent of the department. The following entities, which are legally authorized to do business in Alabama shall make application, in a manner prescribed by the department, to become designated agents of the department:

- (a) Financial Institutions
- (b) Pawnshops licensed to enter into pawn transactions on motor vehicles
- (c) Insurance companies
- (d) Towing Companies

(2) If the application is approved by the department, the applicant must provide the department a good and sufficient surety bond, executed by the applicant as principal by a corporate surety company qualified to do business in the state as surety, in a sum provided in § 40-12-398, Code of Ala. 1975. The bond shall be conditioned upon the faithful performance of its duties as a designated agent under Chapter 8 of Title 32, Code of Ala. 1975. The bond shall be payable to the commissioner and must be in favor of any person who recovers any judgment for any loss as a result of any violation of the conditions of the bond. Bond form MVT 4-3 shall be provided by the department.

(3) Designated agents that qualify under both § 32-8-34 and § 32-20-22 may have only one designated agent number. A revocation of designated status under either § 32-8-34 and § 32-20-22 shall serve as a revocation under both.

(4) An entity located outside of Alabama is prohibited from being appointed as a designated agent of the department. Designated agents of the department located outside of Alabama that were qualified prior to January 1, 2004, may continue to operate as a designated agent of the department as long as they comply with the requirements of Chapter 8, Title 32 of the Code of Ala. 1975. If the designated agent license of an out-of-state designated agent qualified prior to January 1, 2004 is cancelled, the designated agent cannot be reinstated.

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Authority: §§ 40-2A-7(a)(5), Chapter 8 of Title 32, 32-20-22, and 40-12-398, Code of Ala. 1975. Rule 810-5-75-.65

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