

House Bill 939

By: Representative Parham of the 122nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 40-3-56 of the Official Code of Georgia Annotated, relating to
2 satisfaction of security interests and liens on motor vehicles, so as to provide for a holder's
3 liability for damages and attorney's fees for failure to execute and return a release in certain
4 cases; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Code Section 40-3-56 of the Official Code of Georgia Annotated, relating to satisfaction of
8 security interests and liens on motor vehicles, is amended by striking paragraph (1) of
9 subsection (a) and inserting in lieu thereof the following:

10 "(a)(1)(A) If any security interest or lien listed on a certificate of title is satisfied, the
11 holder thereof shall, within ten days after demand, execute a release in the form the
12 commissioner prescribes and mail or deliver the release to the owner, provided that as
13 an alternative to a handwritten signature, the commissioner may authorize use of a
14 digital signature as long as appropriate security measures are implemented which assure
15 security and verification of the digital signature process, in accordance with regulations
16 promulgated by the commissioner. For the purposes of the release of a security interest
17 or lien the 'holder' of the lien or security interest is the parent bank or other lending
18 institution and any branch or office of the parent institution may execute such release.
19 (B) If the holder fails to execute and return the release to the owner as required by
20 subparagraph (A) of this paragraph within the period prescribed therein after written
21 demand, the holder shall be liable to the owner for the sum of \$250.00 plus the amount
22 of any actual loss caused to the owner by such failure, plus reasonable attorney's fees."

23 **SECTION 2.**

24 All laws and parts of laws in conflict with this Act are repealed.