

The House Committee on Motor Vehicles offers the following substitute to SB 357:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 40 of the Official Code of Georgia Annotated, relating to motor
2 vehicle certificates of title, security interests, and liens, so as to change certain provisions
3 relating to definitions; to change certain provisions relating to salvaged or rebuilt motor
4 vehicles, inspections, and fees; to amend Code Section 43-47-2 of the Official Code of
5 Georgia Annotated, relating to definitions relative to the "Used Motor Vehicle Dealers' and
6 Used Motor Vehicle Parts Dealers' Registration Act," so as to redefine a term; to repeal
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 3 of Title 40 of the Official Code of Georgia Annotated, relating to certificates of
11 title, security interests, and liens, is amended in Code Section 40-3-2, relating to definitions,
12 by striking paragraph (9) of said Code section and inserting in its place the following and by
13 adding a new paragraph (11.1) to read as follows:

14 "(9) 'Major component part' means any one of the following subassemblies of a motor
15 vehicle:

16 (A) Front clip assembly (fenders, hood, and bumper);

17 (B) Rear clip assembly (quarter panels, ~~and floor panel assembly, and roof assembly,~~
18 excluding a soft top);

19 (C) Engine and transmission;

20 ~~(D) Top, with the exception of soft tops;~~

21 ~~(E)(D)~~ (D) Frame; or

22 ~~(F)(E)~~ (E) Complete side (fenders, door, and quarter panel)."

23 "(11.1) 'Salvaged-repaired motor vehicle' means any motor vehicle which has been
24 damaged and subsequently restored to an operable condition by the replacement of less
25 than two major component parts."

SECTION 2.

Said chapter is further amended in Code Section 40-3-36, relating to cancellation of certificate of title for scrap, dismantled, or demolished vehicles, salvage certificate of title, administrative enforcement, and removal of license plates, by striking subparagraph (a)(2)(A) and by striking subsections (d) and (e) of said Code section in their entirety and inserting in their places the following:

"(2)(A) The registered owner of any motor vehicle which is damaged to the extent that its restoration to an operable condition would require the replacement of the front clip assembly, which includes the fenders, hood, and bumper; the rear clip assembly, which includes the quarter panels, ~~and the floor panel assembly, and the roof assembly, excluding a soft top; the top assembly, excluding a soft top;~~ the frame; and a complete side, which includes the fenders, door, and quarter panel shall mail or deliver the certificate of title to the commissioner for cancellation."

"(d) Any certificate of title which is issued to a salvage motor vehicle, as provided for in this Code section, shall contain the word 'salvage' on the face of the certificate in such a manner as the commissioner may prescribe, so as to indicate clearly that the motor vehicle described is a salvage motor vehicle. The legend 'salvaged-repaired' shall be placed on a certificate of title which was declared a salvage vehicle and subsequently repaired with less than two major component parts to restore the vehicle to an operable condition.

(e) Notwithstanding this subsection and subsections (c) and (d) of Code Section 40-3-37, the legend 'rebuilt' or 'salvage' or 'salvaged-repaired' shall only be required to be placed on the certificate of title to a vehicle which was declared a salvage vehicle on or after July 1, ~~1979~~ 2004, and which was subsequently rebuilt."

SECTION 3.

Said chapter is further amended in Code Section 40-3-37, relating to salvaged or rebuilt motor vehicles, inspections, fees, exemption of motorcycles, and glider kits, by striking subsections (b) through (d) of said Code section in their entirety and inserting in their place the following:

"(b)(1) Upon receipt of an application for a certificate of title on a salvaged or rebuilt motor vehicle, the commissioner shall promptly conduct an initial inspection on each such motor vehicle prior to the issuance of a certificate of title for the motor vehicle. Upon receipt of an application for a certificate of title on a recovered stolen motor vehicle which has been stripped of:

- (A) Substantially all its interior parts;
- (B) Engine;
- (C) Transmission;

- 1 (D) All doors;
 2 (E) Complete soft top assembly including roof mechanism;
 3 (F) Front clip assembly (fenders, hood, and bumper); or
 4 (G) Cab and bed of a pick-up truck,

5 the commissioner shall promptly conduct an initial inspection on each such motor vehicle
 6 prior to the issuance of a certificate of title for the motor vehicle. The initial inspection
 7 shall include, but shall not be limited to, verification of the vehicle identification number,
 8 verification of the bills of sale or title for the major components, verification in regard to
 9 rebuilt vehicles that the word 'rebuilt' is permanently affixed as required by subsection
 10 (d) of this Code section, verification that the vehicle was rebuilt in the State of Georgia,
 11 and, if the vehicle has been repaired, verification that the motor vehicle conforms to all
 12 safety equipment standards required by law. The commissioner shall be authorized to
 13 charge a fee of ~~\$50.00~~ \$100.00 for each initial inspection of each motor vehicle
 14 inspected. In the event a ~~third or subsequent reinspection is required for any one~~ motor
 15 vehicle fails an inspection, ~~under this Code section, the commissioner shall be authorized~~
 16 ~~to charge~~ a fee of ~~\$50.00~~ \$100.00 ~~for the third and~~ shall be charged for each subsequent
 17 reinspection. The commissioner may conduct any such initial inspection and any required
 18 reinspections even though the motor vehicle may have been previously inspected under
 19 this Code section.

20 (2) If, upon inspection under paragraph (1) of this subsection, it is determined that the
 21 motor vehicle is not in full compliance with the law, the commissioner shall refuse to
 22 issue a certificate of title until compliance is reached. The commissioner may order
 23 additional, corrective repairs to such vehicle as a condition of issuance of a certificate of
 24 title.

25 (c) All applications submitted pursuant to this Code section shall be accompanied by one
 26 or more photographs of the motor vehicle in its salvaged condition before any repairs have
 27 been made to such vehicle, which photographs shall be used by the commissioner in his or
 28 her inspections of the vehicle pursuant to this Code section. Any person who rebuilds or
 29 repairs a salvage motor vehicle shall submit an application for a certificate of title and
 30 obtain an inspection of such vehicle prior to the painting of such vehicle.

31 (d)(1)(A) Upon inspection under subsection (b) of this Code section, if it is determined
 32 that the motor vehicle has been restored to an operable condition by the replacement of
 33 ~~less than~~ two or more major component parts, a certificate of title may be issued for
 34 such motor vehicle which shall contain the word 'rebuilt' on its face in such manner as
 35 the commissioner shall prescribe. This requirement will indicate to all subsequent
 36 owners of the motor vehicle that such is a rebuilt motor vehicle. If any such inspection
 37 determines that the motor vehicle shall require the replacement of less than two ~~or more~~

1 major component parts in order to restore the motor vehicle to an operable condition,
 2 a certificate of title ~~may~~ shall be issued for such motor vehicle which shall contain the
 3 ~~word 'salvage'~~ words 'salvaged-repaired' on its face in such manner as the commissioner
 4 shall prescribe. This requirement will indicate to all subsequent owners of the motor
 5 vehicle that such is a ~~salvage~~ salvaged-repaired motor vehicle.

6 (B) If it is determined that the motor vehicle required or shall require the replacement
 7 of two or more major component parts in order to restore the motor vehicle to an
 8 operable condition, the person, firm, or corporation restoring or owning such motor
 9 vehicle shall cause the word 'rebuilt' to be permanently affixed to said motor vehicle
 10 after inspection by the commissioner. The word 'rebuilt' shall be affixed in a clear and
 11 conspicuous manner to the door post or such other location as the commissioner may
 12 prescribe. The word 'rebuilt' shall be stamped on the motor vehicle or shall be stamped
 13 on a metal plate which shall be riveted to the motor vehicle or shall be permanently
 14 affixed to the motor vehicle in such manner as the commissioner may prescribe. The
 15 requirement of this subparagraph shall only apply to motor vehicles restored after
 16 November 1, 1982.

17 (2) Upon inspection by the commissioner and compliance with paragraph (2) of
 18 subsection (b) of this Code section, if it is determined that the motor vehicle does not
 19 require the replacement of two or more major components or has not had two or more
 20 major components changed, a certificate of title ~~may~~ shall be issued and shall contain the
 21 words 'salvaged-repaired' on its face.

22 (3) If, after the initial inspection, the commissioner determines that the damage is so
 23 extensive that returning such vehicle to a safe, operable condition is impossible, the
 24 salvage certificate shall be revoked and such vehicle may only be used for scrap or parts.
 25 A vehicle for which such a determination is made shall not be issued a title under any
 26 circumstances or conditions including but not limited to obtaining of a surety bond."

27 SECTION 4.

28 Code Section 43-47-2 of the Official Code of Georgia Annotated, relating to definitions
 29 relative to the "Used Motor Vehicle Dealers' and Used Motor Vehicle Parts Dealers'
 30 Registration Act," is amended by striking paragraph (11) and inserting in lieu thereof the
 31 following:

32 "(11) 'Rebuilder' means any person, partnership, limited liability company, firm, or
 33 corporation engaged in the business of buying ~~more than three used~~, salvage; or wrecked
 34 motor vehicles ~~per year~~ for the purpose of restoring or rebuilding them with used or new
 35 motor vehicle parts, or both, to be sold as motor vehicles."

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SECTION 5.

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