

House Bill 1564

By: Representatives Benton of the 31st and Powell of the 29th

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 by striking Code Section 40-3-2, relating to
12 definitions, and inserting in lieu thereof the following:

13 "40-3-2.

14 As used in this chapter, the term:

15 (1) 'Boat trailer' means any vehicle without motive power designed for carrying boats,
16 either partially or wholly on its own structure, which is being drawn by a self-propelled
17 vehicle and operated over the public roads of this state.

18 (2) 'Commissioner' means the state revenue commissioner.

19 (2.1) 'Department' means the Department of Revenue.

20 (3) 'Dealer' means a 'dealer' as defined in Code Section 40-1-1, to whom current dealer
21 registration plates have been issued by the commissioner.

22 (4) 'Homemade trailer' means a vehicle without motive power, designed for carrying
23 persons or property either partially or wholly on its own structure and for being drawn
24 by a self-propelled vehicle other than a self-propelled vehicle running exclusively on
25 tracks, which trailer has been manufactured and constructed from component parts for
26 personal use and not for the purpose of commercial resale.

1 (5) 'Identifying number' means the numbers and letters, if any, on a vehicle designated
2 by the commissioner for the purpose of identifying the vehicle.

3 (6) 'Lien' means any lien created by operation of law and not by contract or agreement
4 with respect to a vehicle and includes all liens mentioned in Code Section 44-14-320,
5 other than that in paragraph (5) thereof, and all liens for taxes due the United States of
6 America, constructive notice of which is given by filing notice thereof in the office
7 designated by state law.

8 (7) 'Lienholder' means a person holding a lien created by operation of law on a motor
9 vehicle.

10 (8) To 'mail' means to deposit in the United States mail properly addressed and with
11 postage paid.

12 (9) 'Major component part' means any one of the following subassemblies of a motor
13 vehicle:

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

15 (B) Rear clip assembly (quarter panels, floor panel assembly, and roof assembly,
16 excluding a soft top);

17 (C) Engine and transmission;

18 (D) Frame; or

19 (E) Complete side (fenders, door, and quarter panel).

20 (9.1) 'Natural person' means an individual human being and does not include any firm,
21 partnership, association, corporation, or trust.

22 (10) 'Rebuilt motor vehicle' means any motor vehicle which has been damaged and
23 subsequently restored to an operable condition by the replacement of two or more major
24 component parts.

25 (11) 'Salvage motor vehicle' means any motor vehicle:

26 (A) Which has been damaged to the extent that its restoration to an operable condition
27 would require the replacement of two or more major component parts;

28 (B) For which an insurance company has paid a total loss claim and the vehicle has not
29 been repaired, regardless of the extent of damage to such vehicle or the number of
30 major component parts required to repair such vehicle, but shall not mean or include
31 any stolen motor vehicle which has been recovered with the public manufacturer's
32 vehicle identification number plate intact and the vehicle:

33 (i) Is undamaged;

34 (ii) Has only cosmetic damage; or

35 (iii) Has been damaged but only to the extent that its restoration to an operable
36 condition will not require the replacement of two or more major component parts;

1 (C) Which is an imported motor vehicle which has been damaged in shipment and
 2 disclaimed by the manufacturer as a result of the damage, has never been the subject
 3 of a retail sale to a consumer, and has never been issued a certificate of title.

4 The term salvage motor vehicle shall not include any motor vehicle for which a total loss
 5 claim has been paid which vehicle has sustained only cosmetic damage from causes other
 6 than fire or flood.

7 ~~(11.1) 'Salvaged-repaired motor vehicle' means any motor vehicle which has been~~
 8 ~~damaged and subsequently restored to an operable condition by the replacement of less~~
 9 ~~than two major component parts.~~

10 (12) 'Security agreement' means a written agreement which reserves or creates a security
 11 interest.

12 (13) 'Security interest' means an interest in a vehicle reserved or created by agreement
 13 which secures the payment or performance of an obligation, such as a conditional sales
 14 contract, chattel mortgage, bill of sale to secure debt, deed of trust, and the like. This term
 15 includes the interest of a lessor under a lease intended as security.

16 (14) 'Security interest holder' means the holder of an interest in a vehicle reserved or
 17 created by agreement and which secures payment or performance of an obligation."

18 SECTION 2.

19 Said chapter is further amended in Code Section 40-3-36, relating to cancellation of
 20 certificate of title for scrap, dismantled, or demolished vehicles, salvage certificate of title,
 21 administrative enforcement, and removal of license plates, by striking subsections (d) and
 22 (e) and inserting in lieu thereof the following:

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

30 (e) Notwithstanding this subsection and subsections (c) and (d) of Code Section 40-3-37,
 31 the legend 'rebuilt' or 'salvage' or '~~salvaged-repaired~~' shall only be required to be placed on
 32 the certificate of title to a vehicle which was declared a salvage vehicle on or after July 1,
 33 2004, and which was subsequently rebuilt."

1 A vehicle for which such a determination is made shall not be issued a title under any
2 circumstances or conditions including but not limited to obtaining of a surety bond."

3 **SECTION 4.**

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

8 "(11) 'Rebuilder' means any person, partnership, limited liability company, firm, or
9 corporation engaged in the business of buying more than three salvage or wrecked motor
10 vehicles per year for the purpose of restoring or rebuilding them with used or new motor
11 vehicle parts, or both, to be sold as motor vehicles. A rebuilder shall not include any
12 registered owner as provided in subsection (i) of Code Section 40-3-36."

13 **SECTION 5.**

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