

House Bill 183 (COMMITTEE SUBSTITUTE)

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 repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Chapter 3 of Title 40 of the Official Code of Georgia Annotated, relating to certificates of
8 title, security interests, and liens, is amended by revising Code Section 40-3-2, relating to
9 definitions, as follows:

10 "40-3-2.

11 As used in this chapter, the term:

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

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

16 ~~(2.1) 'Department' means the Department of Revenue.~~

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

19 (3.1) 'Department' means the Department of Revenue.

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

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

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

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

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

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

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

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

15 (C) Engine and transmission;

16 (D) Frame; or

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

18 (9.1) 'Natural person' means an individual human being and does not include any firm,
19 partnership, association, corporation, or trust.

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

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

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

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

31 (i) Is undamaged;

32 (ii) Has only cosmetic damage; or

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

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

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

4 ~~(11.1) 'Salvaged-repaired motor vehicle' means any motor vehicle which has been~~
 5 ~~damaged and subsequently restored to an operable condition by the replacement of less~~
 6 ~~than two major component parts.~~

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

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

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

15 SECTION 2.

16 Said chapter is further amended by revising subsections (d) and (e) of Code Section 40-3-36,
 17 relating to cancellation of certificate of title for scrap, dismantled, or demolished vehicles,
 18 salvage certificate of title, administrative enforcement, and removal of license plates, as
 19 follows:

20 "(d) Any certificate of title which is issued to a salvage motor vehicle, as provided for in
 21 this Code section, shall contain the word 'salvage' on the face of the certificate in such a
 22 manner as the commissioner may prescribe, so as to indicate clearly that the motor vehicle
 23 described is a salvage motor vehicle. The legend '~~salvaged-repaired~~ rebuilt in no larger
 24 than 12 point font' shall be placed on a certificate of title to a vehicle which was declared
 25 a salvage vehicle and subsequently repaired with less than two major component parts to
 26 restore the vehicle to an operable condition.

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

31 SECTION 3.

32 Said chapter is further amended by revising subsection (d) of Code Section 40-3-37, relating
 33 to salvaged or rebuilt motor vehicles, inspections, fees, exemption of motorcycles, and glider
 34 kits, as follows:

