

House Bill 183 (AS PASSED HOUSE AND SENATE)

By: Representatives Benton of the 31<sup>st</sup> and Powell of the 29<sup>th</sup>

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:

1       "(d)(1)(A) Upon inspection under subsection (b) of this Code section, if it is  
2 determined that the motor vehicle has been restored to an operable condition by the  
3 replacement of two or more major component parts, a certificate of title may be issued  
4 for such motor vehicle which shall contain the word 'rebuilt' on its face in ~~such manner~~  
5 ~~as the commissioner shall prescribe~~ no larger than 12 point font. This requirement will  
6 indicate to all subsequent owners of the motor vehicle that such is a rebuilt motor  
7 vehicle. If any such inspection determines that the motor vehicle shall require the  
8 replacement of less than two major component parts in order to restore the motor  
9 vehicle to an operable condition, a certificate of title shall be issued for such motor  
10 vehicle which shall contain the ~~words 'salvaged-repaired'~~ word 'rebuilt' on its face in  
11 such manner as the commissioner shall prescribe. This requirement will indicate to all  
12 subsequent owners of the motor vehicle that such is a ~~salvaged-repaired~~ rebuilt motor  
13 vehicle.

14       (B) If it is determined that the motor vehicle required or shall require the replacement  
15 of two or more major component parts in order to restore the motor vehicle to an  
16 operable condition, the ~~person, firm, or corporation restoring or owning such motor~~  
17 ~~vehicle~~ department shall cause the word 'rebuilt' to be permanently affixed to said  
18 motor vehicle ~~after~~ at the time of inspection by the commissioner. The word 'rebuilt'  
19 shall be affixed in a clear and conspicuous manner to the door post or such other  
20 location as the commissioner may prescribe. The word 'rebuilt' shall be stamped on ~~the~~  
21 ~~motor vehicle or shall be stamped on a metal plate which shall be riveted to the motor~~  
22 ~~vehicle or~~ a certificate and shall be permanently affixed to the motor vehicle in such  
23 manner as the commissioner may prescribe. The requirement of this subparagraph shall  
24 only apply to motor vehicles restored after November 1, 1982.

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

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

#### 35   **SECTION 4.**

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