

The House Committee on Motor Vehicles offers the following substitute to HB 1404:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, so
2 as to provide a definition for a taxicab and a limousine; to change certain provisions relating
3 to registration and titling of motor vehicles; to provide for administration of the system of
4 mandatory insurance for motor vehicles; to provide for the registration and licensing of
5 taxicabs and limousines; to provide for effective dates; to repeal conflicting laws; and for
6 other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, is amended
10 by revising Code Section 40-1-1, relating to definitions, by adding new paragraphs as
11 follows:

12 "(24.1) 'Limousine' has the same meaning as provided in paragraph (4) of Code Section
13 46-7-85.1.

14 (63.1) 'Taxicab' means a motor vehicle for hire which conveys passengers between
15 locations of their choice and is a mode of public transportation for a single passenger or
16 small group for a fee. Such term shall also mean taxi or cab, but not a bus or school bus,
17 limousine, passenger car, or commercial motor vehicle."

18 **SECTION 2.**

19 Chapter 2 of Title 40 of the Official Code of Georgia Annotated, relating to registration and
20 licensing of motor vehicles, is amended by revising subparagraph (b)(2)(A) of Code Section
21 40-2-8, relating to operation of an unregistered vehicle or vehicle without current license
22 plate or revalidation decal, as follows:

23 "(2)(A) It shall be a misdemeanor to operate any vehicle required to be registered in the
24 State of Georgia without a valid numbered license plate properly validated, unless such
25 operation is otherwise permitted under this chapter; and provided, further, that the

26 purchaser of a new vehicle or a used vehicle may operate such vehicle on the public
 27 highways and streets of this state without a current valid license plate during the period
 28 within which the purchaser is required by Code Section 40-2-20 to register such vehicle
 29 as provided for in Code Section 40-2-29; but the purchaser of any vehicle from a dealer
 30 of new or used motor vehicles shall display a temporary plate issued as provided by
 31 subparagraph (B) of this paragraph on the rear of such vehicle in the space provided for
 32 a license plate when such vehicle is operated on the public highways and streets of this
 33 state during such period prior to registration, unless such purchaser has made
 34 application to transfer to such vehicle in accordance with this chapter a valid license
 35 plate issued to him or her, in which event the license plate to be transferred shall be
 36 displayed on the vehicle during the period prior to registration, or unless such vehicle
 37 is to be registered under the International Registration Plan."

38

SECTION 3.

39 Said chapter is further amended by revising subsection (a) of Code Section 40-2-20, relating
 40 to registration and license requirements and extension of registration period, as follows:

41 "(a)(1)(A) Except as provided in subsection (b) of this Code section and subsection (a)
 42 of Code Section 40-2-47, every owner of a motor vehicle, including a tractor or
 43 motorcycle, and every owner of a trailer shall, during the owner's registration period in
 44 each year, register such vehicle as provided in this chapter and obtain a license to
 45 operate it for the 12 month period until such person's next registration period.

46 (B)(i) The purchaser or other transferee owner of every new or used motor vehicle,
 47 including tractors and motorcycles, or trailer shall, ~~within the initial registration~~
 48 ~~period of such vehicle~~, register such vehicle as provided in this chapter Code Section
 49 40-2-8 and obtain or transfer as provided in this chapter a license to operate it for the
 50 period remaining until such person's next registration period which immediately
 51 follows such initial registration period, without regard to whether such next
 52 registration period occurs in the same calendar year as the initial registration period
 53 or how soon such next registration period follows the initial registration period;
 54 provided, however, that this registration and licensing requirement does not apply to
 55 a dealer which acquires a new or used motor vehicle and holds it for resale. The
 56 commissioner may provide by rule or regulation for one 30 day extension of such
 57 initial registration period which may be granted by the county tag agent to a purchaser
 58 or other transferee owner if the transferor has not provided such purchaser or other
 59 transferee owner with a title to the motor vehicle more than five business days prior
 60 to the expiration of such initial registration period.

61 (ii) No person, company, or corporation, including, but not limited to, used motor
 62 vehicle dealers and auto auctions, shall sell or transfer a motor vehicle without
 63 providing to the purchaser or transferee of such motor vehicle the last certificate of
 64 registration on such vehicle at the time of such sale or transfer; provided, however,
 65 that in the case of a salvage motor vehicle or a motor vehicle which is stolen but
 66 subsequently recovered by the insurance company after payment of a total loss claim,
 67 the salvage dealer or insurer, respectively, shall not be required to provide the
 68 certificate of registration for such vehicle; and provided, further, that in the case of a
 69 repossessed motor vehicle or a court ordered sale or other involuntary transfer, the
 70 lienholder or the transferor shall not be required to provide the certificate of
 71 registration for such vehicle but shall, prior to the sale of such vehicle, surrender the
 72 license plate of such vehicle to the commissioner or the county tag agent by personal
 73 delivery or by certified mail or statutory overnight delivery for cancellation.

74 (2) An application for the registration of a motor vehicle may not be submitted separately
 75 from the application for a certificate of title for such motor vehicle, unless a certificate
 76 of title has been issued in the owner's name, has been applied for in the owner's name, or
 77 the motor vehicle is not required to be titled. An application for a certificate of title for
 78 a motor vehicle may be submitted separately from the application for the registration of
 79 such motor vehicle."

80 **SECTION 4.**

81 Said chapter is further amended by revising Code Section 40-2-29, relating to license plate
 82 fees and temporary permits, as follows:

83 "40-2-29.

84 (a) Except as otherwise provided in this chapter, any person purchasing or acquiring a
 85 vehicle shall register and obtain, or transfer, a license plate to operate such vehicle from
 86 the county tag agent in their county of residence no later than seven business days after the
 87 date of purchase or acquisition of the vehicle by presenting to the county tag agent the
 88 following:

89 (1) A motor vehicle certificate of title as provided in Chapter 3 of this title;

90 (2) Satisfactory proof of owner's insurance coverage as provided for in subsection (d) of
 91 Code Section 40-2-26;

92 (3) If applicable, satisfactory proof of compliance with the Article 2 of Chapter 9 of Title
 93 12, the 'Georgia Motor Vehicle Emission Inspection and Maintenance Act'; and

94 (4) Satisfactory proof that all fees, permits, and taxes have been paid.

95 (b) An application for registration shall be accompanied by check; cash; certified or
 96 cashier's check; bank, postal, or express money order; or other similar bankable paper; for

97 the amount of the license plate or temporary permit fee or any taxes required by law. A
 98 ~~money order receipt or other evidence of the purchase and remittance of such bankable~~
 99 ~~paper for the proper amount, dated prior to any delinquency by the proper authority of the~~
 100 ~~issuer, and showing the office of the commissioner or the office of the county tag agent as~~
 101 ~~the payee and the owner of the vehicle sought to be licensed and registered as the remitter~~
 102 ~~shall serve as a temporary permit to operate such vehicle for a period of 15 days from the~~
 103 ~~date of such remittance.~~

104 (c) A person unable to fully comply with the requirements of subsection (a) of this Code
 105 section shall register such vehicle and receive a temporary operating permit that will be
 106 valid until the end of the initial registration period as provided for in paragraph (1) of
 107 subsection (a) of Code Section 40-2-21.

108 (d) A conviction for displaying a license plate or temporary license plate not provided for
 109 in this chapter shall be punished as a misdemeanor."

110 SECTION 5.

111 Said chapter is further amended by revising in its entirety Code Section 40-2-137, relating
 112 to definitions and notification of termination of insurance coverage of vehicles, as follows:
 113 "40-2-137.

114 (a) As used in this Code section, the term:

115 (1) 'Commercial vehicle policy' means a policy of motor vehicle liability insurance
 116 insuring a motor vehicle that is rated or insured as a business use or commercial use
 117 vehicle or is licensed by the state as a commercial vehicle.

118 (2) 'Fleet policy' means a commercial vehicle policy that insures two or more vehicles
 119 that are not identified individually by vehicle identification number on the policy or a
 120 commercial policy that is subject to adjustment by audit for vehicle changes at the end
 121 of the policy period.

122 (3) 'Lapse' means one or more days upon which the records of the department do not
 123 reflect that a motor vehicle was covered by a policy of minimum motor vehicle insurance
 124 coverage.

125 (4) 'Minimum motor vehicle insurance coverage' means minimum coverage as specified
 126 in Chapter 34 of Title 33.

127 (5) 'Proof of minimum insurance coverage' means the receipt from an insurer by the
 128 department of notice of such insurance coverage by electronic transmission or other
 129 means approved by the department.

130 (6) 'Terminate' or 'termination' means actual cessation of insurance coverage after the
 131 date upon which coverage will not be restored for any reason, including without
 132 limitation cancellation, nonrenewal, and nonpayment of premium and without regard to

133 whether such cessation was preceded by any extension or grace period allowed by the
134 insurer.

135 (b)(1)(A) For purposes of aiding in the enforcement of the requirement of minimum
136 motor vehicle liability insurance, any insurer issuing or renewing in this state any
137 policy of motor vehicle liability insurance required by Chapter 34 of Title 33 other than
138 a fleet policy shall within 30 days after the date the insurance agent binds the coverage
139 or on the date such coverage was renewed, whichever is applicable, provide notice of
140 such insurance coverage by electronic transmission to the department; except that once
141 coverage data has been electronically transmitted to the department, there shall be no
142 requirement to report on subsequent renewals of that coverage. Insurance coverage
143 information included in such notice of issue or renewal shall be limited exclusively to
144 name of insurer; vehicle identification number; the make and year of the insured motor
145 vehicle; and policy effective date. The department shall not require the policy limits
146 to be disclosed for purposes of this subparagraph. For the purposes of this Code
147 section, the vehicle identification number shall be the vehicle identification number as
148 that number is shown in the records of the department. For the purposes of this Code
149 section, the Commissioner of Insurance shall furnish such notices to the department
150 upon issuance of a certificate of self-insurance.

151 (B) In cases in which the minimum motor vehicle insurance coverage required by
152 Chapter 34 of Title 33 terminates, the insurer shall by electronic transmission notify the
153 department of such coverage termination on or before the date coverage ends or, if
154 termination is at the request of the insured, then on the date such request is processed
155 by the insurer. Insurance coverage termination information included in such notice
156 shall include vehicle identification number and the date of coverage termination. For
157 the purposes of this Code section, the Commissioner of Insurance shall furnish such
158 notices to the department upon termination of a certificate of self-insurance.

159 (C) The commissioner shall notify the Commissioner of Insurance quarterly of any and
160 all violations of the notice requirements of this paragraph by any insurer, and the
161 Commissioner of Insurance may take appropriate action against such insurer the same
162 as is authorized by Code Section 33-2-24 for violations of Title 33; provided, however,
163 that there shall be no private cause of action against an insurer or the department for
164 civil damages for providing information, failing to provide information, or erroneously
165 providing information pursuant to this Code section. No insurer shall utilize the costs
166 of any audit or examination conducted by the Insurance Department pursuant to this
167 paragraph as a cost of business in the insurer's rate base. The department shall
168 commence the reports provided for in this Code section beginning July 1, 2010.

169 (D) The reports required of insurers and the Commissioner of Insurance shall not apply
170 to any vehicle for which the vehicle coverage is provided by a fleet policy.

171 (2) The department shall prescribe the form and manner of electronic transmission for
172 the purposes of insurers sending the notices required by this Code section which shall in
173 no way be construed as modifying the provisions of Code Section 33-24-45.

174 (3) Notwithstanding the provisions of paragraph (1) of this subsection, any irregularities
175 in the notice to the department required by paragraph (1) of this subsection shall not
176 invalidate an otherwise valid termination.

177 (4) The minimum liability insurance records which the department is required to
178 maintain under this Code section or any other provision are exempt from the provisions
179 of any law of this state requiring that such records be open for public inspection;
180 provided, however, that the records of any particular motor vehicle may be available for
181 inspection by any law enforcement officer for official law enforcement investigations, the
182 insurer of record, and the owner of the vehicle in the manner prescribed by the
183 commissioner.

184 (c)(1) The department shall monitor the reporting by insurers of the issuance of new and
185 renewal policies and the termination of coverage.

186 (2)(A) A match is based upon the vehicle identification number as recorded on the
187 department's motor vehicle records. When the vehicle identification number does not
188 match the department's motor vehicle records, the department shall notify the insurer
189 and the insurer shall, within 30 days from receipt of the returned error, correct the
190 vehicle identification number and resubmit the transaction.

191 (B) After receipt of the department's notice, if the insurer determines that the vehicle
192 identification number that it submitted to the department is in fact the accurate number
193 on the insured vehicle, then the insurer shall so notify the department and the owner of
194 the vehicle.

195 (C) Upon notification, the owner shall, in a manner prescribed by the commissioner,
196 make a correction of such number at the appropriate county tag office.

197 (d)(1)(A) Upon notification of coverage termination by the insurer, the department
198 shall send a notice to the owner of the motor vehicle stating that the department has
199 been informed of the fact that coverage has been terminated and provide an explanation
200 of the penalties provided for by law.

201 (B) The department shall send such notice to the address of the owner of the motor
202 vehicle shown on the records of the department.

203 (C) The mailing of such notice by the department shall be deemed notice of such
204 owner's duty to maintain the required minimum insurance coverage and the possible

205 penalties and consequences for failing to do so and shall be deemed to satisfy all notice
206 requirements of law.

207 (2) It shall be the duty of the owner of such motor vehicle to obtain minimum motor
208 vehicle insurance coverage and it shall be the duty of the owner's insurer to provide proof
209 of such coverage to the department within 30 days of the date of such notice, pursuant to
210 the requirements of subparagraph (b)(1)(A) of this Code section.

211 (3) If the vehicle is covered by a fleet policy, the owner's insurer shall not be required
212 to provide such proof electronically to the department.

213 (e)(1) When proof of minimum motor vehicle insurance coverage is provided within the
214 time period specified in this Code section, but there has been a lapse of coverage for a
215 period of more than ten days, the owner shall remit a \$25.00 lapse fee to the department.
216 Failure to remit the lapse fee to the department within 30 days of the date of such notice
217 will result in the suspension of the owner's motor vehicle registration by operation of law.
218 If any lapse fee provided for in this Code section is paid to the county tax commissioner,
219 the county shall retain \$5.00 thereof as a collection fee.

220 (2) If proof is not provided within the time period specified in this Code section that
221 minimum motor vehicle insurance coverage is in effect, the owner's motor vehicle
222 registration shall be suspended immediately by operation of law by the department.
223 When such proof is provided and the owner pays a \$25.00 lapse fee and pays a \$60.00
224 restoration fee, the suspension shall terminate; provided, however, that the commissioner
225 may waive the lapse fee and restoration fee for any owner whose vehicle registration has
226 been suspended pursuant to this paragraph who provides proof of continuous minimum
227 motor vehicle insurance coverage. If any restoration fee provided for in this Code section
228 is paid to the county tax commissioner, the county shall retain \$10.00 thereof as a
229 collection fee.

230 (3) In the event of a second suspension of the owner's registration under this Code
231 section, within a five-year period of a prior suspension, the department by operation of
232 law shall suspend the motor vehicle registration. When proof is provided that minimum
233 motor vehicle insurance coverage is in effect and the owner pays a \$25.00 lapse fee and
234 pays a \$60.00 restoration fee, the suspension shall terminate.

235 (4) In the event of a third or subsequent suspension of the owner's registration under this
236 Code section, within the previous five-year period from the date of the third or
237 subsequent suspension, the department by operation of law shall revoke the motor vehicle
238 registration. When proof is provided that minimum motor vehicle insurance coverage is
239 in effect and the owner pays a \$25.00 lapse fee and pays a \$160.00 restoration fee, the
240 owner may apply for registration of the motor vehicle.

241 (f)(1) The commissioner may waive the lapse fee for any owner whose vehicle
 242 registration has been voluntarily canceled pursuant to Code Section 40-2-10.

243 (2) Upon being presented with a copy of official orders or other satisfactory proof of
 244 ordered duty as approved by rule or regulation of the commissioner showing that an
 245 owner of a motor vehicle was deployed outside the continental United States on active
 246 military duty in the armed forces of the United States at the time his or her minimum
 247 motor vehicle insurance coverage for such vehicle terminated, the county tag agent shall
 248 wave the lapse fee and restoration fee, suspension of the owner's motor vehicle
 249 registration under this Code section shall terminate, and application for registration of the
 250 vehicle which otherwise satisfies requirements provided by law may be accepted without
 251 delay.

252 (g) The county tax commissioner shall have the authority to waive a lapse fee if sufficient
 253 proof is provided that no actual lapse in coverage occurred. Such proof shall be retained
 254 by the county tax commissioner for audit purposes.

255 (h) Notwithstanding any provision of law to the contrary, a person on active military duty
 256 in the armed forces of the United States whose motor vehicle is registered in this state and
 257 has license plates from this state and who, as a result of his or her military duties or
 258 assignment, is required to reside in another state may meet the requirements for minimum
 259 motor vehicle liability coverage by purchasing such coverage in amounts equal to or
 260 greater than the minimum coverages required by Georgia law and providing proof of such
 261 coverage to the department. In such cases, the motor vehicle shall continue to be registered
 262 and licensed in this state as long as it otherwise meets the requirements of law."

263 **SECTION 6.**

264 Said chapter is further amended by adding a new Code section as follows:

265 "40-2-168.

266 Owners of a taxicab or limousine, prior to commencing operation in this state, shall, upon
 267 complying with the motor vehicle laws relating to registration and licensing of motor
 268 vehicles, and the payment of an annual registration fee of \$25.00, be issued a distinctive
 269 license plate by the commissioner. Such distinctive license plate shall be designed by the
 270 commissioner and displayed on the vehicle as provided in Code Section 40-2-41. The
 271 certificate of registration shall be kept in the vehicle. Revalidation decals shall be issued,
 272 upon payment of fees required by law, in the same manner as provided for general issue
 273 license plates. Such license plates shall be transferred from one vehicle to another vehicle
 274 of the same class and acquired by the same person as provided in Code Section 40-2-42.
 275 The transition period shall commence upon the effective date of this Code section and
 276 conclude no later than December 31, 2010, for all existing registrations. For all existing

277 registrations, except during the owner's registration period as provided in Code Section
 278 40-2-21, the commissioner shall exchange and replace any current and valid registration
 279 and license plate at no charge to the owner."

280

SECTION 7.

281 Chapter 3 of Title 40 of the Official Code of Georgia Annotated, relating to certificates of
 282 title, security interests, and liens, is amended by revising Code Section 40-3-26, relating to
 283 delivery of the certificate of title and notice to lienholders, as follows:

284 "40-3-26.

285 (a)(1) The certificate of title shall be mailed or delivered to the holder of the first security
 286 interest or lien named in it. In the event there is no security interest holder or lienholder
 287 named in such certificate, the certificate of title shall be mailed or delivered directly to
 288 the owner.

289 (2) The commissioner may enter into agreements with any such security interest holder
 290 or lienholder to provide a means of delivery by secure electronic measures of a notice of
 291 the recording of such security interest or lien. Such security interest or lien shall remain
 292 on the official records of the department until such time as the security interest or lien is
 293 released by secure electronic measures or affidavit of lien or security interest release;
 294 after which release, or at the request of the lienholder or security interest holder, the
 295 certificate of title may be printed and mailed or delivered to the next lienholder or
 296 security interest holder or as otherwise provided by paragraph (1) of this subsection
 297 without payment of any fee provided by Code Section 40-3-38.

298 (3) If the certificate of title has not been electronically delivered as provided for in
 299 paragraph (2) of this subsection, in lieu of delivering a certificate of title, the
 300 commissioner may deliver to any security interest holder or lienholder a confirmation
 301 form stating the certificate of title is available for printing:

302 (A) When such confirmation is presented to the commissioner's duly authorized county
 303 tag agent or to the commissioner requesting delivery of the title in accordance with this
 304 Code section;

305 (B) When the security interest or lien is satisfied and the confirmation form is delivered
 306 to the owner stating the security interest or lien is satisfied and released. The owner
 307 may then present the confirmation letter to the commissioner's duly authorized county
 308 tag agent or the commissioner for printing in accordance with this Code section; or

309 (C) When the security interest holder or lienholder delivers the confirmation form to
 310 the commissioner's duly authorized county tag agent or the commissioner stating the
 311 security interest or lien is satisfied and released and provides an alternate delivery

312 address to include any subsequent security interest holder, lienholder, vehicle dealer,
 313 or other business with an interest in such vehicle.

314 (4) In the event the confirmation form is lost or stolen, the security interest holder or
 315 lienholder shall file an affidavit stating the circumstances under which the confirmation
 316 form was lost or stolen. Upon receipt, the commissioner shall deliver a certificate of title
 317 in accordance with this Code section.

318 (b) If the certificate of title is mailed to a security interest holder or lienholder, such person
 319 shall notify by mail all other lien or security interest holders that such person has received
 320 the certificate of title. The notice shall inform the security interest holder or lienholder of
 321 the contents and information reflected on such certificate of title. Such mailing or delivery
 322 shall be within five days, exclusive of holidays, after the receipt of the certificate by the
 323 holder of any security interest or lien.

324 (c) The security interest holder or lienholder may retain custody of the certificate of title
 325 until such security interest holder's or lienholder's claim has been satisfied. The security
 326 interest holder or lienholder having custody of a certificate of title must deliver the
 327 certificate of title to the next lienholder or security interest holder within ten days after such
 328 custodial security interest holder's or lienholder's lien or security interest has been satisfied
 329 and, if there is no other security interest holder or lienholder, such custodial security
 330 interest holder or lienholder must deliver the certificate of title to the owner.

331 (d) If a lien or security interest has been electronically recorded, the release of such lien
 332 or security interest will require the lienholder to notify the commissioner and the owner of
 333 the vehicle, on a form prescribed by the commissioner, or by electronic means approved
 334 by the commissioner, of the release of the lien or security interest. Such notice will inform
 335 the owner that such owner may request a title free of lien, upon verification of such owner's
 336 current mailing address, from the commissioner as provided in Code Section 40-3-56."

337 **SECTION 8.**

338 Chapter 5 of Title 40 of the Official Code of Georgia Annotated, relating to drivers' licenses,
 339 is amended by repealing and reserving Code Section 40-5-71, relating to notice of insurance
 340 issuance, renewal, or termination; lapse fee; suspension of license following insurance
 341 termination; and restricted driving permits.

342 **SECTION 9.**

343 This Act shall become effective upon its approval by the Governor or upon its becoming law
 344 without such approval, except for Sections 2, 3, and 4, which shall become effective January
 345 1, 2011.

346

SECTION 10.

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