

House Bill 729 (COMMITTEE SUBSTITUTE)

By: Representatives Rice of the 95th, Geisinger of the 48th, and Oliver of the 82nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-5C-1 of the Official Code of Georgia Annotated, relating to
2 definitions, exemption from taxation, allocation and disbursement of proceeds collected by
3 tag agents, fair market value of vehicle appealable, and report, so as to change the manner
4 for determining fair market value of motor vehicles subject to the tax; to provide for the fair
5 market value determination of kit cars; to provide for credit for trade-in vehicle in certain
6 lease transactions; to provide for the promulgation of a standardized form; to provide for the
7 calculation of taxes for persons bringing motor vehicles into this state; to provide for the
8 submission of title applications and title ad valorem tax fees by dealers; to provide for
9 penalties for failure to submit title applications and title ad valorem tax fees timely; to
10 provide for certain refunds; to provide for transfers as a result of a divorce decree or court
11 order; to amend Title 40 of the Official Code of Georgia Annotated, relating to motor
12 vehicles and traffic, so as to provide for multiyear decals for certain vehicles; to provide for
13 an expiration period for temporary license plates; to require that applications be submitted
14 to the county where the vehicle will be registered; to provide for extensions of the
15 registration period under certain circumstances; to provide for related matters; to repeal
16 conflicting laws; and for other purposes.

17 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

18 **SECTION 1.**

19 Code Section 48-5C-1 of the Official Code of Georgia Annotated, relating to definitions,
20 exemption from taxation, allocation and disbursement of proceeds collected by tag agents,
21 fair market value of vehicle appealable, and report, is amended by revising the Code section
22 as follows:

23 "48-5C-1.

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

25 (1) 'Fair market value of the motor vehicle' means:

26 (A) For a used motor vehicle, the average of the current fair market value and the
 27 current wholesale value of a motor vehicle for a vehicle listed in the current motor
 28 vehicle ad valorem assessment manual utilized by the state revenue commissioner and
 29 based upon a nationally recognized motor vehicle industry pricing guide for fair market
 30 and wholesale market values in determining the taxable value of a motor vehicle under
 31 Code Section 48-5-442, and, in the case of a used car dealer, less any reduction for the
 32 trade-in value of another motor vehicle which shall also be based upon the average of
 33 the current fair market value and the current wholesale value of the trade-in motor
 34 vehicle listed in the current motor vehicle ad valorem assessment manual utilized by
 35 the state revenue commissioner and based upon a nationally recognized motor vehicle
 36 industry pricing guide for fair market and wholesale market values in determining the
 37 taxable value of a motor vehicle under Code Section 48-5-442;

38 (B) For a used motor vehicle which is not so listed in such current motor vehicle ad
 39 valorem assessment manual, the value from the bill of sale or the value from a reputable
 40 used car market guide designated by the commissioner, whichever is greater, and, in the
 41 case of a used car dealer, less any reduction for the trade-in value of another motor
 42 vehicle; provided, however, that, if the value of the motor vehicle is based upon a
 43 reputable used car market guide designated by the commissioner, then the value of the
 44 trade-in shall also be based upon the same reputable used car market guide;

45 ~~(C) Upon written application and supporting documentation submitted by an applicant~~
 46 ~~under this Code section, a county tag agent may deviate from the fair market value as~~
 47 ~~defined in subparagraph (A) or (B) of this paragraph based upon mileage and condition~~
 48 ~~of the used vehicle. Supporting documentation may include, but not be limited to, bill~~
 49 ~~of sale, odometer statement, and values from reputable pricing guides. The fair market~~
 50 ~~value as determined by the county tag agent pursuant to this subparagraph shall be~~
 51 ~~appealable as provided in subsection (e) of this Code section; or~~

52 ~~(D)~~(C) For a new motor vehicle, the greater of the retail selling price or, in the case of
 53 a lease of a new motor vehicle, the agreed upon value of the vehicle pursuant to the
 54 lease agreement or the average of the current fair market value and the current
 55 wholesale value of a motor vehicle for a vehicle listed in the current motor vehicle ad
 56 valorem assessment manual utilized by the state revenue commissioner in determining
 57 the taxable value of a motor vehicle under Code Section 48-5-442, less any reduction
 58 for the trade-in value of another motor vehicle as stated in the bill of sale and any rebate
 59 or any cash discounts provided by the selling dealer and taken at the time of sale. The
 60 retail selling price or agreed upon value shall include any charges for labor, freight,
 61 delivery, dealer fees, and similar charges and dealer add-ons and mark-ups; but shall
 62 not include any extended warranty or maintenance agreement itemized on the dealer's

63 invoice to the customer or any finance, insurance, and interest charges for deferred
64 payments billed separately; or

65 (D) In the case of a kit car which is assembled by the purchaser from parts supplied by
66 a manufacturer, the greater of the retail selling price of the kit or the average of the
67 current fair market value and the current wholesale value of the motor vehicle if listed
68 in the current motor vehicle ad valorem assessment manual utilized by the state revenue
69 commissioner and based upon a nationally recognized motor vehicle industry pricing
70 guide for fair market and wholesale market values in determining the taxable value of
71 a motor vehicle under Code Section 48-5-442. A kit car shall not include a rebuilt or
72 salvage vehicle.

73 Upon written application and supporting documentation submitted by an applicant under
74 this Code section, a county tag agent may deviate from the fair market value as defined
75 in subparagraph (A) or (B) of this paragraph based upon mileage and condition of the
76 used vehicle. Supporting documentation may include, but shall not be limited to, bill of
77 sale, odometer statement, and values from reputable pricing guides. The fair market
78 value as determined by the county tag agent pursuant to this paragraph shall be
79 appealable as provided in subsection (e) of this Code section. When a lessor receives a
80 motor vehicle which was returned to the lessor by a lessee and the lessor utilizes such
81 vehicle as a trade-in in the purchase of another motor vehicle to be leased to the same or
82 a different lessee, such lessor shall receive credit for such trade-in vehicle in determining
83 the fair market value of the vehicle being purchased.

84 (2) 'Immediate family member' means spouse, parent, child, sibling, grandparent, or
85 grandchild.

86 (3) 'Loaner vehicle' means a motor vehicle owned by a dealer which is withdrawn
87 temporarily from dealer inventory for exclusive use as a courtesy vehicle loaned at no
88 charge for a period not to exceed 30 days within a 366 day period to any one customer
89 whose motor vehicle is being serviced by such dealer.

90 (4) 'Rental charge' means the total value received by a rental motor vehicle concern for
91 the rental or lease for 31 or fewer consecutive days of a rental motor vehicle, including
92 the total cash and nonmonetary consideration for the rental or lease, including, but not
93 limited to, charges based on time or mileage and charges for insurance coverage or
94 collision damage waiver but excluding all charges for motor fuel taxes or sales and use
95 taxes.

96 (5) 'Rental motor vehicle' means a motor vehicle designed to carry 15 or fewer
97 passengers and used primarily for the transportation of persons that is rented or leased
98 without a driver.

99 (6) 'Rental motor vehicle concern' means a person or legal entity which owns or leases
 100 five or more rental motor vehicles and which regularly rents or leases such vehicles to the
 101 public for value.

102 (7) 'Trade-in value' means the fair market value of the motor vehicle, as defined in
 103 paragraph (1) of this subsection, as stated in the bill of sale for a vehicle which has been
 104 traded in to the dealer in a transaction involving the purchase of another vehicle from the
 105 dealer.

106 (b)(1)(A) Except as otherwise provided in this subsection, any motor vehicle for which
 107 a title is issued in this state on or after March 1, 2013, shall be exempt from sales and
 108 use taxes to the extent provided under paragraph (95) of Code Section 48-8-3 and shall
 109 not be subject to the ad valorem tax as otherwise required under Chapter 5 of this title.
 110 Any such motor vehicle shall be titled as otherwise required under Title 40 but shall be
 111 subject to a state title fee and a local title fee which shall be alternative ad valorem taxes
 112 as authorized by Article VII, Section I, Paragraph III(b)(3) of the Georgia Constitution.
 113 Motor vehicles registered under the International Registration Plan shall not be subject
 114 to state and local title ad valorem tax fees but shall continue to be subject to
 115 apportioned ad valorem taxation under Article 10 of Chapter 5 of this title.

116 (B)(i) As used in this subparagraph, the term:

117 (I) 'Local base amount' means \$1 billion.

118 (II) 'Local current collection amount' means the total amount of sales and use taxes
 119 on the sale of motor vehicles under Chapter 8 of this title and motor vehicle local
 120 ad valorem tax proceeds under this Code section and Chapter 5 of this title which
 121 were collected during the calendar year which immediately precedes the tax year in
 122 which the title ad valorem tax adjustments are required to be made under this
 123 subparagraph.

124 (III) 'Local target collection amount' means an amount equal to the local base
 125 amount added to the product of 2 percent of the local base amount multiplied by the
 126 number of years since 2012 with a maximum amount of \$1.2 billion.

127 (IV) 'State base amount' means \$535 million.

128 (V) 'State current collection amount' means the total amount of sales and use taxes
 129 on the sale of motor vehicles under Chapter 8 of this title and motor vehicle state ad
 130 valorem tax proceeds under this Code section and Chapter 5 of this title which were
 131 collected during the calendar year which immediately precedes the tax year in
 132 which the state and local title ad valorem tax rate is to be reviewed for adjustment
 133 under division (xiv) of this subparagraph. Notwithstanding the other provisions of
 134 this subdivision to the contrary, the term 'state current collection amount' for
 135 the 2014 calendar year for the purposes of the 2015 review under division (xiv) of

136 this subparagraph shall be adjusted so that such amount is equal to the amount of
 137 motor vehicle state ad valorem tax proceeds that would have been collected under
 138 this Code section in 2014 if the combined state and local title ad valorem tax rate
 139 was 7 percent of the fair market value of the motor vehicle less any trade-in value
 140 plus the total amount of motor vehicle state ad valorem tax proceeds collected under
 141 Chapter 5 of this title during 2014.

142 (VI) 'State target collection amount' means an amount equal to the state base
 143 amount added to the product of 2 percent of the state base amount multiplied by the
 144 number of years since 2012.

145 (ii) The combined state and local title ad valorem tax shall be at a rate equal to:

146 (I) For the period commencing March 1, 2013, through December 31, 2013, 6.5
 147 percent of the fair market value of the motor vehicle;

148 (II) For the 2014 tax year, 6.75 percent of the fair market value of the motor
 149 vehicle; and

150 (III) Except as provided in division (xiv) of this subparagraph, for the 2015 and
 151 subsequent tax years, 7 percent of the fair market value of the motor vehicle.

152 (iii) For the period commencing March 1, 2013, through December 31, 2013, the
 153 state title ad valorem tax shall be at a rate equal to 57 percent of the tax rate specified
 154 in division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate
 155 equal to 43 percent of the tax rate specified in division (ii) of this subparagraph.

156 (iv) For the 2014 tax year, the state title ad valorem tax shall be at a rate equal to 55
 157 percent of the tax rate specified in division (ii) of this subparagraph, and the local title
 158 ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in
 159 division (ii) of this subparagraph.

160 (v) For the 2015 tax year, the state title ad valorem tax shall be at a rate equal to 55
 161 percent of the tax rate specified in division (ii) of this subparagraph, and the local title
 162 ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in
 163 division (ii) of this subparagraph.

164 (vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this
 165 subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of
 166 the tax rate specified in division (ii) of this subparagraph, and the local title ad
 167 valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in division
 168 (ii) of this subparagraph.

169 (vii) For the 2017 tax year, except as otherwise provided in divisions (xiii) and (xiv)
 170 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 44 percent
 171 of the tax rate specified in division (ii) of this subparagraph, and the local title ad

172 valorem tax shall be at a rate equal to 56 percent of the tax rate specified in division
173 (ii) of this subparagraph.

174 (viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this
175 subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the
176 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
177 tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this
178 subparagraph.

179 (ix) For the 2019 tax year, except as otherwise provided in divisions (xiii) and (xiv)
180 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 36 percent
181 of the tax rate specified in division (ii) of this subparagraph, and the local title ad
182 valorem tax shall be at a rate equal to 64 percent of the tax rate specified in division
183 (ii) of this subparagraph.

184 (x) For the 2020 tax year, except as otherwise provided in division (xiii) of this
185 subparagraph, the state title ad valorem tax shall be at a rate equal to 34 percent of the
186 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
187 tax shall be at a rate equal to 66 percent of the tax rate specified in division (ii) of this
188 subparagraph.

189 (xi) For the 2021 tax year, except as otherwise provided in division (xiii) of this
190 subparagraph, the state title ad valorem tax shall be at a rate equal to 30 percent of the
191 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
192 tax shall be at a rate equal to 70 percent of the tax rate specified in division (ii) of this
193 subparagraph.

194 (xii) For the 2022 and all subsequent tax years, except as otherwise provided in
195 division (xiii) of this subparagraph for tax years 2022, 2023, and 2024 and except as
196 otherwise provided in division (xiv) of this subparagraph for tax year 2023, the state
197 title ad valorem tax shall be at a rate equal to 28 percent of the tax rate specified in
198 division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate
199 equal to 72 percent of the tax rate specified in division (ii) of this subparagraph.

200 (xiii) Beginning in 2016, by not later than January 15 of each tax year through
201 the 2022 tax year, the state revenue commissioner shall determine the local target
202 collection amount and the local current collection amount for the preceding calendar
203 year. If such local current collection amount is equal to or within 1 percent of the
204 local target collection amount, then the state title ad valorem tax rate and the local title
205 ad valorem tax rate for such tax year shall remain at the rate specified in this
206 subparagraph for that year. If the local current collection amount is more than 1
207 percent greater than the local target collection amount, then the local title ad valorem
208 tax rate for such tax year shall be reduced automatically by operation of this division

209 by such percentage amount as may be necessary so that, if such rate had been in effect
 210 for the calendar year under review, the local current collection amount would have
 211 produced an amount equal to the local target collection amount, and the state title ad
 212 valorem tax rate for such tax year shall be increased by an equal amount to maintain
 213 the combined state and local title ad valorem tax rate at the rate specified in division
 214 (ii) of this subparagraph. If the local current collection amount is more than 1 percent
 215 less than the local target collection amount, then the local title ad valorem tax rate for
 216 such tax year shall be increased automatically by operation of this division by such
 217 percentage amount as may be necessary so that, if such rate had been in effect for the
 218 calendar year under review, the local current collection amount would have produced
 219 an amount equal to the local target collection amount, and the state title ad valorem
 220 tax rate for such tax year shall be reduced by an equal amount to maintain the
 221 combined state and local title ad valorem tax rate at the rate specified in division (ii)
 222 of this subparagraph. In the event of an adjustment of such ad valorem tax rates, by
 223 not later than January 31 of such tax year, the state revenue commissioner shall notify
 224 the tax commissioner of each county in this state of the adjusted rate amounts. The
 225 effective date of such adjusted rate amounts shall be January 1 of such tax year.
 226 (xiv) In tax years 2015, 2018, and 2022, by not later than July 1 of each such tax
 227 year, the state revenue commissioner shall determine the state target collection
 228 amount and the state current collection amount for the preceding calendar year. If
 229 such state current collection amount is greater than, equal to, or within 1 percent of
 230 the state target collection amount after making the adjustment, if any, required in
 231 division (xiii) of this subparagraph, then the combined state and local title ad valorem
 232 tax rate provided in division (ii) of this subparagraph shall remain at the rate specified
 233 in such division. If the state current collection amount is more than 1 percent less
 234 than the state target collection amount after making the adjustment, if any, required
 235 by division (xiii) of this subparagraph, then the combined state and local title ad
 236 valorem tax rate provided in division (ii) of this subparagraph shall be increased
 237 automatically by operation of this division by such percentage amount as may be
 238 necessary so that, if such rate had been in effect for the calendar year under review,
 239 the state current collection amount would have produced an amount equal to the state
 240 target collection amount, and the state title ad valorem tax rate and the local title ad
 241 valorem tax rate for the tax year in which such increase in the combined state and
 242 local title ad valorem tax rate shall become effective shall be adjusted from the rates
 243 specified in this subparagraph or division (xiii) of this subparagraph for such tax year
 244 such that the proceeds from such increase in the combined state and local title ad
 245 valorem tax rate shall be allocated in full to the state. In the event of an adjustment

246 of the combined state and local title ad valorem tax rate, by not later than August 31
 247 of such tax year, the state revenue commissioner shall notify the tax commissioner of
 248 each county in this state of the adjusted combined state and local title ad valorem tax
 249 rate for the next calendar year. The effective date of such adjusted combined state
 250 and local title ad valorem tax rate shall be January 1 of the next calendar year.
 251 Notwithstanding the provisions of this division, the combined state and local title ad
 252 valorem tax rate shall not exceed 9 percent.

253 (xv) The state revenue commissioner shall promulgate such rules and regulations as
 254 may be necessary and appropriate to implement and administer this Code section,
 255 including, but not limited to, rules and regulations regarding appropriate public
 256 notification of any changes in rate amounts and the effective date of such changes and
 257 rules and regulations regarding appropriate enforcement and compliance procedures
 258 and methods for the implementation and operation of this Code section. The state
 259 revenue commissioner shall promulgate a standardized form to be used by all dealers
 260 of new and used vehicles in this state in order to ease the administration of this Code
 261 section. The state revenue commissioner may promulgate and implement rules and
 262 regulations as may be necessary to permit seller financed sales of used vehicles to be
 263 assessed 2.5 percentage points less than the rate specified in division ~~(b)(1)(B)(ii)~~ of
 264 this ~~Code section~~ subparagraph.

265 (C) The application for title and the state and local title ad valorem tax fees provided
 266 for in subparagraph (A) of this paragraph shall be paid to the tag agent in the county
 267 where the motor vehicle is to be registered and shall be paid at the time the application
 268 for a certificate of title is submitted or, in the case of an electronic title transaction, at
 269 the time when the electronic title transaction is finalized. In an electronic title
 270 transaction, the state and local title ad valorem tax fees shall be remitted electronically
 271 directly to the county tag agent. A dealer of new or used motor vehicles ~~may accept~~
 272 shall make such application for title and state and local title ad valorem tax fees on
 273 behalf of the purchaser of a new or used motor vehicle for the purpose of submitting or,
 274 in the case of an electronic title application, finalizing such title application and
 275 remitting state and local title ad valorem tax fees.

276 (D) There shall be a penalty imposed on any person who, in the determination of the
 277 commissioner, falsifies any information in any bill of sale used for purposes of
 278 determining the fair market value of the motor vehicle. Such penalty shall not
 279 exceed \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty
 280 as determined by the commissioner. Such determination shall be made within 60 days
 281 of the commissioner receiving information of a possible violation of this paragraph.

282 (E) Except in the case in which an extension of the registration period has been granted
283 by the county tag agent under Code Section 40-2-20, a dealer of new or used motor
284 vehicles that accepts makes an application for title and collects state and local title ad
285 valorem tax fees from a purchaser of a new or used motor vehicle and does not submit
286 or, in the case of an electronic title transaction, finalize such application for title and
287 remit such state and local title ad valorem tax fees to the county tag agent within 30
288 days following the date of purchase shall be liable to the county tag agent for an amount
289 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An
290 additional penalty equal to 10 percent of the amount of such state and local title ad
291 valorem tax fees shall be imposed if such payment is not transmitted within 60 days
292 following the date of purchase. An additional penalty equal to 15 percent of the amount
293 of such state and local title ad valorem tax fees shall be imposed if such payment is not
294 transmitted within 90 days following the date of purchase, and an additional penalty
295 equal to 20 percent of the amount of such state and local title ad valorem tax fees shall
296 be imposed if such payment is not transmitted within 120 days following the date of
297 purchase. An additional penalty equal to 25 percent of the amount of such state and
298 local title ad valorem tax fees shall be imposed for each subsequent 30 day period in
299 which the payment is not transmitted. In addition, any such dealer of used motor
300 vehicles who fails to make the application for title and submit or, in the case of an
301 electronic title transaction, finalize such application for title and remit such state and
302 local title ad valorem tax fees to the county tag agent within 30 days following the date
303 of purchase shall also be subject to civil fines not to exceed \$500.00 per transaction,
304 and such failure may be the basis for the revocation or suspension of such dealer's
305 license under Chapter 47 of Title 43.

306 (F) A dealer of new or used motor vehicles that accepts makes an application for title
307 and collects state and local title ad valorem tax fees from a purchaser of a new or used
308 motor vehicle and converts such fees to his or her own use shall be guilty of theft by
309 conversion and, upon conviction, shall be punished as provided in Code
310 Section 16-8-12.

311 (2) A person or entity acquiring a salvage title pursuant to subsection (b) of Code
312 Section 40-3-36 shall not be subject to the fee specified in paragraph (1) of this
313 subsection but shall be subject to a state title ad valorem tax fee in an amount equal to 1
314 percent of the fair market value of the motor vehicle. Such state title ad valorem tax fee
315 shall be an alternative ad valorem tax as authorized by Article VII, Section I, Paragraph
316 III(b)(3) of the Georgia Constitution.

317 (c)(1) The amount of proceeds collected by tag agents each month as state and local title
318 ad valorem tax fees, state salvage title ad valorem tax fees, administrative fees, penalties,

319 and interest pursuant to subsection (b) of this Code section shall be allocated and
320 disbursed as provided in this subsection.

321 (2) For the 2013 tax year and in each subsequent tax year, the amount of such funds shall
322 be disbursed within 20 days following the end of each calendar month as follows:

323 (A) State title ad valorem tax fees, state salvage title ad valorem tax fees,
324 administrative fees, penalties, and interest shall be remitted to the state revenue
325 commissioner who shall deposit such proceeds in the general fund of the state less an
326 amount to be retained by the tag agent not to exceed 1 percent of the total amount
327 otherwise required to be remitted under this subparagraph to defray the cost of
328 administration. Such retained amount shall be remitted to the collecting county's
329 general fund. Failure by the tag agent to disburse within such 20 day period shall result
330 in a forfeiture of such administrative fee plus interest on such amount at the rate
331 specified in Code Section 48-2-40; and

332 (B) Local title ad valorem tax fees, administrative fees, penalties, and interest shall be
333 designated as local government ad valorem tax funds. The tag agent shall then
334 distribute the proceeds as specified in paragraph (3) of this subsection.

335 (3) The local title ad valorem tax fee proceeds required under this subsection shall be
336 distributed as follows:

337 (A) The tag agent of the county shall within 20 days following the end of each calendar
338 month allocate and distribute to the county governing authority and to municipal
339 governing authorities, the board of education of the county school district, and the
340 board of education of any independent school district located in such county an amount
341 of those proceeds necessary to offset any reduction in ad valorem tax on motor vehicles
342 collected under Chapter 5 of this title in the taxing jurisdiction of each governing
343 authority and school district from the amount of ad valorem taxes on motor vehicles
344 collected under Chapter 5 of this title in each such governing authority and school
345 district during the same calendar month of 2012. This reduction shall be calculated by
346 subtracting the amount of ad valorem tax on motor vehicles collected under Chapter 5
347 of this title in each such taxing jurisdiction from the amount of ad valorem tax on motor
348 vehicles collected under Chapter 5 of this title in that taxing jurisdiction in the same
349 calendar month of 2012. In the event that the local title ad valorem tax fee proceeds are
350 insufficient to fully offset such reduction in ad valorem taxes on motor vehicles, the tag
351 agent shall allocate a proportionate amount of the proceeds to each governing authority
352 and to the board of education of each such school district, and any remaining shortfall
353 shall be paid from the following month's local title ad valorem tax fee proceeds. In the
354 event that a shortfall remains, the tag agent shall continue to first allocate local title ad

355 valorem tax fee proceeds to offset such shortfalls until the shortfall has been fully
356 repaid; and

357 (B) Of the proceeds remaining following the allocation and distribution under
358 subparagraph (A) of this paragraph, the tag agent shall allocate and distribute to the
359 county governing authority and to municipal governing authorities, the board of
360 education of the county school district, and the board of education of any independent
361 school district located in such county the remaining amount of those proceeds in the
362 manner provided in this subparagraph. Such proceeds shall be deposited in the general
363 fund of such governing authority or board of education and shall not be subject to any
364 use or expenditure requirements provided for under any of the following described local
365 sales and use taxes but shall be authorized to be expended in the same manner as
366 authorized for the ad valorem tax revenues on motor vehicles under Chapter 5 of this
367 title which would otherwise have been collected for such governing authority or board
368 of education. Of such remaining proceeds:

369 (i) An amount equal to one-third of such proceeds shall be distributed to the board
370 of education of the county school district and the board of education of each
371 independent school district located in such county in the same manner as required for
372 any local sales and use tax for educational purposes levied pursuant to Part 2 of
373 Article 3 of Chapter 8 of this title currently in effect. If such tax is not currently in
374 effect, such proceeds shall be distributed to such board or boards of education in the
375 same manner as if such tax were in effect;

376 (ii)(I) Except as otherwise provided in this division, an amount equal to one-third
377 of such proceeds shall be distributed to the governing authority of the county and
378 the governing authority of each qualified municipality located in such county in the
379 same manner as specified under the distribution certificate for the joint county and
380 municipal sales and use tax under Article 2 of Chapter 8 of this title currently in
381 effect.

382 (II) If such tax were never in effect, such proceeds shall be distributed to the
383 governing authority of the county and the governing authority of each qualified
384 municipality located in such county on a pro rata basis according to the ratio of the
385 population that each such municipality bears to the population of the entire county.

386 (III) If such tax is currently in effect as well as a local option sales and use tax for
387 educational purposes levied pursuant to a local constitutional amendment, an
388 amount equal to one-third of such proceeds shall be distributed in the same manner
389 as required under subdivision (I) of this division and an amount equal to one-third
390 of such proceeds shall be distributed to the board of education of the county school
391 district.

392 (IV) If such tax is not currently in effect and a local option sales and use tax for
 393 educational purposes levied pursuant to a local constitutional amendment is
 394 currently in effect, such proceeds shall be distributed to the board of education of
 395 the county school district and the board of education of any independent school
 396 district in the same manner as required under ~~that~~ such local constitutional
 397 amendment.

398 (V) If such tax is not currently in effect and a homestead option sales and use tax
 399 under Article 2A of Chapter 8 of this title is in effect, such proceeds shall be
 400 distributed to the governing authority of the county, each qualified municipality, and
 401 each existing municipality in the same proportion as otherwise required under Code
 402 Section 48-8-104; and

403 (iii)(I) An amount equal to one-third of such proceeds shall be distributed to the
 404 governing authority of the county and the governing authority of each qualified
 405 municipality located in such county in the same manner as specified under an
 406 intergovernmental agreement or as otherwise required under the county special
 407 purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of this
 408 title currently in effect; provided, however, that this subdivision shall not apply if
 409 subdivision (III) of division (ii) of this subparagraph is applicable.

410 (II) If such tax were in effect but expired and is not currently in effect, such
 411 proceeds shall be distributed to the governing authority of the county and the
 412 governing authority of each qualified municipality located in such county in the
 413 same manner as if such tax were still in effect according to the intergovernmental
 414 agreement or as otherwise required under the county special purpose local sales and
 415 use tax under Part 1 of Article 3 of Chapter 8 of this title for the 12 month period
 416 commencing at the expiration of such tax. If such tax is not renewed prior to the
 417 expiration of such 12 month period, such amount shall be distributed in accordance
 418 with subdivision (I) of division (ii) of this subparagraph; provided, however, that if
 419 a tax under Article 2 of Chapter 8 of this title is not in effect, such amount shall be
 420 distributed in accordance with subdivision (II) of division (ii) of this subparagraph.

421 (III) If such tax is not currently in effect in a county in which a tax is levied for
 422 purposes of a metropolitan area system of public transportation, as authorized by the
 423 amendment to the Constitution set out at Ga. L. 1964, p. 1008; the continuation of
 424 such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution;
 425 and the laws enacted pursuant to such constitutional amendment, such proceeds
 426 shall be distributed to the governing body of the authority created by local Act to
 427 operate such metropolitan area system of public transportation.

428 (IV) If such tax were never in effect, such proceeds shall be distributed in the same
 429 manner as specified under the distribution certificate for the joint county and
 430 municipal sales and use tax under Article 2 of Chapter 8 of this title currently in
 431 effect; provided, however, that if such tax under such article is not in effect, such
 432 proceeds shall be distributed to the governing authority of the county and the
 433 governing authority of each qualified municipality located in such county on a pro
 434 rata basis according to the ratio of the population that each such municipality bears
 435 to the population of the entire county.

436 (d)(1)(A) Upon the death of an owner of a motor vehicle which has not become subject
 437 to paragraph (1) of subsection (b) of this Code section, the immediate family member
 438 or immediate family members of such owner who receive such motor vehicle pursuant
 439 to a will or under the rules of inheritance shall, subsequent to the transfer of title of such
 440 motor vehicle, continue to be subject to ad valorem tax under Chapter 5 of this title and
 441 shall not be subject to the state and local title ad valorem tax fees provided for in
 442 paragraph (1) of subsection (b) of this Code section unless the immediate family
 443 member or immediate family members make an affirmative written election to become
 444 subject to paragraph (1) of subsection (b) of this Code section. In the event of such
 445 election, such transfer shall be subject to the state and local title ad valorem tax fees
 446 provided for in paragraph (1) of subsection (b) of this Code section.

447 (B) Upon the death of an owner of a motor vehicle which has become subject to
 448 paragraph (1) of subsection (b) of this Code section, the immediate family member or
 449 immediate family members of such owner who receive such motor vehicle pursuant to
 450 a will or under the rules of inheritance shall be subject to a state title ad valorem tax fee
 451 in an amount equal to one-quarter of 1 percent of the fair market value of the motor
 452 vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of 1
 453 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees
 454 shall be an alternative ad valorem tax as authorized by Article VII, Section I, Paragraph
 455 III(b)(3) of the Georgia Constitution.

456 (2)(A) Upon the transfer from an immediate family member of a motor vehicle which
 457 has not become subject to paragraph (1) of subsection (b) of this Code section, the
 458 immediate family member or immediate family members who receive such motor
 459 vehicle shall, subsequent to the transfer of title of such motor vehicle, continue to be
 460 subject to ad valorem tax under Chapter 5 of this title and shall not be subject to the
 461 state and local title ad valorem tax fees provided for in paragraph (1) of subsection (b)
 462 of this Code section unless the immediate family member or immediate family
 463 members make an affirmative written election to become subject to paragraph (1) of
 464 subsection (b) of this Code section. In the event of such election, such transfer shall be

465 subject to the state and local title ad valorem tax fees provided for in paragraph (1) of
466 subsection (b) of this Code section.

467 (B) Upon the transfer from an immediate family member of a motor vehicle which has
468 become subject to paragraph (1) of subsection (b) of this Code section, the immediate
469 family member who receives such motor vehicle shall transfer title of such motor
470 vehicle to such recipient family member and shall be subject to a state title ad valorem
471 tax fee in an amount equal to one-quarter of 1 percent of the fair market value of the
472 motor vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of 1
473 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees
474 shall be an alternative ad valorem tax as authorized by Article VII, Section I, Paragraph
475 III(b)(3) of the Georgia Constitution.

476 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
477 transferor and transferee that such persons are immediate family members to one
478 another. There shall be a penalty imposed on any person who, in the determination of
479 the state revenue commissioner, falsifies any material information in such affidavit.
480 Such penalty shall not exceed \$2,500.00 as a state penalty and shall not
481 exceed \$2,500.00 as a local penalty as determined by the state revenue commissioner.
482 Such determination shall be made within 60 days of the state revenue commissioner
483 receiving information of a possible violation of this paragraph.

484 (3) Any individual who:

485 (A) Is required by law to register a motor vehicle or motor vehicles in this state which
486 were registered in the state in which such person formerly resided; and

487 (B) Is required to file an application for a certificate of title under Code
488 Section 40-3-21 or 40-3-32

489 shall only be required to pay ~~state and local title ad valorem tax fees in the amount of 50~~
490 ~~percent of the amount which would otherwise be due and payable under this subsection~~
491 ~~at the time of filing the application for a certificate of title, and the remaining 50 percent~~
492 ~~shall be paid within 12 months~~ a state title ad valorem tax fee in the amount of 2 percent
493 of the fair market value of the motor vehicle and a local title ad valorem tax fee in the
494 amount of 2 percent of the fair market value of the motor vehicle; provided, however, that
495 in the event that the combined state and local title ad valorem tax rate imposed under
496 paragraph (1) of subsection (b) of this Code section exceeds 8 percent, then the state title
497 ad valorem tax rate under this paragraph shall be adjusted to equal one-quarter of the
498 combined state and local title ad valorem tax rate and the local title ad valorem tax rate
499 under this paragraph shall be adjusted to equal one-quarter of the combined state and
500 local title ad valorem tax rate.

501 (4) The state and local title ad valorem tax fees provided for under this Code section
502 shall not apply to corrected titles, replacement titles under Code Section 40-3-31, or titles
503 reissued to the same owner pursuant to Code Sections 40-3-50 through 40-3-56.

504 (5) Any motor vehicle subject to state and local title ad valorem tax fees under
505 paragraph (1) of subsection (b) of this Code section shall continue to be subject to the
506 title, license plate, revalidation decal, and registration requirements and applicable fees
507 as otherwise provided in Title 40 in the same manner as motor vehicles which are not
508 subject to state and local title ad valorem tax fees under paragraph (1) of subsection (b)
509 of this Code section.

510 (6) Motor vehicles owned or leased by or to the state or any county, consolidated
511 government, municipality, county or independent school district, or other government
512 entity in this state shall not be subject to the state and local title ad valorem tax fees
513 provided for under paragraph (1) of subsection (b) of this Code section; provided,
514 however, that such other government entity shall not qualify for the exclusion under this
515 paragraph unless it is exempt from ad valorem tax and sales and use tax pursuant to
516 general law.

517 (7)(A) Any motor vehicle which is exempt from sales and use tax pursuant to
518 paragraph (30) of Code Section 48-8-3 shall be exempt from state and local title ad
519 valorem tax fees under this subsection.

520 (B) Any motor vehicle which is exempt from ad valorem taxation pursuant to Code
521 Section 48-5-478, 48-5-478.1, 48-5-478.2, or 48-5-478.3 shall be exempt from state and
522 local title ad valorem tax fees under paragraph (1) of subsection (b) of this Code
523 section.

524 (8) There shall be a penalty imposed on the transfer of all or any part of the interest in a
525 business entity that includes primarily as an asset of such business entity one or more
526 motor vehicles, when, in the determination of the state revenue commissioner, such
527 transfer is done to evade the payment of state and local title ad valorem tax fees under
528 this subsection. Such penalty shall not exceed \$2,500.00 as a state penalty per motor
529 vehicle and shall not exceed \$2,500.00 as a local penalty per motor vehicle, as
530 determined by the state revenue commissioner, plus the amount of the state and local title
531 ad valorem tax fees. Such determination shall be made within 60 days of the state
532 revenue commissioner receiving information that a transfer may be in violation of this
533 paragraph.

534 (9) Any owner of any motor vehicle who fails to submit within 30 days of the date such
535 owner is required by law to register such vehicle in this state an application for a first
536 certificate of title under Code Section 40-3-21 or a certificate of title under Code
537 Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the state

538 title ad valorem tax fees and 10 percent of the local title ad valorem tax fees required
 539 under this Code section, and; if such state and local title ad valorem tax fees and the
 540 penalty are not paid within 60 days following the date such owner is required by law to
 541 register such vehicle, interest at the rate of 1.0 percent per month shall be imposed on the
 542 state and local title ad valorem tax fees due under this Code section, unless a temporary
 543 permit has been issued by the tax commissioner. The tax commissioner shall grant a
 544 temporary permit in the event the failure to timely apply for a first certificate of title is
 545 due to the failure of a lienholder to comply with Code Section 40-3-56, regarding release
 546 of a security interest or lien, and no penalty or interest shall be assessed. Such penalty
 547 and interest shall be in addition to the penalty and fee required under Code
 548 Section 40-3-21 or 40-3-32, as applicable.

549 (10) The owner of any motor vehicle for which a title was issued in this state on or after
 550 January 1, 2012, and prior to March 1, 2013, shall be authorized to opt in to the
 551 provisions of this subsection at any time prior to February 28, 2014, upon compliance
 552 with the following requirements:

553 (A)(i) The total amount of Georgia state and local title ad valorem tax fees which
 554 would be due from March 1, 2013, to December 31, 2013, if such vehicle had been
 555 titled in 2013 shall be determined; and

556 (ii) The total amount of Georgia state and local sales and use tax and Georgia state
 557 and local ad valorem tax under Chapter 5 of this title which were due and paid
 558 in 2012 for ~~that~~ such motor vehicle and, if applicable, the total amount of such taxes
 559 which were due and paid for ~~that~~ such motor vehicle in 2013 and 2014 shall be
 560 determined; and

561 (B)(i) If the amount derived under division (i) of subparagraph (A) of this paragraph
 562 is greater than the amount derived under division (ii) of subparagraph (A) of this
 563 paragraph, the owner shall remit the difference to the tag agent. Such remittance shall
 564 be deemed local title ad valorem tax fee proceeds; or

565 (ii) If the amount derived under division (i) of subparagraph (A) of this paragraph is
 566 less than the amount derived under division (ii) of subparagraph (A) of this paragraph,
 567 no additional amount shall be due and payable by the owner.

568 Upon certification by the tag agent of compliance with the requirements of this
 569 paragraph, such motor vehicle shall not be subject to ad valorem tax as otherwise
 570 required under Chapter 5 of this title in the same manner as otherwise provided in
 571 paragraph (1) of subsection (b) of this Code section.

572 (11)(A) In the case of rental motor vehicles owned by a rental motor vehicle concern,
 573 the state title ad valorem tax fee shall be in an amount equal to .625 percent of the fair
 574 market value of the motor vehicle, and the local title ad valorem tax fee shall be in an

575 amount equal to .625 percent of the fair market value of the motor vehicle, but only if
576 in the immediately prior calendar year the average amount of sales and use tax
577 attributable to the rental charge of each such rental motor vehicle was at least \$400.00
578 as certified by the state revenue commissioner. If, in the immediately prior calendar
579 year, the average amount of sales and use tax attributable to the rental charge of each
580 such rental motor vehicle was not at least \$400.00, this paragraph shall not apply and
581 such vehicles shall be subject to the state and local title ad valorem tax fees prescribed
582 in division (b)(1)(B)(ii) of this Code section.

583 (B) Such title ad valorem tax fees shall be an alternative ad valorem tax as authorized
584 by Article VII, Section I, Paragraph III(b)(3) of the Georgia Constitution.

585 (12) A loaner vehicle shall not be subject to state and local title ad valorem tax fees
586 under paragraph (1) of subsection (b) of this Code section for a period of time not to
587 exceed 366 days commencing on the date such loaner vehicle is withdrawn temporarily
588 from inventory. Immediately upon the expiration of such 366 day period, if the dealer
589 does not return the loaner vehicle to inventory for resale, the dealer shall be responsible
590 for remitting state and local title ad valorem tax fees in the same manner as otherwise
591 required of an owner under paragraph (9) of this subsection and shall be subject to the
592 same penalties and interest as an owner for noncompliance with the requirements of
593 paragraph (9) of this subsection.

594 (13) Any motor vehicle which is donated to a nonprofit organization exempt from
595 taxation under Section 501(c)(3) of the Internal Revenue Code for the purpose of being
596 transferred to another person shall, when titled in the name of such nonprofit
597 organization, not be subject to state and local title ad valorem tax fees under
598 paragraph (1) of subsection (b) of this Code section but shall be subject to state and local
599 title ad valorem tax fees otherwise applicable to salvage titles under paragraph (2) of
600 subsection (b) of this Code section.

601 (14)(A) A lessor of motor vehicles that leases motor vehicles for more than 31
602 consecutive days to lessees residing in this state shall register with the department. The
603 department shall collect an annual fee of \$100.00 for such registrations. Failure of a
604 lessor to register under this subparagraph shall subject such lessor to a civil penalty
605 of \$2,500.00.

606 (B) A lessee residing in this state who leases a motor vehicle under this paragraph shall
607 register such motor vehicle with the tag agent in such lessee's county of residence
608 within 30 days of the commencement of the lease of such motor vehicle or beginning
609 residence in this state, whichever is later.

610 (C) A lessor that leases a motor vehicle under this paragraph to a lessee residing in this
 611 state shall apply for a certificate of title in this state within 30 days of the
 612 commencement of the lease of such motor vehicle.

613 (15) There shall be no liability for any state or local title ad valorem tax fees in any of
 614 the following title transactions:

615 (A) The addition or substitution of lienholders on a motor vehicle title so long as the
 616 owner of the motor vehicle remains the same;

617 (B) The acquisition of a bonded title by a person or entity pursuant to Code
 618 Section 40-3-28 if the title is to be issued in the name of such person or entity;

619 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the
 620 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be
 621 issued in the name of such lienholder;

622 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity
 623 pursuant to Chapter 11 of this title if such person or entity is a manufacturer or dealer
 624 of motor vehicles and the title is to be issued in the name of such person or entity;

625 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to
 626 Code Section 40-3-43;

627 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,
 628 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or
 629 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,
 630 or rebuilder shall submit an affidavit in a form promulgated by the commissioner
 631 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or
 632 to correct a title only;

633 (G) The obtaining of a title by and in the name of the holder of a security interest when
 634 a motor vehicle has been repossessed after default in accordance with Part 6 of Article
 635 9 of Title 11 if such title is to be issued in the name of such security interest holder;

636 (H) The obtaining of a title by a person or entity for purposes of correcting a title,
 637 changing an odometer reading, or removing an odometer discrepancy legend, provided
 638 that, subject to subparagraph (F) of this paragraph, title is not being transferred to
 639 another person or entity; and

640 (I) The obtaining of a title by a person who pays state and local title ad valorem tax
 641 fees on a motor vehicle and subsequently moves out of this state but returns and applies
 642 to retitle such vehicle in this state.

643 (16) It shall be unlawful for a person, including a dealer of new or used motor vehicles
 644 under subparagraph (b)(1)(C) of this Code section, to fail to obtain a title for and register
 645 a motor vehicle in accordance with the provisions of this chapter. Any person, including
 646 a dealer of new or used motor vehicles under subparagraph (b)(1)(C) of this Code section,

647 who knowingly and willfully fails to obtain a title for or register a motor vehicle in
648 accordance with the provisions of this chapter shall be guilty of a misdemeanor of a high
649 and aggravated nature.

650 (17) Any person who purchases a ~~1963 through~~ 1985 or earlier model year motor vehicle
651 for which such person obtains a title shall be subject to this Code section, but the state
652 title ad valorem tax fee shall be in an amount equal to .50 percent of the fair market value
653 of such motor vehicle, and the local title ad valorem tax fee shall be in an amount equal
654 to .50 percent of the fair market value of such motor vehicle.

655 (18)(A) Upon the transfer as the result of a divorce decree or court order of a motor
656 vehicle which has not become subject to paragraph (1) of subsection (b) of this Code
657 section, the person who receives such motor vehicle shall, subsequent to the transfer of
658 title of such motor vehicle, continue to be subject to the ad valorem tax under Chapter
659 5 of this title and shall not be subject to the state and local title ad valorem tax fees
660 provided for in paragraph (1) of subsection (b) of this Code section unless such person
661 makes an affirmative written election to become subject to paragraph (1) of subsection
662 (b) of this Code section. In the event of such election, such transfer shall be subject to
663 the state and local title ad valorem tax fees provided for in paragraph (1) of subsection
664 (b) of this Code section.

665 (B) Upon the transfer as the result of a divorce decree or court order of a motor vehicle
666 which has become subject to paragraph (1) of subsection (b) of this Code section, the
667 person who receives such motor vehicle shall at the time of the transfer of title of such
668 motor vehicle be subject to a state title ad valorem tax fee in an amount equal to
669 one-quarter of 1 percent of the fair market value of the motor vehicle and a local title
670 ad valorem tax fee in an amount equal to one-quarter of 1 percent of the fair market
671 value of the motor vehicle. Such title ad valorem tax fees shall be an alternative ad
672 valorem tax as authorized by Article VII, Section I, Paragraph III(b)(3) of the Georgia
673 Constitution.

674 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
675 transferee that such transfer is pursuant to a divorce decree or court order, and the
676 transferee shall attach such decree or order to the affidavit. There shall be a penalty
677 imposed on any person who, in the determination of the state revenue commissioner,
678 falsifies any material information in such affidavit. Such penalty shall not exceed
679 \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty as
680 determined by the state revenue commissioner. Such determination shall be made
681 within 60 days of the state revenue commissioner receiving information of a possible
682 violation of this paragraph.

683 (e) The fair market value of any motor vehicle subject to this Code section shall be
 684 appealable in the same manner as otherwise authorized for a motor vehicle subject to ad
 685 valorem taxation under Code Section 48-5-450; provided, however, that the person
 686 appealing the fair market value shall first pay the full amount of the state and local title ad
 687 valorem tax prior to filing any appeal. If the appeal is successful, the amount of the tax
 688 owed shall be recalculated and, if the amount paid by the person appealing the
 689 determination of fair market value is greater than the recalculated tax owed, the person
 690 shall be promptly given a refund of the difference.

691 (f) Beginning in 2014, on or before January 31 of each year, the department shall provide
 692 a report to the chairpersons of the House Committee on Ways and Means and the Senate
 693 Finance Committee showing the state and local title ad valorem tax fee revenues collected
 694 pursuant to this chapter and the motor vehicle ad valorem tax proceeds collected pursuant
 695 to Chapter 5 of this title during the preceding calendar year.

696 (g) A motor vehicle dealer shall be authorized to apply for a refund of state and local title
 697 ad valorem taxes on behalf of the person who purchased a motor vehicle from such dealer.
 698 Such dealer shall promptly pay to such purchaser any refund received by the dealer which
 699 is owed to the purchaser, and in any event, such payment shall be made no later than ten
 700 days following the receipt of such refund by the dealer."

701 **SECTION 2.**

702 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is
 703 amended by revising subsection (b) of Code Section 40-2-8, relating to the operation of
 704 unregistered vehicles, as follows:

705 "(b)(1) Any vehicle operated in the State of Georgia which is required to be registered
 706 and which does not have attached to the rear thereof a numbered license plate and current
 707 revalidation decal affixed to a corner or corners of the license plate as designated by the
 708 commissioner, if required, shall be stored at the owner's risk and expense by any law
 709 enforcement officer of the State of Georgia, unless such operation is otherwise permitted
 710 by this chapter.

711 (2)(A) It shall be a misdemeanor to operate any vehicle required to be registered in the
 712 State of Georgia without a valid numbered license plate properly validated, unless such
 713 operation is otherwise permitted under this chapter; and provided, further, that the
 714 purchaser of a new vehicle or a used vehicle from a dealer of new or used motor
 715 vehicles who displays a temporary plate issued as provided by subparagraph (B) of this
 716 paragraph may operate such vehicle on the public highways and streets of this state
 717 without a current valid license plate during the period within which the purchaser is
 718 required by Code Section 40-2-20. An owner acquiring a motor vehicle from an entity

719 that is not a new or used vehicle dealer shall register such vehicle as provided for in
 720 Code Section 40-2-29 unless such vehicle is to be registered under the International
 721 Registration Plan pursuant to Article 3A of this chapter.

722 (B)(i) Any dealer of new or used motor vehicles shall issue to the purchaser of a
 723 vehicle at the time of sale thereof, unless such vehicle is to be registered under the
 724 International Registration Plan, a temporary plate as provided for by department rules
 725 or regulations which may bear the dealer's name and location and shall bear ~~the~~ an
 726 expiration date 45 days from the date of purchase ~~of the period within which the~~
 727 ~~purchaser is required by Code Section 40-2-20 to register such vehicle.~~ The
 728 expiration date of such a temporary plate may be revised and extended by the county
 729 tag agent upon application by the dealer, the purchaser, or the transferee if an
 730 extension of the purchaser's initial registration period has been granted as provided
 731 by Code Section 40-2-20. Such temporary plate shall not resemble a license plate
 732 issued by this state and shall be issued without charge or fee. The requirements of
 733 this subparagraph ~~do~~ shall not apply to a dealer whose primary business is the sale of
 734 salvage motor vehicles and other vehicles on which total loss claims have been paid
 735 by insurers.

736 (ii) All temporary plates issued by dealers to purchasers of vehicles shall be of a
 737 standard design prescribed by regulation promulgated by the department. The
 738 department may provide by rule or regulation for the sale and distribution of such
 739 temporary plates by third parties in accordance with paragraph (3) of this subsection.

740 (3) All sellers and distributors of temporary license plates shall maintain an inventory
 741 record of temporary license plates by number and name of the dealer.

742 (4) The purchaser and operator of a vehicle shall not be subject to the penalties set forth
 743 in this Code section during the period allowed for the registration of such vehicle. If the
 744 owner of such vehicle presents evidence that such owner has properly applied for the
 745 registration of such vehicle, but that the license plate or revalidation decal has not been
 746 delivered to such owner, then the owner shall not be subject to the penalties enumerated
 747 in this subsection."

748 SECTION 3.

749 Said title is further amended by revising subparagraph (a)(1)(A) of Code Section 40-2-20,
 750 relating to registration and license requirements, extension of registration period, and
 751 penalties, and by adding a new subsection to read as follows:

752 "(a)(1)(A) Except as provided in subsection (b) or (d) of this Code section and
 753 subsection (a) of Code Section 40-2-47, every owner of a motor vehicle, including a
 754 tractor or motorcycle, and every owner of a trailer shall, during the owner's registration

755 period in each year, register such vehicle as provided in this chapter and obtain a
756 license to operate it for the 12 month period until such person's next registration
757 period."

758 "(d) Upon the payment of the requisite fee, the owner of a passenger car for which the
759 owner has paid state and local title ad valorem taxes may choose to register such passenger
760 car for a period of two, three, four, or five years instead of the annual registration provided
761 for in this Code section."

762 **SECTION 4.**

763 Said chapter is further amended by revising subsection (c) of Code Section 40-2-29, relating
764 to registration and license plate requirement, license fee to accompany application, temporary
765 operating permit, and penalties, as follows:

766 "(c) A person unable to fully comply with the requirements of subsection (a) of this Code
767 section shall register such vehicle and receive a temporary operating permit that will be
768 valid until the end of the initial registration period as provided for in paragraph (.1) of
769 subsection (a) of Code Section 40-2-21. The commissioner may provide by rule or
770 regulation for one 30 day extension of such initial registration period which may be granted
771 by the county tag agent if the transferor has not provided such purchaser or other transferee
772 owner with a title to the motor vehicle more than five business days prior to the expiration
773 of such initial registration period. The county tag agent shall grant an extension of the
774 initial registration period when the transferor, purchaser, or transferee can demonstrate by
775 affidavit in a form provided by the commissioner that title has not been provided to the
776 purchaser or transferee due to the failure of a security interest or lienholder to timely
777 release a security interest or lien in accordance with Code Section 40-3-56."

778 **SECTION 5.**

779 Said chapter is further amended by revising Code Section 40-2-151, relating to annual license
780 fees for operation of vehicles and fee for permanent licensing of certain trailers, by adding
781 a new subsection to read as follows:

782 "(c) The fee for a passenger car for which the owner has paid state and local title ad
783 valorem taxes and that is being registered as provided in subsection (d) of Code
784 Section 40-2-20 shall be:

- 785 (1) For a two-year registration period \$38.00
- 786 (2) For a three-year registration period 57.00
- 787 (3) For a four-year registration period 75.00
- 788 (4) For a five-year registration period 90.00"

789 **SECTION 6.**

790 Said title is further amended by revising Code Section 40-3-21, relating to the application for
 791 the first certificate of title, as follows:

792 "40-3-21.

793 (a) The application for the first certificate of title of a vehicle in this state shall be to made
 794 ~~by the owner to the commissioner or the commissioner's duly authorized county tag agent~~
 795 on the prescribed form. Except as provided in subsection (b) of this Code section, the
 796 application ~~must~~ shall be submitted to ~~the commissioner or the~~ appropriate authorized
 797 county tag agent by the owner of the vehicle within 30 days from the date of purchase of
 798 the vehicle or from the date the owner is otherwise required by law to register the vehicle
 799 in this state. If the owner does not submit the application within that time, the owner of the
 800 vehicle shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee
 801 provided for by this chapter. If the documents submitted in support of the title application
 802 are rejected, the party submitting the documents shall have 60 days from the date of
 803 rejection to resubmit the documents required by ~~the commissioner or the~~ authorized county
 804 tag agent for the issuance of a certificate of title. Should the documents not be properly
 805 resubmitted within the 60 day period, there shall be an additional \$10.00 penalty assessed,
 806 and the owner of the vehicle shall be required to remove immediately the license plate of
 807 the vehicle and return same to ~~the commissioner or the~~ authorized county tag agent. The
 808 license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth day
 809 following the initial rejection of the documents submitted, if the documents have not been
 810 resubmitted as required under this subsection. Such application shall contain:

- 811 (1) The full legal name, driver's license number, residence, and mailing address of the
 812 owner;
- 813 (2) A description of the vehicle, including, so far as the following data exist: its make,
 814 model, identifying number, type of body, the number of cylinders, and whether new,
 815 used, or a demonstrator and, for a manufactured home, the manufacturer's statement or
 816 certificate of origin and the full serial number for all manufactured homes sold in this
 817 state on or after July 1, 1994;
- 818 (3) The date of purchase by the applicant and, except as provided in paragraph (2) of
 819 subsection (c) of this Code section, the name and address of the person from whom the
 820 vehicle was acquired and the names and addresses of the holders of all security interests
 821 and liens in order of their priority; and
- 822 (4) Any further information the ~~commissioner~~ authorized county tag agent reasonably
 823 requires to identify the vehicle and to enable ~~the commissioner or the~~ authorized county
 824 tag agent to determine whether the owner is entitled to a certificate of title and the
 825 existence or nonexistence of security interests in the vehicle and liens on the vehicle.

826 (b)(1) As used in this subsection, the term 'digital signature' means a digital or electronic
 827 method executed or adopted by a party with the intent to be bound by or to authenticate
 828 a record, which is unique to the person using it, is capable of verification, is under the
 829 sole control of the person using it, and is linked to data in such a manner that if the data
 830 are changed, the digital or electronic signature is invalidated.

831 (2) If the application refers to a vehicle purchased from a dealer, it shall contain the name
 832 and address of the holder of any security interest created or reserved at the time of the
 833 sale by the dealer. The application shall be signed by the owner and, unless the dealer's
 834 signature appears on the certificate of title or manufacturer's statement of origin submitted
 835 in support of the title application, the dealer, provided that as an alternative to a
 836 handwritten signature, the commissioner may authorize use of a digital signature as so
 837 long as appropriate security measures are implemented which assure security and
 838 verification of the digital signature process, in accordance with regulations promulgated
 839 by the commissioner. The dealer shall promptly mail, or deliver, or electronically submit
 840 the application to ~~the commissioner or the county tag agent of the county in which the~~
 841 ~~seller is located, of the county in which the sale takes place, of the county tag agent where~~
 842 the vehicle will be registered in which the vehicle is delivered, or of the county wherein
 843 ~~the vehicle owner resides so as to have the application submitted to the commissioner or~~
 844 ~~such authorized county tag agent~~ within 30 days from the date of the sale of the vehicle.
 845 If the application is not submitted within that time, the dealer, or in nondealer sales the
 846 transferee, shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee
 847 paid by the transferee provided for in this chapter. If the documents submitted in support
 848 of the title application are rejected, the dealer submitting the documents shall have 60
 849 days from the date of initial rejection to resubmit the documents required by the
 850 ~~commissioner or~~ authorized county tag agent for the issuance of a certificate of title.
 851 Should the documents not be properly resubmitted within 60 days, there shall be an
 852 additional penalty of \$10.00 assessed against the dealer. The willful failure of a dealer
 853 to obtain a certificate of title for a purchaser shall be grounds for suspension or revocation
 854 of the dealer's state issued license and registration for the sale of motor vehicles.

855 (c)(1) If the application refers to a vehicle last previously registered in another state or
 856 country, the application shall contain or be accompanied by:

- 857 (A) Any certificate of title issued by the other state or country; and
- 858 (B) Any other information and documents the ~~commissioner or~~ authorized county tag
 859 agent reasonably requires to establish the ownership of the vehicle and the existence or
 860 nonexistence of security interests in it and liens against it.

861 (2) If the application refers to a vehicle last previously registered in another state and if
 862 the applicant is the last previously registered owner in such state, the application need not
 863 contain the name and address of the person from whom the vehicle was acquired."

864 **SECTION 7.**

865 Said title is further amended by revising subsection (b) of Code Section 40-3-32, relating to
 866 the transfer of vehicles, as follows:

867 "(b) Except as provided in Code Section 40-3-33, the transferee, promptly after delivery
 868 to him or her of the vehicle and certificate of title, shall execute the application for a new
 869 certificate of title on the form the commissioner prescribes and cause the application and
 870 the certificate of title to be mailed or delivered to the ~~commissioner or his appropriate~~
 871 authorized county tag agent in the county where the vehicle will be registered together with
 872 the application for change of registration for the vehicle, so that the title application shall
 873 be received within 30 days from the date of the transfer of the vehicle. If the title
 874 application is not received within that time, the owner shall be required to pay a penalty of
 875 \$10.00 in addition to the ordinary title fee provided for by this chapter. If the documents
 876 submitted in support of the title application are rejected, the party submitting the
 877 documents shall have 60 days from the date of initial rejection to resubmit the documents
 878 required by the ~~commissioner~~ authorized county tag agent for the issuance of title. If the
 879 documents are not properly resubmitted within 60 days, there shall be an additional \$10.00
 880 penalty assessed, and the owner of the vehicle shall be required to remove immediately the
 881 license plate of the vehicle and return same to the ~~commissioner~~ authorized county tag
 882 agent. The license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth
 883 day following the initial rejection of the documents, if the documents have not been
 884 resubmitted as required under this subsection."

885 **SECTION 8.**

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