

The Senate Finance Committee offered the following substitute to HB 729:

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 fees of the tag agent; to provide for the promulgation of a
7 standardized form; to provide for the submission of title applications and title ad valorem tax
8 fees by dealers; to provide for penalties for failure to submit title applications and title ad
9 valorem tax fees timely; to provide for certain refunds; to provide for transfers as a result of
10 a divorce decree or court order; to amend Title 40 of the Official Code of Georgia Annotated,
11 relating to motor vehicles and traffic, so as to provide for an expiration period for temporary
12 license plates; to require that applications be submitted to the county where the vehicle will
13 be registered; to provide for extensions of the registration period under certain circumstances;
14 to provide for related matters; to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

21 "48-5C-1.

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

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

24 (A) For a used motor vehicle, the average of the current fair market value and the
25 current wholesale value of a motor vehicle for a vehicle listed in the current motor
26 vehicle ad valorem assessment manual utilized by the state revenue commissioner and
27 based upon a nationally recognized motor vehicle industry pricing guide for fair market

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

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

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

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

63 (D) In the case of a kit car which is assembled by the purchaser from parts supplied by
 64 a manufacturer, the greater of the retail selling price of the kit or the average of the

65 current fair market value and the current wholesale value of the motor vehicle if listed
 66 in the current motor vehicle ad valorem assessment manual utilized by the state revenue
 67 commissioner and based upon a nationally recognized motor vehicle industry pricing
 68 guide for fair market and wholesale market values in determining the taxable value of
 69 a motor vehicle under Code Section 48-5-442. A kit car shall not include a rebuilt or
 70 salvage vehicle.

71 Upon written application and supporting documentation submitted by an applicant under
 72 this Code section, a county tag agent may deviate from the fair market value as defined
 73 in subparagraph (A) or (B) of this paragraph based upon mileage and condition of the
 74 used vehicle. Supporting documentation may include, but shall not be limited to, bill of
 75 sale, odometer statement, and values from reputable pricing guides. The fair market
 76 value as determined by the county tag agent pursuant to this paragraph shall be
 77 appealable as provided in subsection (e) of this Code section.

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

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

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

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

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

96 (7) 'Trade-in value' means the fair market value of the motor vehicle, as defined in
 97 paragraph (1) of this subsection, ~~as stated in the bill of sale for a vehicle~~ which has been
 98 traded in to the dealer in a transaction involving the purchase of another vehicle from the
 99 dealer. ~~When a lessor receives a motor vehicle which was returned to the lessor by a~~
 100 lessee and the lessor utilizes such vehicle as a trade-in in the purchase of another motor
 101 vehicle to be leased to the same or a different lessee, such lessor shall receive a reduction

102 for the trade-in value of such trade-in vehicle in determining the fair market value of the
103 vehicle being purchased.

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

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

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

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

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

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

126 (V) 'State current collection amount' means the total amount of sales and use taxes
127 on the sale of motor vehicles under Chapter 8 of this title and motor vehicle state ad
128 valorem tax proceeds under this Code section and Chapter 5 of this title which were
129 collected during the calendar year which immediately precedes the tax year in
130 which the state and local title ad valorem tax rate is to be reviewed for adjustment
131 under division (xiv) of this subparagraph. Notwithstanding the other provisions of
132 this subdivision to the contrary, the term 'state current collection amount' for
133 the 2014 calendar year for the purposes of the 2015 review under division (xiv) of
134 this subparagraph shall be adjusted so that such amount is equal to the amount of
135 motor vehicle state ad valorem tax proceeds that would have been collected under
136 this Code section in 2014 if the combined state and local title ad valorem tax rate
137 was 7 percent of the fair market value of the motor vehicle less any trade-in value

138 plus the total amount of motor vehicle state ad valorem tax proceeds collected under
139 Chapter 5 of this title during 2014.

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

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

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

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

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

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

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

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

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

167 (vii) For the 2017 tax year, except as otherwise provided in divisions (xiii) and (xiv)
168 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 44 percent
169 of the tax rate specified in division (ii) of this subparagraph, and the local title ad
170 valorem tax shall be at a rate equal to 56 percent of the tax rate specified in
171 division (ii) of this subparagraph.

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

175 tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this
176 subparagraph.

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

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

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

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

198 (xiii) Beginning in 2016, by not later than January 15 of each tax year through
199 the 2022 tax year, the state revenue commissioner shall determine the local target
200 collection amount and the local current collection amount for the preceding calendar
201 year. If such local current collection amount is equal to or within 1 percent of the
202 local target collection amount, then the state title ad valorem tax rate and the local title
203 ad valorem tax rate for such tax year shall remain at the rate specified in this
204 subparagraph for that year. If the local current collection amount is more than 1
205 percent greater than the local target collection amount, then the local title ad valorem
206 tax rate for such tax year shall be reduced automatically by operation of this division
207 by such percentage amount as may be necessary so that, if such rate had been in effect
208 for the calendar year under review, the local current collection amount would have
209 produced an amount equal to the local target collection amount, and the state title ad
210 valorem tax rate for such tax year shall be increased by an equal amount to maintain
211 the combined state and local title ad valorem tax rate at the rate specified in division

212 (ii) of this subparagraph. If the local current collection amount is more than 1 percent
 213 less than the local target collection amount, then the local title ad valorem tax rate for
 214 such tax year shall be increased automatically by operation of this division by such
 215 percentage amount as may be necessary so that, if such rate had been in effect for the
 216 calendar year under review, the local current collection amount would have produced
 217 an amount equal to the local target collection amount, and the state title ad valorem
 218 tax rate for such tax year shall be reduced by an equal amount to maintain the
 219 combined state and local title ad valorem tax rate at the rate specified in division (ii)
 220 of this subparagraph. In the event of an adjustment of such ad valorem tax rates, by
 221 not later than January 31 of such tax year, the state revenue commissioner shall notify
 222 the tax commissioner of each county in this state of the adjusted rate amounts. The
 223 effective date of such adjusted rate amounts shall be January 1 of such tax year.

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

249 Notwithstanding the provisions of this division, the combined state and local title ad
250 valorem tax rate shall not exceed 9 percent.

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

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

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

280 (E) Except in the case in which an extension of the registration period has been granted
281 by the county tag agent under Code Section 40-2-20, a dealer of new or used motor
282 vehicles that ~~accepts~~ makes an application for title and collects state and local title ad
283 valorem tax fees from a purchaser of a new or used motor vehicle and does not submit
284 or, in the case of an electronic title transaction, finalize such application for title and
285 remit such state and local title ad valorem tax fees to the county tag agent within 30

286 days following the date of purchase shall be liable to the county tag agent for an amount
 287 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An
 288 additional penalty equal to 10 percent of the amount of such state and local title ad
 289 valorem tax fees shall be imposed if such payment is not transmitted within 60 days
 290 following the date of purchase. An additional penalty equal to 15 percent of the amount
 291 of such state and local title ad valorem tax fees shall be imposed if such payment is not
 292 transmitted within 90 days following the date of purchase, and an additional penalty
 293 equal to 20 percent of the amount of such state and local title ad valorem tax fees shall
 294 be imposed if such payment is not transmitted within 120 days following the date of
 295 purchase. An additional penalty equal to 25 percent of the amount of such state and
 296 local title ad valorem tax fees shall be imposed for each subsequent 30 day period in
 297 which the payment is not transmitted. In addition, any such dealer of used motor
 298 vehicles who fails to make the application for title and submit or, in the case of an
 299 electronic title transaction, finalize such application for title and remit such state and
 300 local title ad valorem tax fees to the county tag agent within 30 days following the date
 301 of purchase shall also be subject to civil fines not to exceed \$500.00 per transaction,
 302 and such failure may be the basis for the revocation or suspension of such dealer's
 303 license under Chapter 47 of Title 43.

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

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

315 (c)(1) The amount of proceeds collected by tag agents each month as state and local title
 316 ad valorem tax fees, state salvage title ad valorem tax fees, administrative fees, penalties,
 317 and interest pursuant to subsection (b) of this Code section shall be allocated and
 318 disbursed as provided in this subsection.

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

321 (A) State title ad valorem tax fees, state salvage title ad valorem tax fees,
 322 administrative fees, penalties, and interest shall be remitted to the state revenue

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

330 (B) Local title ad valorem tax fees, administrative fees, penalties, and interest shall be
 331 designated as local government ad valorem tax funds. The tag agent shall then
 332 distribute the proceeds as specified in paragraph (3) of this subsection, less an amount
 333 to be retained by the tag agent not to exceed 1 percent of the total amount otherwise
 334 required to be distributed under this subparagraph to defray the cost of administration.
 335 Such retained amount shall be remitted to the collecting county's general fund. Failure
 336 by the tag agent to disburse within such 20 day period shall result in a forfeiture of such
 337 administrative fee plus interest on such amount at the rate specified in Code
 338 Section 48-2-40.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

488 (3) Any individual who:

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

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

493 shall only be required to pay state and local title ad valorem tax fees in the amount of 50
494 percent of the amount which would otherwise be due and payable under this subsection
495 at the time of filing the application for a certificate of title, and the remaining 50 percent
496 shall be paid within 12 months.

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

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

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

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

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

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

530 (9) Any owner of any motor vehicle who fails to submit within 30 days of the date such
531 owner is required by law to register such vehicle in this state an application for a first
532 certificate of title under Code Section 40-3-21 or a certificate of title under Code
533 Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the state
534 title ad valorem tax fees and 10 percent of the local title ad valorem tax fees required
535 under this Code section, and; if such state and local title ad valorem tax fees and the
536 penalty are not paid within 60 days following the date such owner is required by law to
537 register such vehicle, interest at the rate of 1.0 percent per month shall be imposed on the
538 state and local title ad valorem tax fees due under this Code section, unless a temporary
539 permit has been issued by the tax commissioner. The tax commissioner shall grant a
540 temporary permit in the event the failure to timely apply for a first certificate of title is
541 due to the failure of a lienholder to comply with Code Section 40-3-56, regarding release
542 of a security interest or lien, and no penalty or interest shall be assessed. Such penalty

543 and interest shall be in addition to the penalty and fee required under Code
544 Section 40-3-21 or 40-3-32, as applicable.

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

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

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

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

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

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

568 (11)(A) In the case of rental motor vehicles owned by a rental motor vehicle concern,
569 the state title ad valorem tax fee shall be in an amount equal to .625 percent of the fair
570 market value of the motor vehicle, and the local title ad valorem tax fee shall be in an
571 amount equal to .625 percent of the fair market value of the motor vehicle, but only if
572 in the immediately prior calendar year the average amount of sales and use tax
573 attributable to the rental charge of each such rental motor vehicle was at least \$400.00
574 as certified by the state revenue commissioner. If, in the immediately prior calendar
575 year, the average amount of sales and use tax attributable to the rental charge of each
576 such rental motor vehicle was not at least \$400.00, this paragraph shall not apply and
577 such vehicles shall be subject to the state and local title ad valorem tax fees prescribed
578 in division (b)(1)(B)(ii) of this Code section.

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

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

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

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

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

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

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

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

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

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

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

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

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

629 (G) The obtaining of a title by and in the name of the holder of a security interest when
630 a motor vehicle has been repossessed after default in accordance with Part 6 of Article
631 9 of Title 11 if such title is to be issued in the name of such security interest holder;

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

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

639 (16) It shall be unlawful for a person, including a dealer of new or used motor vehicles
640 under subparagraph (b)(1)(C) of this Code section, to fail to obtain a title for and register
641 a motor vehicle in accordance with the provisions of this chapter. Any person, including
642 a dealer of new or used motor vehicles under subparagraph (b)(1)(C) of this Code section,
643 who knowingly and willfully fails to obtain a title for or register a motor vehicle in
644 accordance with the provisions of this chapter shall be guilty of a misdemeanor of a high
645 and aggravated nature.

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

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

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

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

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

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

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

697

SECTION 2.

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

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

707 (2)(A) It shall be a misdemeanor to operate any vehicle required to be registered in the
 708 State of Georgia without a valid numbered license plate properly validated, unless such
 709 operation is otherwise permitted under this chapter; and provided, further, that the
 710 purchaser of a new vehicle or a used vehicle from a dealer of new or used motor
 711 vehicles who displays a temporary plate issued as provided by subparagraph (B) of this
 712 paragraph may operate such vehicle on the public highways and streets of this state
 713 without a current valid license plate during the period within which the purchaser is
 714 required by Code Section 40-2-20. An owner acquiring a motor vehicle from an entity
 715 that is not a new or used vehicle dealer shall register such vehicle as provided for in
 716 Code Section 40-2-29 unless such vehicle is to be registered under the International
 717 Registration Plan pursuant to Article 3A of this chapter.

718 (B)(i) Any dealer of new or used motor vehicles shall issue to the purchaser of a
 719 vehicle at the time of sale thereof, unless such vehicle is to be registered under the
 720 International Registration Plan, a temporary plate as provided for by department rules
 721 or regulations which may bear the dealer's name and location and shall bear ~~the an~~ an
 722 expiration date 45 days from the date of purchase ~~of the period within which the~~

723 ~~purchaser is required by Code Section 40-2-20 to register such vehicle.~~ The
 724 expiration date of such a temporary plate may be revised and extended by the county
 725 tag agent upon application by the dealer, the purchaser, or the transferee if an
 726 extension of the purchaser's initial registration period has been granted as provided
 727 by Code Section 40-2-20. Such temporary plate shall not resemble a license plate
 728 issued by this state and shall be issued without charge or fee. The requirements of
 729 this subparagraph ~~do~~ shall not apply to a dealer whose primary business is the sale of
 730 salvage motor vehicles and other vehicles on which total loss claims have been paid
 731 by insurers.

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

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

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

744 SECTION 3.

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

748 "(c) A person unable to fully comply with the requirements of subsection (a) of this Code
 749 section shall register such vehicle and receive a temporary operating permit that will be
 750 valid until the end of the initial registration period as provided for in paragraph (.1) of
 751 subsection (a) of Code Section 40-2-21. The commissioner may provide by rule or
 752 regulation for one 30 day extension of such initial registration period which may be granted
 753 by the county tag agent if the transferor has not provided such purchaser or other transferee
 754 owner with a title to the motor vehicle more than five business days prior to the expiration
 755 of such initial registration period. The county tag agent shall grant an extension of the
 756 initial registration period when the transferor, purchaser, or transferee can demonstrate by
 757 affidavit in a form provided by the commissioner that title has not been provided to the

758 purchaser or transferee due to the failure of a security interest or lienholder to timely
 759 release a security interest or lien in accordance with Code Section 40-3-56."

760 **SECTION 4.**

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

763 "40-3-21.

764 (a) The application for the first certificate of title of a vehicle in this state shall be to made
 765 by the owner to the commissioner or the commissioner's duly authorized county tag agent
 766 on the prescribed form. Except as provided in subsection (b) of this Code section, the
 767 application ~~must~~ shall be submitted to ~~the commissioner~~ or the appropriate authorized
 768 county tag agent by the owner of the vehicle within 30 days from the date of purchase of
 769 the vehicle or from the date the owner is otherwise required by law to register the vehicle
 770 in this state. If the owner does not submit the application within that time, the owner of the
 771 vehicle shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee
 772 provided for by this chapter. If the documents submitted in support of the title application
 773 are rejected, the party submitting the documents shall have 60 days from the date of
 774 rejection to resubmit the documents required by ~~the commissioner~~ or the authorized county
 775 tag agent for the issuance of a certificate of title. Should the documents not be properly
 776 resubmitted within the 60 day period, there shall be an additional \$10.00 penalty assessed,
 777 and the owner of the vehicle shall be required to remove immediately the license plate of
 778 the vehicle and return same to ~~the commissioner~~ or the authorized county tag agent. The
 779 license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth day
 780 following the initial rejection of the documents submitted, if the documents have not been
 781 resubmitted as required under this subsection. Such application shall contain:

782 (1) The full legal name, driver's license number, residence, and mailing address of the
 783 owner;

784 (2) A description of the vehicle, including, so far as the following data exist: its make,
 785 model, identifying number, type of body, the number of cylinders, and whether new,
 786 used, or a demonstrator and, for a manufactured home, the manufacturer's statement or
 787 certificate of origin and the full serial number for all manufactured homes sold in this
 788 state on or after July 1, 1994;

789 (3) The date of purchase by the applicant and, except as provided in paragraph (2) of
 790 subsection (c) of this Code section, the name and address of the person from whom the
 791 vehicle was acquired and the names and addresses of the holders of all security interests
 792 and liens in order of their priority; and

793 (4) Any further information the ~~commissioner~~ authorized county tag agent reasonably
 794 requires to identify the vehicle and to enable ~~the commissioner~~ or the authorized county
 795 tag agent to determine whether the owner is entitled to a certificate of title and the
 796 existence or nonexistence of security interests in the vehicle and liens on the vehicle.

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

802 (2) If the application refers to a vehicle purchased from a dealer, it shall contain the name
 803 and address of the holder of any security interest created or reserved at the time of the
 804 sale by the dealer. The application shall be signed by the owner and, unless the dealer's
 805 signature appears on the certificate of title or manufacturer's statement of origin submitted
 806 in support of the title application, the dealer, provided that as an alternative to a
 807 handwritten signature, the commissioner may authorize use of a digital signature ~~as so~~
 808 long as appropriate security measures are implemented which assure security and
 809 verification of the digital signature process, in accordance with regulations promulgated
 810 by the commissioner. The dealer shall ~~promptly mail, or deliver, or electronically submit~~
 811 the application to ~~the commissioner or the county tag agent of the county in which the~~
 812 ~~seller is located, of the county in which the sale takes place, of the county tag agent where~~
 813 ~~the vehicle will be registered in which the vehicle is delivered, or of the county wherein~~
 814 ~~the vehicle owner resides so as to have the application submitted to the commissioner or~~
 815 ~~such authorized county tag agent~~ within 30 days from the date of the sale of the vehicle.
 816 If the application is not submitted within that time, the dealer, or in nondealer sales the
 817 transferee, shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee
 818 paid by the transferee provided for in this chapter. If the documents submitted in support
 819 of the title application are rejected, the dealer submitting the documents shall have 60
 820 days from the date of initial rejection to resubmit the documents required by the
 821 ~~commissioner~~ or authorized county tag agent for the issuance of a certificate of title.
 822 Should the documents not be properly resubmitted within 60 days, there shall be an
 823 additional penalty of \$10.00 assessed against the dealer. The willful failure of a dealer
 824 to obtain a certificate of title for a purchaser shall be grounds for suspension or revocation
 825 of the dealer's state issued license and registration for the sale of motor vehicles.

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

828 (A) Any certificate of title issued by the other state or country; and

829 (B) Any other information and documents the ~~commissioner~~ or authorized county tag
 830 agent reasonably requires to establish the ownership of the vehicle and the existence or
 831 nonexistence of security interests in it and liens against it.

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

835 **SECTION 5.**

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

838 "(b) Except as provided in Code Section 40-3-33, the transferee, promptly after delivery
 839 to him or her of the vehicle and certificate of title, shall execute the application for a new
 840 certificate of title on the form the commissioner prescribes and cause the application and
 841 the certificate of title to be mailed or delivered to the ~~commissioner~~ or ~~his~~ appropriate
 842 authorized county tag agent in the county where the vehicle will be registered together with
 843 the application for change of registration for the vehicle, so that the title application shall
 844 be received within 30 days from the date of the transfer of the vehicle. If the title
 845 application is not received within that time, the owner shall be required to pay a penalty of
 846 \$10.00 in addition to the ordinary title fee provided for by this chapter. If the documents
 847 submitted in support of the title application are rejected, the party submitting the
 848 documents shall have 60 days from the date of initial rejection to resubmit the documents
 849 required by the ~~commissioner~~ authorized county tag agent for the issuance of title. If the
 850 documents are not properly resubmitted within 60 days, there shall be an additional \$10.00
 851 penalty assessed, and the owner of the vehicle shall be required to remove immediately the
 852 license plate of the vehicle and return same to the ~~commissioner~~ authorized county tag
 853 agent. The license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth
 854 day following the initial rejection of the documents, if the documents have not been
 855 resubmitted as required under this subsection."

856 **SECTION 6.**

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