

House Bill 156

By: Representatives Rice of the 95th, Powell of the 32nd, 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 fees of the tag agent; to provide for the
6 promulgation of a standardized form; to provide for the submission of title applications and
7 title ad valorem tax fees by dealers; to provide for penalties for failure to submit title
8 applications and title ad valorem tax fees timely; to provide for certain refunds; to provide
9 for transfers as a result of a divorce decree or court order; to amend Title 40 of the Official
10 Code of Georgia Annotated, relating to motor vehicles and traffic, so as to provide for an
11 expiration period for temporary license plates; to require that applications be submitted to
12 the county where the vehicle will be registered; to provide for extensions of the registration
13 period under certain circumstances; to provide for conditional titles for certain motor
14 vehicles; to provide for related matters; to repeal conflicting laws; and for other purposes.

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

16 **SECTION 1.**

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

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

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

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

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

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

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

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

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

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

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

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

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

- 136 (VI) 'State target collection amount' means an amount equal to the state base
137 amount added to the product of 2 percent of the state base amount multiplied by the
138 number of years since 2012.
- 139 (ii) The combined state and local title ad valorem tax shall be at a rate equal to:
140 (I) For the period commencing March 1, 2013, through December 31, 2013, 6.5
141 percent of the fair market value of the motor vehicle;
142 (II) For the 2014 tax year, 6.75 percent of the fair market value of the motor
143 vehicle; and
144 (III) Except as provided in division (xiv) of this subparagraph, for the 2015 and
145 subsequent tax years, 7 percent of the fair market value of the motor vehicle.
146 (iii) For the period commencing March 1, 2013, through December 31, 2013, the
147 state title ad valorem tax shall be at a rate equal to 57 percent of the tax rate specified
148 in division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate
149 equal to 43 percent of the tax rate specified in division (ii) of this subparagraph.
150 (iv) For the 2014 tax year, the state title ad valorem tax shall be at a rate equal to 55
151 percent of the tax rate specified in division (ii) of this subparagraph, and the local title
152 ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in
153 division (ii) of this subparagraph.
154 (v) For the 2015 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 (vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this
159 subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of
160 the tax rate specified in division (ii) of this subparagraph, and the local title ad
161 valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in division
162 (ii) of this subparagraph.
163 (vii) For the 2017 tax year, except as otherwise provided in divisions (xiii) and (xiv)
164 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 44 percent
165 of the tax rate specified in division (ii) of this subparagraph, and the local title ad
166 valorem tax shall be at a rate equal to 56 percent of the tax rate specified in division
167 (ii) of this subparagraph.
168 (viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this
169 subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the
170 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
171 tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this
172 subparagraph.

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

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

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

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

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

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

(xiv) In tax years 2015, 2018, and 2022, by not later than July 1 of each such tax year, the state revenue commissioner shall determine the state target collection amount and the state current collection amount for the preceding calendar year. If such state current collection amount is greater than, equal to, or within 1 percent of the state target collection amount after making the adjustment, if any, required in division (xiii) of this subparagraph, then the combined state and local title ad valorem tax rate provided in division (ii) of this subparagraph shall remain at the rate specified in such division. If the state current collection amount is more than 1 percent less than the state target collection amount after making the adjustment, if any, required by division (xiii) of this subparagraph, then the combined state and local title ad valorem tax rate provided in division (ii) of this subparagraph shall be increased automatically by operation of this division by such percentage amount as may be necessary so that, if such rate had been in effect for the calendar year under review, the state current collection amount would have produced an amount equal to the state target collection amount, and the state title ad valorem tax rate and the local title ad valorem tax rate for the tax year in which such increase in the combined state and local title ad valorem tax rate shall become effective shall be adjusted from the rates specified in this subparagraph ~~or division (xiii) of this subparagraph~~ for such tax year such that the proceeds from such increase in the combined state and local title ad valorem tax rate shall be allocated in full to the state. In the event of an adjustment of the combined state and local title ad valorem tax rate, by not later than August 31 of such tax year, the state revenue commissioner shall notify the tax commissioner of each county in this state of the adjusted combined state and local title ad valorem tax rate for the next calendar year. The effective date of such adjusted combined state and local title ad valorem tax rate shall be January 1 of the next calendar year. Notwithstanding the provisions of this division, the combined state and local title ad valorem tax rate shall not exceed 9 percent.

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

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

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

276 (E) Except in the case in which an extension of the registration period has been granted
277 by the county tag agent under Code Section 40-2-20, a dealer of new or used motor
278 vehicles that ~~accepts~~ makes an application for title and collects state and local title ad
279 valorem tax fees from a purchaser of a new or used motor vehicle and does not submit
280 or, in the case of an electronic title transaction, finalize such application for title and
281 remit such state and local title ad valorem tax fees to the county tag agent within 30
282 days following the date of purchase shall be liable to the county tag agent for an amount
283 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An

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

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

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

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

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

(A) State title ad valorem tax fees, state salvage title ad valorem tax fees, administrative fees, penalties, and interest shall be remitted to the state revenue commissioner who shall deposit such proceeds in the general fund of the state less an amount to be retained by the tag agent not to exceed 1 percent of the total amount

otherwise required to be remitted under this subparagraph to defray the cost of administration. Such retained amount shall be remitted to the collecting county's general fund. Failure by the tag agent to disburse within such 20 day period shall result in a forfeiture of such administrative fee plus interest on such amount at the rate specified in Code Section 48-2-40; and

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

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

(A) The tag agent of the county shall within 20 days following the end of each calendar month allocate and distribute to the county governing authority and to municipal governing authorities, the board of education of the county school district, and the board of education of any independent school district located in such county an amount of those proceeds necessary to offset any reduction in ad valorem tax on motor vehicles collected under Chapter 5 of this title in the taxing jurisdiction of each governing authority and school district from the amount of ad valorem taxes on motor vehicles collected under Chapter 5 of this title in each such governing authority and school district during the same calendar month of 2012. This reduction shall be calculated by subtracting the amount of ad valorem tax on motor vehicles collected under Chapter 5 of this title in each such taxing jurisdiction from the amount of ad valorem tax on motor vehicles collected under Chapter 5 of this title in that taxing jurisdiction in the same calendar month of 2012. In the event that the local title ad valorem tax fee proceeds are insufficient to fully offset such reduction in ad valorem taxes on motor vehicles, the tag agent shall allocate a proportionate amount of the proceeds to each governing authority and to the board of education of each such school district, and any remaining shortfall shall be paid from the following month's local title ad valorem tax fee proceeds. In the event that a shortfall remains, the tag agent shall continue to first allocate local title ad valorem tax fee proceeds to offset such shortfalls until the shortfall has been fully 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,
475 Paragraph 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.

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

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

502 (6) Motor vehicles owned or leased by or to the state or any county, consolidated
503 government, municipality, county or independent school district, or other government

entity in this state shall not be subject to the state and local title ad valorem tax fees provided for under paragraph (1) of subsection (b) of this Code section; provided, however, that such other government entity shall not qualify for the exclusion under this paragraph unless it is exempt from ad valorem tax and sales and use tax pursuant to general law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

607 (A) The addition or substitution of lienholders on a motor vehicle title so long as the
608 owner of the motor vehicle remains the same;
609 (B) The acquisition of a bonded title by a person or entity pursuant to Code
610 Section 40-3-28 if the title is to be issued in the name of such person or entity;
611 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the
612 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be
613 issued in the name of such lienholder;

- 614 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity
615 pursuant to Chapter 11 of ~~this title~~ Title 40 if such person or entity is a manufacturer
616 or dealer of motor vehicles and the title is to be issued in the name of such person or
617 entity;
- 618 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to
619 Code Section 40-3-43;
- 620 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,
621 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or
622 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,
623 or rebuilder shall submit an affidavit in a form promulgated by the commissioner
624 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or
625 to correct a title only;
- 626 (G) The obtaining of a title by and in the name of the holder of a security interest when
627 a motor vehicle has been repossessed after default in accordance with Part 6 of Article 9
628 of Title 11 if such title is to be issued in the name of such security interest holder;
- 629 (H) The obtaining of a title by a person or entity for purposes of correcting a title,
630 changing an odometer reading, or removing an odometer discrepancy legend, provided
631 that, subject to subparagraph (F) of this paragraph, title is not being transferred to
632 another person or entity; and
- 633 (I) The obtaining of a title by a person who pays state and local title ad valorem tax
634 fees on a motor vehicle and subsequently moves out of this state but returns and applies
635 to retitle such vehicle in this state.

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

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

648 (B) The owner of a 1962 or earlier model year motor vehicle who obtains a conditional
649 title pursuant to Code Section 40-3-21.1 for such motor vehicle shall be authorized to
650 opt in to the provisions of this subsection upon the payment of a state title ad valorem

651 tax fee in an amount equal to .50 percent of the fair market value of such motor vehicle,
652 and a local title ad valorem tax fee in an amount equal to .50 percent of the fair market
653 value of such motor vehicle. Upon certification by the tag agent of compliance with the
654 requirements of this subparagraph, such motor vehicle shall not be subject to ad
655 valorem tax as otherwise required under Chapter 5 of this title in the same manner as
656 otherwise provided in paragraph (1) of subsection (b) of this Code section.

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

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

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

685 (e) The fair market value of any motor vehicle subject to this Code section shall be
686 appealable in the same manner as otherwise authorized for a motor vehicle subject to ad
687 valorem taxation under Code Section 48-5-450; provided, however, that the person

688 appealing the fair market value shall first pay the full amount of the state and local title ad
689 valorem tax prior to filing any appeal. If the appeal is successful, the amount of the tax
690 owed shall be recalculated and, if the amount paid by the person appealing the
691 determination of fair market value is greater than the recalculated tax owed, the person
692 shall be promptly given a refund of the difference.

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

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

703 SECTION 2.

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

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

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

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

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

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

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

SECTION 3.

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

754 "(c) A person unable to fully comply with the requirements of subsection (a) of this Code
755 section shall register such vehicle and receive a temporary operating permit that will be
756 valid until the end of the initial registration period as provided for in paragraph (.1) of
757 subsection (a) of Code Section 40-2-21. The commissioner may provide by rule or
758 regulation for one 30 day extension of such initial registration period which may be granted
759 by the county tag agent if the transferor has not provided such purchaser or other transferee

760 owner with a title to the motor vehicle more than five business days prior to the expiration
761 of such initial registration period. The county tag agent shall grant an extension of the
762 initial registration period when the transferor, purchaser, or transferee can demonstrate by
763 affidavit in a form provided by the commissioner that title has not been provided to the
764 purchaser or transferee due to the failure of a security interest or lienholder to timely
765 release a security interest or lien in accordance with Code Section 40-3-56."

766 **SECTION 4.**

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

769 "40-3-21.

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

- 788 (1) The full legal name, driver's license number, residence, and mailing address of the
789 owner;
- 790 (2) A description of the vehicle, including, so far as the following data exist: its make,
791 model, identifying number, type of body, the number of cylinders, and whether new,
792 used, or a demonstrator and, for a manufactured home, the manufacturer's statement or
793 certificate of origin and the full serial number for all manufactured homes sold in this
794 state on or after July 1, 1994;

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

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

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

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

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

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

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

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

SECTION 5.

Said title is further amended by adding a new Code section to read as follows:

"40-3-21.1.

For a 1962 or earlier model year motor vehicle, the owner of such motor vehicle may apply to the commissioner through the county tag agent for a conditional title for such motor vehicle. The application shall be made under oath on a form prescribed by the commissioner for such purpose. Such form shall require the applicant to provide such information as the commissioner shall determine, including all liens and other encumbrances known to the applicant at the time of application, which the commissioner shall cause to be listed on the conditional title upon its issuance. Upon receipt of the application, the commissioner or the commissioner's duly authorized county tag agent shall file such application and, when satisfied as to its genuineness and regularity and that the applicant is entitled to the issuance of a conditional certificate of title under the provisions of this chapter, shall issue a conditional certificate of title for the motor vehicle. The conditional certificate of title shall be clearly marked as such and shall contain a disclaimer that states that the title may not reflect all liens or other encumbrances affecting the motor vehicle. The commissioner may impose a fee for the issuance of a conditional title which shall not exceed \$20.00. The duly authorized county tag agent shall retain 50 percent of such fee for the general fund of the county and shall transmit the remaining 50 percent to the Department of Revenue for deposit into the state treasury."

SECTION 6.

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

"(b) Except as provided in Code Section 40-3-33, the transferee, promptly after delivery to him or her of the vehicle and certificate of title, shall execute the application for a new certificate of title on the form the commissioner prescribes and cause the application and

the certificate of title to be mailed or delivered to the ~~commissioner~~ or his appropriate authorized county tag agent in the county where the vehicle will be registered together with the application for change of registration for the vehicle, so that the title application shall be received within 30 days from the date of the transfer of the vehicle. If the title application is not received within that time, the owner shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee provided for by this chapter. If the documents submitted in support of the title application are rejected, the party submitting the documents shall have 60 days from the date of initial rejection to resubmit the documents required by the ~~commissioner~~ authorized county tag agent for the issuance of title. If the documents are not properly resubmitted within 60 days, there shall be an additional \$10.00 penalty assessed, and the owner of the vehicle shall be required to remove immediately the license plate of the vehicle and return same to the ~~commissioner~~ authorized county tag agent. The license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth day following the initial rejection of the documents, if the documents have not been resubmitted as required under this subsection."

SECTION 7.

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