

House Bill 156

By: Representatives Rice of the 95<sup>th</sup>, Powell of the 32<sup>nd</sup>, and Oliver of the 82<sup>nd</sup>

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 style="text-align:center">**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

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

392 (IV) If such tax is not currently in effect and a local option sales and use tax for  
393 educational purposes levied pursuant to a local constitutional amendment is

394 currently in effect, such proceeds shall be distributed to the board of education of  
395 the county school district and the board of education of any independent school  
396 district in the same manner as required under ~~that~~ such local constitutional  
397 amendment.

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

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

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

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

428 (IV) If such tax were never in effect, such proceeds shall be distributed in the same  
429 manner as specified under the distribution certificate for the joint county and  
430 municipal sales and use tax under Article 2 of Chapter 8 of this title currently in

431 effect; provided, however, that if such tax under such article is not in effect, such  
432 proceeds shall be distributed to the governing authority of the county and the  
433 governing authority of each qualified municipality located in such county on a pro  
434 rata basis according to the ratio of the population that each such municipality bears  
435 to the population of the entire county.

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

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

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

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

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

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

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

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

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

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

738 (ii) All temporary plates issued by dealers to purchasers of vehicles shall be of a  
 739 standard design prescribed by regulation promulgated by the department. The  
 740 department may provide by rule or regulation for the sale and distribution of such  
 741 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."

### 750 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.

- 832 (c)(1) If the application refers to a vehicle last previously registered in another state or  
 833 country, the application shall contain or be accompanied by:
- 834 (A) Any certificate of title issued by the other state or country; and  
 835 (B) Any other information and documents the ~~commissioner~~ or authorized county tag  
 836 agent reasonably requires to establish the ownership of the vehicle and the existence or  
 837 nonexistence of security interests in it and liens against it.
- 838 (2) If the application refers to a vehicle last previously registered in another state and if  
 839 the applicant is the last previously registered owner in such state, the application need not  
 840 contain the name and address of the person from whom the vehicle was acquired."

#### 841 SECTION 5.

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

843 "40-3-21.1.

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

#### 861 SECTION 6.

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

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

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

882 **SECTION 7.**

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