

House Bill 158

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 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 greater of the retail selling price of the motor vehicle
25 or the average of the current fair market value and the current wholesale value of a
26 motor vehicle for a vehicle listed in the current motor vehicle ad valorem assessment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

169 (viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this
170 subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the
171 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
172 tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this
173 subparagraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

485 (3) Any individual who:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

615 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity
 616 pursuant to Chapter 11 of ~~this title~~ Title 40 if such person or entity is a manufacturer
 617 or dealer of motor vehicles and the title is to be issued in the name of such person or
 618 entity;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

704 **SECTION 2.**

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

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

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

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

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

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

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

751 **SECTION 3.**

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

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

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

767 **SECTION 4.**

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

770 "40-3-21.

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

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

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

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

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

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

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

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

842 SECTION 5.

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

844 "40-3-21.1.

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

862 SECTION 6.

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

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

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

883 **SECTION 7.**

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