

The Senate Committee on Finance offered the following substitute to HB 769:

A BILL TO BE ENTITLED  
AN ACT

1 To provide ad valorem exemptions for certain motor vehicles; to amend Part 7 of Article 10  
2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to watercraft  
3 held in inventory, so as to provide for an exemption from ad valorem taxation for certain  
4 watercraft and all-terrain vehicles held in inventory for sale or resale; to provide for related  
5 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for  
6 other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Part 7 of Article 10 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,  
10 relating to watercraft held in inventory, is amended by revising Code Section 48-5-504.40,  
11 relating to watercraft held in inventory for resale exempt from taxation for limited period of  
12 time, as follows:

13 "48-5-504.40.

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

15 (1) 'All-terrain vehicle' means any motorized vehicle designed for off-road use which is  
16 equipped with four low-pressure tires, a seat designed to be straddled by the operator, and  
17 handlebars for steering.

18 ~~(1)~~(2) 'Dealer' means any person who is engaged in the business of selling watercraft or  
19 all-terrain vehicles at retail.

20 ~~(2)~~(3) 'Watercraft' means any vehicle which is self-propelled or which is capable of  
21 self-propelled water transportation, or both.

22 (b) Watercraft and all-terrain vehicles owned by a dealer and held in inventory for sale or  
23 resale shall constitute a separate classification of tangible property for ad valorem taxation  
24 purposes. The procedures prescribed in this chapter for returning watercraft or all-terrain  
25 vehicles for ad valorem taxation, determining the application rates for taxation, and  
26 collecting the ad valorem taxes imposed on watercraft or all-terrain vehicles do not apply  
27 to watercraft or all-terrain vehicles owned by a dealer and held in inventory for sale or

28 resale. For the period commencing January 1, 2016, and concluding December 31, 2019,  
29 ~~such~~ Such watercraft or all-terrain vehicles owned by a dealer and held in inventory for sale  
30 or resale shall not be returned for ad valorem taxation and shall not be taxed, and no taxes  
31 shall be collected on such watercraft or all-terrain vehicles until ~~it is~~ they are transferred  
32 and then otherwise, if at all, ~~becomes~~ become subject to taxation as provided in this  
33 chapter."

34 **SECTION 2.**

35 This Act shall become effective upon its approval by the Governor or upon its becoming law  
36 without such approval and shall apply to all tax years beginning on and after January 1, 2017.

37 **SECTION 3.**

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