

House Bill 327

By: Representatives Powell of the 171st, Harrell of the 106th, Corbett of the 174th, Blackmon of the 146th, Kelley of the 16th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to
2 alternative ad valorem tax on motor vehicles, so as to change the manner for determining fair
3 market value of motor vehicles subject to the tax; to provide for the fair market value
4 determination of kit cars; to provide for fees of the tag agent; to provide for the promulgation
5 of a standardized form; to provide for the submission of title applications and title ad valorem
6 tax fees by dealers; to provide for penalties for failure to timely submit title applications and
7 title ad valorem tax fees; to provide for the tax amounts on vehicles which were registered
8 in other states; to provide for certain refunds; to provide for transfers as a result of a divorce
9 decree or court order; to amend Title 40 of the Official Code of Georgia Annotated, relating
10 to motor vehicles and traffic, so as to provide for an expiration period for temporary license
11 plates; to require that applications be submitted to the county where the vehicle will be
12 registered; to provide for extensions of the registration period under certain circumstances;
13 to provide for conditional titles for certain motor vehicles; to provide for related matters; to
14 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 Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to alternative ad
18 valorem tax on motor vehicles, is amended by revising Code Section 48-5C-1, relating to
19 definitions, exemption from taxation, allocation and disbursement of proceeds collected by
20 tag agents, fair market value of vehicle appealable, and report, 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 not sold by a licensed used motor vehicle dealer, the
25 average of the current fair market value and the current wholesale value of a motor
26 vehicle for a vehicle listed in the current motor vehicle ad valorem assessment manual

27 utilized by the state revenue commissioner and based upon a nationally recognized
 28 motor vehicle industry pricing guide for fair market and wholesale market values in
 29 determining the taxable value of a motor vehicle under Code Section 48-5-442, ~~and, in~~
 30 ~~the case of a used car dealer, less any reduction for the trade-in value of another motor~~
 31 ~~vehicle;~~

32 (B) For a used motor vehicle not sold by a licensed motor vehicle dealer and which is
 33 not ~~so~~ listed in such current motor vehicle ad valorem assessment manual, the value
 34 from the bill of sale or the value from a reputable used car market guide designated by
 35 the commissioner, whichever is greater, ~~and, in the case of a used car dealer, less any~~
 36 ~~reduction for the trade-in value of another motor vehicle;~~

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

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

59 (E) For a new motor vehicle that is leased, the total of the base payments pursuant to
 60 the lease agreement; or

61 (F) For a kit car which is assembled by the purchaser from parts supplied by a
 62 manufacturer, the greater of the retail selling price of the kit or the average of the
 63 current fair market value and the current wholesale value of the motor vehicle if listed

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

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

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

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

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

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

87 (7) 'Trade-in value' means the value of the motor vehicle as stated in the bill of sale for
 88 a vehicle which has been traded in to the dealer in a transaction involving the purchase
 89 of another vehicle from the dealer.

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

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

- 101 (I) 'Local base amount' means \$1 billion.
- 102 (II) 'Local current collection amount' means the total amount of sales and use taxes
 103 on the sale of motor vehicles under Chapter 8 of this title and motor vehicle local
 104 ad valorem tax proceeds under this Code section and Chapter 5 of this title which
 105 were collected during the calendar year which immediately precedes the tax year in
 106 which the title ad valorem tax adjustments are required to be made under this
 107 subparagraph.
- 108 (III) 'Local target collection amount' means an amount equal to the local base
 109 amount added to the product of 2 percent of the local base amount multiplied by the
 110 number of years since 2012 with a maximum amount of \$1.2 billion.
- 111 (IV) 'State base amount' means \$535 million.
- 112 (V) 'State 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 state ad
 114 valorem tax proceeds under this Code section and Chapter 5 of this title which were
 115 collected during the calendar year which immediately precedes the tax year in
 116 which the state and local title ad valorem tax rate is to be reviewed for adjustment
 117 under division (xiv) of this subparagraph. Notwithstanding the other provisions of
 118 this subdivision to the contrary, the term 'state current collection amount' for the
 119 2014 calendar year for the purposes of the 2015 review under division (xiv) of this
 120 subparagraph shall be adjusted so that such amount is equal to the amount of motor
 121 vehicle state ad valorem tax proceeds that would have been collected under this
 122 Code section in 2014 if the combined state and local title ad valorem tax rate was
 123 7 percent of the fair market value of the motor vehicle less any trade-in value plus
 124 the total amount of motor vehicle state ad valorem tax proceeds collected under
 125 Chapter 5 of this title during 2014.
- 126 (VI) 'State target collection amount' means an amount equal to the state base
 127 amount added to the product of 2 percent of the state base amount multiplied by the
 128 number of years since 2012.
- 129 (ii) The combined state and local title ad valorem tax shall be at a rate equal to:
- 130 (I) For the period commencing March 1, 2013, through December 31, 2013, 6.5
 131 percent of the fair market value of the motor vehicle;
- 132 (II) For the 2014 tax year, 6.75 percent of the fair market value of the motor
 133 vehicle; and
- 134 (III) Except as provided in division (xiv) of this subparagraph, for the 2015 and
 135 subsequent tax years, 7 percent of the fair market value of the motor vehicle.
- 136 (iii) For the period commencing March 1, 2013, through December 31, 2013, the
 137 state title ad valorem tax shall be at a rate equal to 57 percent of the tax rate specified

138 in division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate
139 equal to 43 percent of the tax rate specified in division (ii) of this subparagraph.

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

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

148 (vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this
149 subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of
150 the tax rate specified in division (ii) of this subparagraph, and the local title ad
151 valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in division
152 (ii) of this subparagraph.

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

158 (viii) For the 2018 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 40 percent of the
160 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
161 tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this
162 subparagraph.

163 (ix) For the 2019 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 36 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 64 percent of the tax rate specified in division
167 (ii) of this subparagraph.

168 (x) For the 2020 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 34 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 66 percent of the tax rate specified in division (ii) of this
172 subparagraph.

173 (xi) For the 2021 tax year, except as otherwise provided in division (xiii) of this
174 subparagraph, the state title ad valorem tax shall be at a rate equal to 30 percent of the

175 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
176 tax shall be at a rate equal to 70 percent of the tax rate specified in division (ii) of this
177 subparagraph.

178 (xii) For the 2022 and all subsequent tax years, except as otherwise provided in
179 division (xiii) of this subparagraph for tax years 2022, 2023, and 2024 and except as
180 otherwise provided in division (xiv) of this subparagraph for tax year 2023, the state
181 title ad valorem tax shall be at a rate equal to 28 percent of the tax rate specified in
182 division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate
183 equal to 72 percent of the tax rate specified in division (ii) of this subparagraph.

184 (xiii) Beginning in 2016, by not later than January 15 of each tax year through
185 the 2022 tax year, the state revenue commissioner shall determine the local target
186 collection amount and the local current collection amount for the preceding calendar
187 year. If such local current collection amount is equal to or within 1 percent of the
188 local target collection amount, then the state title ad valorem tax rate and the local title
189 ad valorem tax rate for such tax year shall remain at the rate specified in this
190 subparagraph for that year. If the local current collection amount is more than 1
191 percent greater than the local target collection amount, then the local title ad valorem
192 tax rate for such tax year shall be reduced automatically by operation of this division
193 by such percentage amount as may be necessary so that, if such rate had been in effect
194 for the calendar year under review, the local current collection amount would have
195 produced an amount equal to the local target collection amount, and the state title ad
196 valorem tax rate for such tax year shall be increased by an equal amount to maintain
197 the combined state and local title ad valorem tax rate at the rate specified in
198 division (ii) of this subparagraph. If the local current collection amount is more
199 than 1 percent less than the local target collection amount, then the local title ad
200 valorem tax rate for such tax year shall be increased automatically by operation of this
201 division by such percentage amount as may be necessary so that, if such rate had been
202 in effect for the calendar year under review, the local current collection amount would
203 have produced an amount equal to the local target collection amount, and the state
204 title ad valorem tax rate for such tax year shall be reduced by an equal amount to
205 maintain the combined state and local title ad valorem tax rate at the rate specified in
206 division (ii) of this subparagraph. In the event of an adjustment of such ad valorem
207 tax rates, by not later than January 31 of such tax year, the state revenue
208 commissioner shall notify the tax commissioner of each county in this state of the
209 adjusted rate amounts. The effective date of such adjusted rate amounts shall be
210 January 1 of such tax year.

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

238 (xv) The state revenue commissioner shall promulgate such rules and regulations as
239 may be necessary and appropriate to implement and administer this Code section,
240 including, but not limited to, rules and regulations regarding appropriate public
241 notification of any changes in rate amounts and the effective date of such changes and
242 rules and regulations regarding appropriate enforcement and compliance procedures
243 and methods for the implementation and operation of this Code section. The state
244 revenue commissioner shall promulgate a standardized form to be used by all dealers
245 of new and used vehicles in this state in order to ease the administration of this Code
246 section. The state revenue commissioner may promulgate and implement rules and
247 regulations as may be necessary to permit seller financed sales of used vehicles to be

248 assessed 2.5 percentage points less than the rate specified in division (ii) of this
249 subparagraph.

250 (C) The application for title and the state and local title ad valorem tax fees provided
251 for in subparagraph (A) of this paragraph shall be paid to the tag agent in the county
252 where the motor vehicle is to be registered and shall be paid at the time the application
253 for a certificate of title is submitted or, in the case of an electronic title transaction, at
254 the time when the electronic title transaction is finalized. In an electronic title
255 transaction, the state and local title ad valorem tax fees shall be remitted electronically
256 directly to the county tag agent. A dealer of new or used motor vehicles ~~may accept~~
257 shall make such application for title and state and local title ad valorem tax fees on
258 behalf of the purchaser of a new or used motor vehicle for the purpose of submitting or,
259 in the case of an electronic title application, finalizing such title application and
260 remitting state and local title ad valorem tax fees.

261 (D) There shall be a penalty imposed on any person who, in the determination of the
262 commissioner, falsifies any information in any bill of sale used for purposes of
263 determining the fair market value of the motor vehicle. Such penalty shall not exceed
264 \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty as
265 determined by the commissioner. Such determination shall be made within 60 days of
266 the commissioner receiving information of a possible violation of this paragraph.

267 (E) Except in the case in which an extension of the registration period has been granted
268 by the county tag agent under Code Section 40-2-20, a dealer of new or used motor
269 vehicles that ~~accepts~~ makes an application for title and collects state and local title ad
270 valorem tax fees from a purchaser of a new or used motor vehicle and does not submit
271 or, in the case of an electronic title transaction, finalize such application for title and
272 remit such state and local title ad valorem tax fees to the county tag agent within 30
273 days following the date of purchase shall be liable to the county tag agent for an amount
274 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An
275 additional penalty equal to 10 percent of the amount of such state and local title ad
276 valorem tax fees shall be imposed if such payment is not transmitted within 60 days
277 following the date of purchase. An additional penalty equal to 15 percent of the amount
278 of such state and local title ad valorem tax fees shall be imposed if such payment is not
279 transmitted within 90 days following the date of purchase, and an additional penalty
280 equal to 20 percent of the amount of such state and local title ad valorem tax fees shall
281 be imposed if such payment is not transmitted within 120 days following the date of
282 purchase. An additional penalty equal to 25 percent of the amount of such state and
283 local title ad valorem tax fees shall be imposed for each subsequent 30 day period in
284 which the payment is not transmitted. In addition, any such dealer of used motor

285 vehicles who fails to make the application for title and submit or, in the case of an
 286 electronic title transaction, finalize such application for title and remit such state and
 287 local title ad valorem tax fees to the county tag agent within 30 days following the date
 288 of purchase shall also be subject to civil fines not to exceed \$500.00 per transaction,
 289 and such failure may be the basis for the revocation or suspension of such dealer's
 290 license under Chapter 47 of Title 43.

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

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

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

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

308 (A) State title ad valorem tax fees, state salvage title ad valorem tax fees,
 309 administrative fees, penalties, and interest shall be remitted to the state revenue
 310 commissioner who shall deposit such proceeds in the general fund of the state less an
 311 amount to be retained by the tag agent not to exceed 1 percent of the total amount
 312 otherwise required to be remitted under this subparagraph to defray the cost of
 313 administration. Such retained amount shall be remitted to the collecting county's
 314 general fund. Failure by the tag agent to disburse within such 20 day period shall result
 315 in a forfeiture of such administrative fee plus interest on such amount at the rate
 316 specified in Code Section 48-2-40; and

317 (B) Local title ad valorem tax fees, administrative fees, penalties, and interest shall be
 318 designated as local government ad valorem tax funds. The tag agent shall then
 319 distribute the proceeds as specified in paragraph (3) of this subsection, less an amount
 320 to be retained by the tag agent not to exceed 1 percent of the total amount otherwise
 321 required to be remitted under this subparagraph to defray the cost of administration.

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

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

328 (A) The tag agent of the county shall within 20 days following the end of each calendar
329 month allocate and distribute to the county governing authority and to municipal
330 governing authorities, the board of education of the county school district, the board of
331 education of any independent school district located in such county, the water and
332 sewerage authority for which the county has levied an ad valorem tax in accordance
333 with a local constitutional amendment, and in a county in which a sales and use tax is
334 levied for purposes of a metropolitan area system of public transportation, as authorized
335 by the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the governing
336 body of the transportation authority created by the Metropolitan Atlanta Rapid Transit
337 Authority Act of 1965, Ga. L. 1965, p. 2243, as amended, and the amendment to the
338 Constitution set out at Ga. L. 1964, p. 1008, an amount of those proceeds necessary to
339 offset any reduction in (i) ad valorem tax on motor vehicles collected under Chapter 5
340 of this title in the taxing jurisdiction of each governing authority, school district, and
341 water and sewerage authority from the amount of ad valorem taxes on motor vehicles
342 collected under Chapter 5 of this title in each such governing authority, school district,
343 and water and sewerage authority during the same calendar month of 2012 and (ii) with
344 respect to the transportation authority, the monthly average portion of the sales and use
345 tax levied for purposes of a metropolitan area system of public transportation applicable
346 to any motor vehicle titled in a county which levied such tax in 2012. Such amount of
347 tax may be determined by the commissioner for counties which levied such tax in 2012,
348 and any counties which subsequently levy a tax pursuant to a metropolitan area system
349 of public transportation, as authorized by the amendment to the Constitution set out at
350 Ga. L. 1964, p. 1008, the governing body of the transportation authority created by the
351 Metropolitan Atlanta Rapid Transit Authority Act of 1965, Ga. L. 1965, p. 2243, as
352 amended, and the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the
353 ~~Commissioner~~ commissioner may determine what amount of sales and use tax would
354 have been collected in 2012, had such tax been levied. This reduction shall be
355 calculated, with respect to (i) above, by subtracting the amount of ad valorem tax on
356 motor vehicles collected under Chapter 5 of this title in each such taxing jurisdiction
357 from the amount of ad valorem tax on motor vehicles collected under Chapter 5 of this
358 title in that taxing jurisdiction in the same calendar month of 2012. In the event that the

359 local title ad valorem tax fee proceeds are insufficient to fully offset such reduction in
360 ad valorem taxes on motor vehicles or the portion of the sales and use tax described in
361 (ii) above, the tag agent shall allocate a proportionate amount of the proceeds to each
362 governing authority, the board of education of each such school district, the water and
363 sewerage authority, and the transportation authority, and any remaining shortfall shall
364 be paid from the following month's local title ad valorem tax fee proceeds. In the event
365 that a shortfall remains, the tag agent shall continue to first allocate local title ad
366 valorem tax fee proceeds to offset such shortfalls until the shortfall has been fully
367 repaid; and

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

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

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

393 (II) If such tax were never in effect, such proceeds shall be distributed to the
394 governing authority of the county and the governing authority of each qualified

395 municipality located in such county on a pro rata basis according to the ratio of the
 396 population that each such municipality bears to the population of the entire county.
 397 (III) If such tax is currently in effect as well as a local option sales and use tax for
 398 educational purposes levied pursuant to a local constitutional amendment, an
 399 amount equal to one-third of such proceeds shall be distributed in the same manner
 400 as required under subdivision (I) of this division and an amount equal to one-third
 401 of such proceeds shall be distributed to the board of education of the county school
 402 district.

403 (IV) If such tax is not currently in effect and a local option sales and use tax for
 404 educational purposes levied pursuant to a local constitutional amendment is
 405 currently in effect, such proceeds shall be distributed to the board of education of
 406 the county school district and the board of education of any independent school
 407 district in the same manner as required under ~~that~~ such local constitutional
 408 amendment.

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

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

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

432 (III) If such tax is not currently in effect in a county in which a tax is levied for
 433 purposes of a metropolitan area system of public transportation, as authorized by the
 434 amendment to the Constitution set out at Ga. L. 1964, p. 1008; the continuation of
 435 such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution;
 436 and the laws enacted pursuant to such constitutional amendment, such proceeds
 437 shall be distributed in such county, in the same manner as ad valorem tax on motor
 438 vehicles collected under Chapter 5 of this title in the taxing jurisdiction of each
 439 governing authority and school district from the amount of ad valorem taxes on
 440 motor vehicles collected under Chapter 5 of this title in each such governing
 441 authority and school district during the same calendar month of 2012.

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

450 (d)(1)(A) Upon the death of an owner of a motor vehicle which has not become subject
 451 to paragraph (1) of subsection (b) of this Code section, the immediate family member
 452 or immediate family members of such owner who receive such motor vehicle pursuant
 453 to a will or under the rules of inheritance shall, subsequent to the transfer of title of such
 454 motor vehicle, continue to be subject to ad valorem tax under Chapter 5 of this title and
 455 shall not be subject to the state and local title ad valorem tax fees provided for in
 456 paragraph (1) of subsection (b) of this Code section unless the immediate family
 457 member or immediate family members make an affirmative written election to become
 458 subject to paragraph (1) of subsection (b) of this Code section. In the event of such
 459 election, such transfer shall be subject to the state and local title ad valorem tax fees
 460 provided for in paragraph (1) of subsection (b) of this Code section.

461 (B) Upon the death of an owner of a motor vehicle which has become subject to
 462 paragraph (1) of subsection (b) of this Code section, the immediate family member or
 463 immediate family members of such owner who receive such motor vehicle pursuant to
 464 a will or under the rules of inheritance shall be subject to a state title ad valorem tax fee
 465 in an amount equal to one-quarter of 1 percent of the fair market value of the motor
 466 vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of 1
 467 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees

468 shall be an alternative ad valorem tax as authorized by Article VII, Section I, Paragraph
469 III(b)(3) of the Georgia Constitution.

470 (2)(A) Upon the transfer from an immediate family member of a motor vehicle which
471 has not become subject to paragraph (1) of subsection (b) of this Code section, the
472 immediate family member or immediate family members who receive such motor
473 vehicle shall, subsequent to the transfer of title of such motor vehicle, continue to be
474 subject to ad valorem tax under Chapter 5 of this title and shall not be subject to the
475 state and local title ad valorem tax fees provided for in paragraph (1) of subsection (b)
476 of this Code section unless the immediate family member or immediate family
477 members make an affirmative written election to become subject to paragraph (1) of
478 subsection (b) of this Code section. In the event of such election, such transfer shall be
479 subject to the state and local title ad valorem tax fees provided for in paragraph (1) of
480 subsection (b) of this Code section.

481 (B) Upon the transfer from an immediate family member of a motor vehicle which has
482 become subject to paragraph (1) of subsection (b) of this Code section, the immediate
483 family member who receives such motor vehicle shall transfer title of such motor
484 vehicle to such recipient family member and shall be subject to a state title ad valorem
485 tax fee in an amount equal to one-quarter of 1 percent of the fair market value of the
486 motor vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of
487 1 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees
488 shall be an alternative ad valorem tax as authorized by Article VII, Section I,
489 Paragraph III(b)(3) of the Georgia Constitution.

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

498 (3) Any individual who:

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

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

503 shall ~~only be required to pay state and local~~ not pay the state and local title ad valorem
504 tax fee provided for in paragraph (1) of subsection (b) of this Code section but shall pay

505 ~~a state title ad valorem tax fees fee in the amount of 50 percent of the amount which~~
 506 ~~would otherwise be due and payable under this subsection at the time of filing the~~
 507 ~~application for a certificate of title, and the remaining 50 percent shall be paid within 12~~
 508 ~~months \$350.00 for a motor vehicle that is three or fewer model years old and \$250.00~~
 509 ~~for a motor vehicle that is more than three model years old and shall pay a local title ad~~
 510 ~~valorem tax fee in the amount of \$350.00 for a motor vehicle that is three or fewer model~~
 511 ~~years old and \$250.00 for a motor vehicle that is more than three model years old. Such~~
 512 ~~title ad valorem tax fees shall be an alternative ad valorem tax as authorized by Article~~
 513 ~~VII, Section I, Paragraph III(b)(3) of the Georgia Constitution.~~

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

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

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

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

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

537 (8) There shall be a penalty imposed on the transfer of all or any part of the interest in a
 538 business entity that includes primarily as an asset of such business entity one or more
 539 motor vehicles, when, in the determination of the state revenue commissioner, such
 540 transfer is done to evade the payment of state and local title ad valorem tax fees under
 541 this subsection. Such penalty shall not exceed \$2,500.00 as a state penalty per motor

542 vehicle and shall not exceed \$2,500.00 as a local penalty per motor vehicle, as
543 determined by the state revenue commissioner, plus the amount of the state and local title
544 ad valorem tax fees. Such determination shall be made within 60 days of the state
545 revenue commissioner receiving information that a transfer may be in violation of this
546 paragraph.

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

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

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

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

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

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

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

584 (11)(A) In the case of rental motor vehicles owned by a rental motor vehicle concern,
585 the state title ad valorem tax fee shall be in an amount equal to .625 percent of the fair
586 market value of the motor vehicle, and the local title ad valorem tax fee shall be in an
587 amount equal to .625 percent of the fair market value of the motor vehicle, but only if
588 in the immediately prior calendar year the average amount of sales and use tax
589 attributable to the rental charge of each such rental motor vehicle was at least \$400.00
590 as certified by the state revenue commissioner. If, in the immediately prior calendar
591 year, the average amount of sales and use tax attributable to the rental charge of each
592 such rental motor vehicle was not at least \$400.00, this paragraph shall not apply and
593 such vehicles shall be subject to the state and local title ad valorem tax fees prescribed
594 in division (b)(1)(B)(ii) of this Code section.

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

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

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

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

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

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

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

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

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

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

634 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity
 635 pursuant to Chapter 11 of Title 40 if such person or entity is a manufacturer or dealer
 636 of motor vehicles and the title is to be issued in the name of such person or entity;

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

639 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,
 640 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or
 641 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,
 642 or rebuilder shall submit an affidavit in a form promulgated by the commissioner
 643 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or
 644 to correct a title only;

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

648 (H) The obtaining of a title by a person or entity for purposes of correcting a title,
 649 changing an odometer reading, or removing an odometer discrepancy legend, provided

650 that, subject to subparagraph (F) of this paragraph, title is not being transferred to
651 another person or entity; and

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

655 (J) The transfer of a title from a limited liability company or a closely held corporation
656 taxed under Subchapter S of Chapter 1 of the federal Internal Revenue Code to the
657 owner of such limited liability company or closely held corporation in such owner's
658 individual capacity;

659 (K) The transfer of a title from a partnership to the individuals who are members of the
660 partnership; and

661 (L) The transfer of a title from a company to an owner of the company for the purpose
662 of such individual obtaining a prestige or special license plate for the motor vehicle.

663 (16) It shall be unlawful for a person, including a dealer of new or used motor vehicles
664 under subparagraph (b)(1)(C) of this Code section, to fail to obtain a title for and register
665 a motor vehicle in accordance with the provisions of this chapter. Any person, including
666 a dealer of new or used motor vehicles under subparagraph (b)(1)(C) of this Code section,
667 who knowingly and willfully fails to obtain a title for or register a motor vehicle in
668 accordance with the provisions of this chapter shall be guilty of a misdemeanor of a high
669 and aggravated nature.

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

675 (B) The owner of a 1962 or earlier model year motor vehicle who obtains a conditional
676 title pursuant to Code Section 40-3-21.1 for such motor vehicle shall be authorized to
677 opt in to the provisions of this subsection upon the payment of a state title ad valorem
678 tax fee in an amount equal to .50 percent of the fair market value of such motor vehicle
679 and a local title ad valorem tax fee in an amount equal to .50 percent of the fair market
680 value of such motor vehicle. Upon certification by the tag agent of compliance with the
681 requirements of this subparagraph, such motor vehicle shall not be subject to ad
682 valorem tax as otherwise required under Chapter 5 of this title in the same manner as
683 otherwise provided in paragraph (1) of subsection (b) of this Code section.

684 (18)(A) Upon the transfer of title as the result of a divorce decree or court order of a
685 motor vehicle which has not become subject to paragraph (1) of subsection (b) of this
686 Code section, the person who receives such motor vehicle shall, subsequent to the

687 transfer of title of such motor vehicle, continue to be subject to the ad valorem tax
 688 under Chapter 5 of this title and shall not be subject to the state and local title ad
 689 valorem tax fees provided for in paragraph (1) of subsection (b) of this Code section
 690 unless such person makes an affirmative written election to become subject to
 691 paragraph (1) of subsection (b) of this Code section. In the event of such election, such
 692 transfer shall be subject to the state and local title ad valorem tax fees provided for in
 693 paragraph (1) of subsection (b) of this Code section.

694 (B) Upon the transfer of title as the result of a divorce decree or court order of a motor
 695 vehicle which has become subject to paragraph (1) of subsection (b) of this Code
 696 section, the person who receives such motor vehicle shall, at the time of the transfer of
 697 title of such motor vehicle, be subject to a state title ad valorem tax fee in an amount
 698 equal to one-half of 1 percent of the fair market value of the motor vehicle and a local
 699 title ad valorem tax fee in an amount equal to one-half of 1 percent of the fair market
 700 value of the motor vehicle. Such title ad valorem tax fees shall be an alternative ad
 701 valorem tax as authorized by Article VII, Section I, Paragraph III(b)(3) of the Georgia
 702 Constitution.

703 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
 704 transferee that such transfer is pursuant to a divorce decree or court order, and the
 705 transferee shall attach such decree or order to the affidavit. There shall be a penalty
 706 imposed on any person who, in the determination of the state revenue commissioner,
 707 falsifies any material information in such affidavit. Such penalty shall not
 708 exceed \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty
 709 as determined by the state revenue commissioner. Such determination shall be made
 710 within 60 days of the state revenue commissioner receiving information of a possible
 711 violation of this paragraph.

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

720 (f) Beginning in 2014, on or before January 31 of each year, the department shall provide
 721 a report to the chairpersons of the House Committee on Ways and Means and the Senate
 722 Finance Committee showing the state and local title ad valorem tax fee revenues collected

723 pursuant to this chapter and the motor vehicle ad valorem tax proceeds collected pursuant
 724 to Chapter 5 of this title during the preceding calendar year.
 725 (g) A motor vehicle dealer shall be authorized to apply for a refund of state and local title
 726 ad valorem taxes on behalf of the person who purchased a motor vehicle from such dealer.
 727 Such dealer shall promptly pay to such purchaser any refund received by the dealer which
 728 is owed to the purchaser, and in any event, such payment shall be made no later than ten
 729 days following the receipt of such refund by the dealer."

730 **SECTION 2.**

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

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

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

751 (B)(i) Any dealer of new or used motor vehicles shall issue to the purchaser of a
 752 vehicle at the time of sale thereof, unless such vehicle is to be registered under the
 753 International Registration Plan, a temporary plate as provided for by department rules
 754 or regulations which may bear the dealer's name and location and shall bear ~~the an~~
 755 ~~expiration date of the period within which the purchaser is required by Code Section~~
 756 ~~40-2-20 to register such vehicle~~ 45 days from the date of purchase. The expiration
 757 date of such a temporary plate may be revised and extended by the county tag agent
 758 upon application by the dealer, the purchaser, or the transferee if an extension of the

759 purchaser's initial registration period has been granted as provided by Code
 760 Section 40-2-20. Such temporary plate shall not resemble a license plate issued by
 761 this state and shall be issued without charge or fee. The requirements of this
 762 subparagraph ~~do~~ shall not apply to a dealer whose primary business is the sale of
 763 salvage motor vehicles and other vehicles on which total loss claims have been paid
 764 by insurers.

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

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

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

777 **SECTION 3.**

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

781 "(c) A person unable to fully comply with the requirements of subsection (a) of this Code
 782 section shall register such vehicle and receive a temporary operating permit that will be
 783 valid until the end of the initial registration period as provided for in paragraph (.1) of
 784 subsection (a) of Code Section 40-2-21. The commissioner may provide by rule or
 785 regulation for one 30 day extension of such initial registration period which may be granted
 786 by the county tag agent if the transferor has not provided such purchaser or other transferee
 787 owner with a title to the motor vehicle more than five business days prior to the expiration
 788 of such initial registration period. The county tag agent shall grant an extension of the
 789 initial registration period when the transferor, purchaser, or transferee can demonstrate by
 790 affidavit in a form provided by the commissioner that title has not been provided to the
 791 purchaser or transferee due to the failure of a security interest holder or lienholder to timely
 792 release a security interest or lien in accordance with Code Section 40-3-56."

793

SECTION 4.

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

796 "40-3-21.

797 (a) The application for the first certificate of title of a vehicle in this state shall be made
798 ~~by the owner to the commissioner or to~~ the commissioner's duly authorized county tag
799 agent on the prescribed form. Except as provided in subsection (b) of this Code section,
800 the application ~~must~~ shall be submitted to ~~the commissioner or~~ the appropriate authorized
801 county tag agent by the owner of the vehicle within 30 days from the date of purchase of
802 the vehicle or from the date the owner is otherwise required by law to register the vehicle
803 in this state. If the owner does not submit the application within that time, the owner of the
804 vehicle shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee
805 provided for by this chapter. If the documents submitted in support of the title application
806 are rejected, the party submitting the documents shall have 60 days from the date of
807 rejection to resubmit the documents required by ~~the commissioner or~~ the authorized county
808 tag agent for the issuance of a certificate of title. Should the documents not be properly
809 resubmitted within the 60 day period, there shall be an additional \$10.00 penalty assessed,
810 and the owner of the vehicle shall be required to remove immediately the license plate of
811 the vehicle and return the same to ~~the commissioner or~~ the authorized county tag agent.
812 The license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth day
813 following the initial rejection of the documents submitted, if the documents have not been
814 resubmitted as required under this subsection. Such application shall contain:

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

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

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

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

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

835 (2) If the application refers to a vehicle purchased from a dealer, it shall contain the name
836 and address of the holder of any security interest created or reserved at the time of the
837 sale by the dealer. The application shall be signed by the owner and, unless the dealer's
838 signature appears on the certificate of title or manufacturer's statement of origin submitted
839 in support of the title application, the dealer, provided that as an alternative to a
840 handwritten signature, the commissioner may authorize use of a digital signature as so
841 long as appropriate security measures are implemented which assure security and
842 verification of the digital signature process, in accordance with regulations promulgated
843 by the commissioner. The dealer shall ~~promptly mail or deliver~~ mail, deliver, or
844 electronically submit the application to the ~~commissioner or the county tag agent of the~~
845 ~~county in which the seller is located, of the county in which the sale takes place, of the~~
846 ~~county in which the vehicle is delivered, or of the county wherein the vehicle owner~~
847 ~~resides so as to have the application submitted to the commissioner or such authorized~~
848 county tag agent in the county where the vehicle will be registered within 30 days from
849 the date of the sale of the vehicle. If the application is not submitted within that time, the
850 dealer, or in nondealer sales the transferee, shall be required to pay a penalty of \$10.00
851 in addition to the ordinary title fee paid by the transferee provided for in this chapter. If
852 the documents submitted in support of the title application are rejected, the dealer
853 submitting the documents shall have 60 days from the date of initial rejection to resubmit
854 the documents required by the ~~commissioner or~~ authorized county tag agent for the
855 issuance of a certificate of title. Should the documents not be properly resubmitted
856 within 60 days, there shall be an additional penalty of \$10.00 assessed against the dealer.
857 The willful failure of a dealer to obtain a certificate of title for a purchaser shall be
858 grounds for suspension or revocation of the dealer's state issued license and registration
859 for the sale of motor vehicles.

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

- 862 (A) Any certificate of title issued by the other state or country; and
863 (B) Any other information and documents the ~~commissioner or~~ authorized county tag
864 agent reasonably requires to establish the ownership of the vehicle and the existence or
865 nonexistence of security interests in it and liens against it.

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

869 **SECTION 5.**

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

871 "40-3-21.1.

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

889 **SECTION 6.**

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

892 "(b) Except as provided in Code Section 40-3-33, the transferee, promptly after delivery
 893 to him or her of the vehicle and certificate of title, shall execute the application for a new
 894 certificate of title on the form the commissioner prescribes and cause the application and
 895 the certificate of title to be mailed or delivered to the ~~commissioner or his appropriate~~
 896 authorized county tag agent in the county where the vehicle will be registered together with
 897 the application for change of registration for the vehicle, so that the title application shall
 898 be received within 30 days from the date of the transfer of the vehicle. If the title
 899 application is not received within that time, the owner shall be required to pay a penalty of
 900 \$10.00 in addition to the ordinary title fee provided for by this chapter. If the documents

901 submitted in support of the title application are rejected, the party submitting the
902 documents shall have 60 days from the date of initial rejection to resubmit the documents
903 required by the ~~commissioner~~ authorized county tag agent for the issuance of title. If the
904 documents are not properly resubmitted within 60 days, there shall be an additional \$10.00
905 penalty assessed, and the owner of the vehicle shall be required to remove immediately the
906 license plate of the vehicle and return the same to the ~~commissioner~~ authorized county tag
907 agent. The license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth
908 day following the initial rejection of the documents, if the documents have not been
909 resubmitted as required under this subsection."

910

SECTION 7.

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