

The House Committee on Ways and Means offers the following substitute to HB 340:

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 change the manner of distribution of the proceeds of such tax;  
5 to provide for fees of the tag agent; to provide for the promulgation of a standardized form;  
6 to provide for the submission of title applications and title ad valorem tax fees by dealers; to  
7 provide for penalties for failure to timely submit title applications and title ad valorem tax  
8 fees; to provide for the tax amounts on vehicles which were registered in other states; to  
9 provide for certain refunds; to provide for transfers as a result of a divorce decree or court  
10 order; to amend Title 40 of the Official Code of Georgia Annotated, relating to motor  
11 vehicles and traffic, so as to provide for an expiration period for temporary license plates; to  
12 require that applications be submitted to the county where the vehicle will be registered; to  
13 provide for extensions of the registration period under certain circumstances; to provide for  
14 conditional titles for certain motor vehicles; to provide for related matters; to provide an  
15 effective date and for applicability; to repeal conflicting laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

17 **SECTION 1.**

18 Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to alternative ad  
19 valorem tax on motor vehicles, is amended by revising Code Section 48-5C-1, relating to  
20 definitions, exemption from taxation, allocation and disbursement of proceeds collected by  
21 tag agents, fair market value of vehicle appealable, and report, as follows:

22 "48-5C-1.

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

24 (1) 'Fair market value of the motor vehicle' means:

25 (A) For a used motor vehicle not sold by a licensed used motor vehicle dealer, the  
26 average of the current fair market value and the current wholesale value of a motor

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

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

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

46 (D) For a new or used motor vehicle sold by a new motor vehicle dealer or licensed  
 47 used motor vehicle dealer, the greater of the retail selling price ~~or, in the case of a lease~~  
 48 ~~of a new motor vehicle, the agreed upon value of the vehicle pursuant to the lease~~  
 49 ~~agreement~~ or the average of the current fair market value and the current wholesale  
 50 value of a motor vehicle for a vehicle listed in the current motor vehicle ad valorem  
 51 assessment manual utilized by the state revenue commissioner in determining the  
 52 taxable value of a motor vehicle under Code Section 48-5-442, less any reduction for  
 53 the trade-in value of another motor vehicle and any rebate ~~or any cash discounts~~  
 54 ~~provided by the selling dealer and taken at the time of sale.~~ The retail selling price or  
 55 agreed upon value shall include any charges for labor, freight, delivery, dealer fees, and  
 56 similar charges, tangible accessories, and dealer add-ons, and mark-ups, but shall not  
 57 include any federal retailers' excise tax or extended warranty, service contract, or  
 58 maintenance agreement, or similar products itemized on the dealer's invoice to the  
 59 customer or any finance, insurance, and interest charges for deferred payments billed  
 60 separately. No reduction for the trade-in value of another motor vehicle shall be taken  
 61 unless the name of the owner and the vehicle identification number of such trade-in  
 62 motor vehicle are shown on the bill of sale;

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

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

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

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

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

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

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

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

94 (b)(1)(A) Except as otherwise provided in this subsection, any motor vehicle for which  
 95 a title is issued in this state on or after March 1, 2013, shall be exempt from sales and  
 96 use taxes to the extent provided under paragraph (95) of Code Section 48-8-3 and shall  
 97 not be subject to the ad valorem tax as otherwise required under Chapter 5 of this title.  
 98 Any such motor vehicle shall be titled as otherwise required under Title 40 but shall be  
 99 subject to a state title fee and a local title fee which shall be alternative ad valorem taxes

as authorized by Article VII, Section I, Paragraph III(b)(3) of the Georgia Constitution. Motor vehicles registered under the International Registration Plan shall not be subject to state and local title ad valorem tax fees but shall continue to be subject to apportioned ad valorem taxation under Article 10 of Chapter 5 of this title.

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

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

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

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

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

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

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

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

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

- 136 ~~(H) For the 2014 tax year, 6.75 percent of the fair market value of the motor~~  
 137 ~~vehicle; and~~
- 138 ~~(HI) Except as provided in division (xiv) of this subparagraph, for the 2015 and~~  
 139 ~~subsequent tax years, 7 percent of the fair market value of the motor vehicle.~~
- 140 (iii) ~~For the period commencing March 1, 2013, through December 31, 2013, the~~  
 141 ~~state title ad valorem tax shall be at a rate equal to 57 percent of the tax rate specified~~  
 142 ~~in division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate~~  
 143 ~~equal to 43 percent of the tax rate specified in division (ii) of this subparagraph~~  
 144 Beginning with the 2018 tax year and extending through the 2021 tax year, each  
 145 county shall retain an amount of the state and local title ad valorem tax proceeds,  
 146 including associated fees, penalties, and interest, collected for each month equal to  
 147 one-twelfth of the amount of ad valorem taxes collected pursuant to Chapter 5 of this  
 148 title on motor vehicles in the 2012 tax year minus the amount of ad valorem tax  
 149 proceeds collected pursuant to Chapter 5 of this title in the current month. Such  
 150 proceeds shall be distributed as provided in paragraph (3) or (4) of subsection (c) of  
 151 this Code section. That portion of the state and local title ad valorem tax proceeds in  
 152 excess of such amount each month shall be distributed as follows:
- 153 (I) For the 2018 tax year, 80 percent of the remaining funds shall be remitted to the  
 154 state revenue commissioner as provided in subparagraph (c)(2)(A) of this Code  
 155 section and 20 percent of the remaining funds shall be distributed as provided in  
 156 paragraph (3) of subsection (c) of this Code section;
- 157 (II) For the 2019 tax year, 70 percent of the remaining funds shall be remitted to the  
 158 state revenue commissioner as provided in subparagraph (c)(2)(A) of this Code  
 159 section and 30 percent of the remaining funds shall be distributed as provided in  
 160 paragraph (3) of subsection (c) of this Code section;
- 161 (III) For the 2020 tax year, 60 percent of the remaining funds shall be remitted to  
 162 the state revenue commissioner as provided in subparagraph (c)(2)(A) of this Code  
 163 section and 40 percent of the remaining funds shall be distributed as provided in  
 164 paragraph (3) of subsection (c) of this Code section; and
- 165 (IV) For the 2021 tax year, 50 percent of the remaining funds shall be remitted to  
 166 the state revenue commissioner as provided in subparagraph (c)(2)(A) of this Code  
 167 section and 50 percent of the remaining funds shall be distributed as provided in  
 168 paragraph (3) of subsection (c) of this Code section.
- 169 (iv) ~~For the 2014 tax year, the state title ad valorem tax shall be at a rate equal to 55~~  
 170 ~~percent of the tax rate specified in division (ii) of this subparagraph, and the local title~~  
 171 ~~ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in~~  
 172 ~~division (ii) of this subparagraph~~ Beginning with the 2022 and subsequent tax years,

173 each county shall distribute the state and local title ad valorem tax proceeds, including  
174 associated fees, penalties, and interest, collected each month by remitting 30 percent  
175 of the funds to the state revenue commissioner as provided in subparagraph (c)(2)(A)  
176 of this Code section and distributing 70 percent of the funds as provided in  
177 paragraph (4) of subsection (c) of this Code section.

178 ~~(v) For the 2015 tax year, the state title ad valorem tax shall be at a rate equal to 55~~  
179 ~~percent of the tax rate specified in division (ii) of this subparagraph, and the local title~~  
180 ~~ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in~~  
181 ~~division (ii) of this subparagraph.~~

182 ~~(vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this~~  
183 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of~~  
184 ~~the tax rate specified in division (ii) of this subparagraph, and the local title ad~~  
185 ~~valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in division~~  
186 ~~(ii) of this subparagraph.~~

187 ~~(vii) For the 2017 tax year, except as otherwise provided in divisions (xiii) and (xiv)~~  
188 ~~of this subparagraph, the state title ad valorem tax shall be at a rate equal to 44 percent~~  
189 ~~of the tax rate specified in division (ii) of this subparagraph, and the local title ad~~  
190 ~~valorem tax shall be at a rate equal to 56 percent of the tax rate specified in division~~  
191 ~~(ii) of this subparagraph.~~

192 ~~(viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this~~  
193 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the~~  
194 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~  
195 ~~tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this~~  
196 ~~subparagraph.~~

197 ~~(ix) For the 2019 tax year, except as otherwise provided in divisions (xiii) and (xiv)~~  
198 ~~of this subparagraph, the state title ad valorem tax shall be at a rate equal to 36 percent~~  
199 ~~of the tax rate specified in division (ii) of this subparagraph, and the local title ad~~  
200 ~~valorem tax shall be at a rate equal to 64 percent of the tax rate specified in division~~  
201 ~~(ii) of this subparagraph.~~

202 ~~(x) For the 2020 tax year, except as otherwise provided in division (xiii) of this~~  
203 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 34 percent of the~~  
204 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~  
205 ~~tax shall be at a rate equal to 66 percent of the tax rate specified in division (ii) of this~~  
206 ~~subparagraph.~~

207 ~~(xi) For the 2021 tax year, except as otherwise provided in division (xiii) of this~~  
208 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 30 percent of the~~  
209 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~

210 tax shall be at a rate equal to 70 percent of the tax rate specified in division (ii) of this  
211 subparagraph.

212 ~~(xii) For the 2022 and all subsequent tax years, except as otherwise provided in~~  
213 ~~division (xiii) of this subparagraph for tax years 2022, 2023, and 2024 and except as~~  
214 ~~otherwise provided in division (xiv) of this subparagraph for tax year 2023, the state~~  
215 ~~title ad valorem tax shall be at a rate equal to 28 percent of the tax rate specified in~~  
216 ~~division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate~~  
217 ~~equal to 72 percent of the tax rate specified in division (ii) of this subparagraph.~~

218 ~~(xiii) Beginning in 2016, by not later than January 15 of each tax year through the~~  
219 ~~2022 tax year, the state revenue commissioner shall determine the local target~~  
220 ~~collection amount and the local current collection amount for the preceding calendar~~  
221 ~~year. If such local current collection amount is equal to or within 1 percent of the~~  
222 ~~local target collection amount, then the state title ad valorem tax rate and the local title~~  
223 ~~ad valorem tax rate for such tax year shall remain at the rate specified in this~~  
224 ~~subparagraph for that year. If the local current collection amount is more than 1~~  
225 ~~percent greater than the local target collection amount, then the local title ad valorem~~  
226 ~~tax rate for such tax year shall be reduced automatically by operation of this division~~  
227 ~~by such percentage amount as may be necessary so that, if such rate had been in effect~~  
228 ~~for the calendar year under review, the local current collection amount would have~~  
229 ~~produced an amount equal to the local target collection amount, and the state title ad~~  
230 ~~valorem tax rate for such tax year shall be increased by an equal amount to maintain~~  
231 ~~the combined state and local title ad valorem tax rate at the rate specified in division~~  
232 ~~(ii) of this subparagraph. If the local current collection amount is more than 1 percent~~  
233 ~~less than the local target collection amount, then the local title ad valorem tax rate for~~  
234 ~~such tax year shall be increased automatically by operation of this division by such~~  
235 ~~percentage amount as may be necessary so that, if such rate had been in effect for the~~  
236 ~~calendar year under review, the local current collection amount would have produced~~  
237 ~~an amount equal to the local target collection amount, and the state title ad valorem~~  
238 ~~tax rate for such tax year shall be reduced by an equal amount to maintain the~~  
239 ~~combined state and local title ad valorem tax rate at the rate specified in division (ii)~~  
240 ~~of this subparagraph. In the event of an adjustment of such ad valorem tax rates, by~~  
241 ~~not later than January 31 of such tax year, the state revenue commissioner shall notify~~  
242 ~~the tax commissioner of each county in this state of the adjusted rate amounts. The~~  
243 ~~effective date of such adjusted rate amounts shall be January 1 of such tax year.~~

244 ~~(xiv) In tax years 2015, 2018, and 2022, by not later than July 1 of each such tax~~  
245 ~~year, the state revenue commissioner shall determine the state target collection~~  
246 ~~amount and the state current collection amount for the preceding calendar year. If~~

247 such state current collection amount is greater than, equal to, or within 1 percent of  
 248 the state target collection amount after making the adjustment, if any, required in  
 249 division (xiii) of this subparagraph, then the combined state and local title ad valorem  
 250 tax rate provided in division (ii) of this subparagraph shall remain at the rate specified  
 251 in such division. If the state current collection amount is more than 1 percent less  
 252 than the state target collection amount after making the adjustment, if any, required  
 253 by division (xiii) of this subparagraph, then the combined state and local title ad  
 254 valorem tax rate provided in division (ii) of this subparagraph shall be increased  
 255 automatically by operation of this division by such percentage amount as may be  
 256 necessary so that, if such rate had been in effect for the calendar year under review,  
 257 the state current collection amount would have produced an amount equal to the state  
 258 target collection amount, and the state title ad valorem tax rate and the local title ad  
 259 valorem tax rate for the tax year in which such increase in the combined state and  
 260 local title ad valorem tax rate shall become effective shall be adjusted from the rates  
 261 specified in this subparagraph or division (xiii) of this subparagraph for such tax year  
 262 such that the proceeds from such increase in the combined state and local title ad  
 263 valorem tax rate shall be allocated in full to the state. In the event of an adjustment  
 264 of the combined state and local title ad valorem tax rate, by not later than August 31  
 265 of such tax year, the state revenue commissioner shall notify the tax commissioner of  
 266 each county in this state of the adjusted combined state and local title ad valorem tax  
 267 rate for the next calendar year. The effective date of such adjusted combined state  
 268 and local title ad valorem tax rate shall be January 1 of the next calendar year.  
 269 Notwithstanding the provisions of this division, the combined state and local title ad  
 270 valorem tax rate shall not exceed 9 percent.

271 ~~(xv)~~(v) The state revenue commissioner shall promulgate such rules and regulations  
 272 as may be necessary and appropriate to implement and administer this Code section,  
 273 including, but not limited to, rules and regulations regarding appropriate public  
 274 notification of any changes in rate amounts and the effective date of such changes and  
 275 rules and regulations regarding appropriate enforcement and compliance procedures  
 276 and methods for the implementation and operation of this Code section. The state  
 277 revenue commissioner shall promulgate a standardized form to be used by all dealers  
 278 of new and used vehicles in this state in order to ease the administration of this Code  
 279 section. The state revenue commissioner may promulgate and implement rules and  
 280 regulations as may be necessary to permit seller financed sales of used vehicles to be  
 281 assessed 2.5 percentage points less than the rate specified in division (ii) of this  
 282 subparagraph.

283 (C) The application for title and the state and local title ad valorem tax fees provided  
 284 for in subparagraph (A) of this paragraph shall be paid to the tag agent in the county  
 285 where the motor vehicle is to be registered and shall be paid at the time the application  
 286 for a certificate of title is submitted or, in the case of an electronic title transaction, at  
 287 the time when the electronic title transaction is finalized. In an electronic title  
 288 transaction, the state and local title ad valorem tax fees shall be remitted electronically  
 289 directly to the county tag agent. A dealer of new or used motor vehicles ~~may accept~~  
 290 shall make such application for title and state and local title ad valorem tax fees on  
 291 behalf of the purchaser of a new or used motor vehicle for the purpose of submitting or,  
 292 in the case of an electronic title application, finalizing such title application and  
 293 remitting state and local title ad valorem tax fees.

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

300 (E) Except in the case in which an extension of the registration period has been granted  
 301 by the county tag agent under Code Section 40-2-20, a dealer of new or used motor  
 302 vehicles that ~~accepts~~ makes an application for title and collects state and local title ad  
 303 valorem tax fees from a purchaser of a new or used motor vehicle and does not submit  
 304 or, in the case of an electronic title transaction, finalize such application for title and  
 305 remit such state and local title ad valorem tax fees to the county tag agent within 30  
 306 days following the date of purchase shall be liable to the county tag agent for an amount  
 307 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An  
 308 additional penalty equal to 10 percent of the amount of such state and local title ad  
 309 valorem tax fees shall be imposed if such payment is not transmitted within 60 days  
 310 following the date of purchase. An additional penalty equal to 15 percent of the amount  
 311 of such state and local title ad valorem tax fees shall be imposed if such payment is not  
 312 transmitted within 90 days following the date of purchase, and an additional penalty  
 313 equal to 20 percent of the amount of such state and local title ad valorem tax fees shall  
 314 be imposed if such payment is not transmitted within 120 days following the date of  
 315 purchase. An additional penalty equal to 25 percent of the amount of such state and  
 316 local title ad valorem tax fees shall be imposed for each subsequent 30 day period in  
 317 which the payment is not transmitted. In addition, any such dealer of used motor  
 318 vehicles that fails to make an application for title and submit or, in the case of an  
 319 electronic title transaction, finalize such application for title and remit such state and

320 local title ad valorem tax fees to the county tag agent within 30 days following the date  
 321 of purchase shall also be subject to civil fines not to exceed \$500.00 per transaction,  
 322 and such failure may be the basis for the revocation or suspension of such dealer's  
 323 license under Chapter 47 of Title 43.

324 (F) A dealer of new or used motor vehicles that ~~accepts~~ makes an application for title  
 325 and collects state and local title ad valorem tax fees from a purchaser of a new or used  
 326 motor vehicle and converts such fees to his or her own use shall be guilty of theft by  
 327 conversion and, upon conviction, shall be punished as provided in Code Section  
 328 16-8-12.

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

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

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

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

350 (B) Local title ad valorem tax fees, administrative fees, penalties, and interest shall be  
 351 designated as local government ad valorem tax funds. The tag agent shall then  
 352 distribute the proceeds as specified in paragraph (3) or (4) of this subsection, less an  
 353 amount to be retained by the tag agent not to exceed 1 percent of the total amount  
 354 otherwise required to be remitted under this subparagraph to defray the cost of  
 355 administration. Such retained amount shall be remitted to the collecting county's  
 356 general fund. Failure by the tag agent to disburse within such 20 day period shall result

357 in a forfeiture of such administrative fee plus interest on such amount at the rate  
 358 specified in Code Section 48-2-40.

359 (3) ~~The local~~ For tax years 2018 through 2021, the portion of the title ad valorem tax fee  
 360 proceeds required under this subsection to be retained by the county pursuant to  
 361 division (b)(1)(B)(iii) of this Code section shall be distributed as follows:

362 (A) The tag agent of the county shall within 20 days following the end of each calendar  
 363 month allocate and distribute to the county governing authority and to municipal  
 364 governing authorities, the board of education of the county school district, the board of  
 365 education of any independent school district located in such county, the water and  
 366 sewerage authority for which the county has levied an ad valorem tax in accordance  
 367 with a local constitutional amendment, and in a county in which a sales and use tax is  
 368 levied for purposes of a metropolitan area system of public transportation, as authorized  
 369 by the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the governing  
 370 body of the transportation authority created by the Metropolitan Atlanta Rapid Transit  
 371 Authority Act of 1965, Ga. L. 1965, p. 2243, as amended, and the amendment to the  
 372 Constitution set out at Ga. L. 1964, p. 1008, an amount of those proceeds necessary to  
 373 offset any reduction in (i) ad valorem tax on motor vehicles collected under Chapter 5  
 374 of this title in the taxing jurisdiction of each governing authority, school district, and  
 375 water and sewerage authority from the amount of ad valorem taxes on motor vehicles  
 376 collected under Chapter 5 of this title in each such governing authority, school district,  
 377 and water and sewerage authority during the same calendar month of 2012 and (ii) with  
 378 respect to the transportation authority, the monthly average portion of the sales and use  
 379 tax levied for purposes of a metropolitan area system of public transportation applicable  
 380 to any motor vehicle titled in a county which levied such tax in 2012. Such amount of  
 381 tax may be determined by the commissioner for counties which levied such tax in 2012,  
 382 and any counties which subsequently levy a tax pursuant to a metropolitan area system  
 383 of public transportation, as authorized by the amendment to the Constitution set out at  
 384 Ga. L. 1964, p. 1008, the governing body of the transportation authority created by the  
 385 Metropolitan Atlanta Rapid Transit Authority Act of 1965, Ga. L. 1965, p. 2243, as  
 386 amended, and the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the  
 387 ~~Commissioner~~ commissioner may determine what amount of sales and use tax would  
 388 have been collected in 2012, had such tax been levied. This reduction shall be  
 389 calculated, with respect to (i) above, by subtracting the amount of ad valorem tax on  
 390 motor vehicles collected under Chapter 5 of this title in each such taxing jurisdiction  
 391 from the amount of ad valorem tax on motor vehicles collected under Chapter 5 of this  
 392 title in that taxing jurisdiction in the same calendar month of 2012. In the event that the  
 393 local title ad valorem tax fee proceeds are insufficient to fully offset such reduction in

394 ad valorem taxes on motor vehicles or the portion of the sales and use tax described in  
395 (ii) above, the tag agent shall allocate a proportionate amount of the proceeds to each  
396 governing authority, the board of education of each such school district, the water and  
397 sewerage authority, and the transportation authority, and any remaining shortfall shall  
398 be paid from the following month's local title ad valorem tax fee proceeds. In the event  
399 that a shortfall remains, the tag agent shall continue to first allocate local title ad  
400 valorem tax fee proceeds to offset such shortfalls until the shortfall has been fully  
401 repaid; and

402 (B) Of the proceeds remaining following the allocation and distribution under  
403 subparagraph (A) of this paragraph, the tag agent shall allocate and distribute to the  
404 county governing authority and to municipal governing authorities, the board of  
405 education of the county school district, and the board of education of any independent  
406 school district located in such county the remaining amount of those proceeds in the  
407 manner provided in this subparagraph. Such proceeds shall be deposited in the general  
408 fund of such governing authority or board of education and shall not be subject to any  
409 use or expenditure requirements provided for under any of the following described local  
410 sales and use taxes but shall be authorized to be expended in the same manner as  
411 authorized for the ad valorem tax revenues on motor vehicles under Chapter 5 of this  
412 title which would otherwise have been collected for such governing authority or board  
413 of education. Of such remaining proceeds:

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

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

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

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

437 (IV) If such tax is not currently in effect and a local option sales and use tax for  
438 educational purposes levied pursuant to a local constitutional amendment is  
439 currently in effect, such proceeds shall be distributed to the board of education of  
440 the county school district and the board of education of any independent school  
441 district in the same manner as required under that local constitutional amendment.

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

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

454 (II) If such tax were in effect but expired and is not currently in effect, such  
455 proceeds shall be distributed to the governing authority of the county and the  
456 governing authority of each qualified municipality located in such county in the  
457 same manner as if such tax were still in effect according to the intergovernmental  
458 agreement or as otherwise required under the county special purpose local sales and  
459 use tax under Part 1 of Article 3 of Chapter 8 of this title for the 12 month period  
460 commencing at the expiration of such tax. If such tax is not renewed prior to the  
461 expiration of such 12 month period, such amount shall be distributed in accordance  
462 with subdivision (I) of division (ii) of this subparagraph; provided, however, that if  
463 a tax under Article 2 of Chapter 8 of this title is not in effect, such amount shall be  
464 distributed in accordance with subdivision (II) of division (ii) of this subparagraph.

465 (III) If such tax is not currently in effect in a county in which a tax is levied for  
466 purposes of a metropolitan area system of public transportation, as authorized by the  
467 amendment to the Constitution set out at Ga. L. 1964, p. 1008; the continuation of

468 such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution;  
 469 and the laws enacted pursuant to such constitutional amendment, such proceeds  
 470 shall be distributed in such county, in the same manner as ad valorem tax on motor  
 471 vehicles collected under Chapter 5 of this title in the taxing jurisdiction of each  
 472 governing authority and school district from the amount of ad valorem taxes on  
 473 motor vehicles collected under Chapter 5 of this title in each such governing  
 474 authority and school district during the same calendar month of 2012.

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

483 (4) For the 2022 and subsequent tax years, the portion of the title ad valorem tax fee  
 484 proceeds to be retained by the county pursuant to division (b)(1)(B)(iv) of this Code  
 485 section shall be distributed as follows:

486 (A) With regard to the proceeds associated with and collected on motor vehicle titles  
 487 for motor vehicles registered within the unincorporated areas of the county, the tag  
 488 agent of the county shall within 20 days following the end of each calendar month  
 489 allocate and distribute to the county governing authority 51 percent of such proceeds  
 490 and distribute to the board of education of the county school district 49 percent of such  
 491 proceeds; and

492 (B) With regard to the proceeds associated with and collected on motor vehicle titles  
 493 for motor vehicles registered in the incorporated areas of the county, the tag agent of  
 494 the county shall within 20 days following the end of each calendar month allocate such  
 495 proceeds by the municipality from which the proceeds were derived and then, for each  
 496 such municipality, distribute to the county governing authority 28 percent of such  
 497 proceeds and to the governing authority of such municipality 23 percent of such  
 498 proceeds, and the remaining 49 percent of such proceeds shall be distributed to the  
 499 board of education of the county school district; provided, however, that, if there is an  
 500 independent school district in such municipality, then such remaining 49 percent of  
 501 such proceeds shall be distributed to the board of education of the independent school  
 502 district.

503 (d)(1)(A) Upon the death of an owner of a motor vehicle which has not become subject  
 504 to paragraph (1) of subsection (b) of this Code section, the immediate family member

505 or immediate family members of such owner who receive such motor vehicle pursuant  
506 to a will or under the rules of inheritance shall, subsequent to the transfer of title of such  
507 motor vehicle, continue to be subject to ad valorem tax under Chapter 5 of this title and  
508 shall not be subject to the state and local title ad valorem tax fees provided for in  
509 paragraph (1) of subsection (b) of this Code section unless the immediate family  
510 member or immediate family members make an affirmative written election to become  
511 subject to paragraph (1) of subsection (b) of this Code section. In the event of such  
512 election, such transfer shall be subject to the state and local title ad valorem tax fees  
513 provided for in paragraph (1) of subsection (b) of this Code section.

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

523 (2)(A) Upon the transfer from an immediate family member of a motor vehicle which  
524 has not become subject to paragraph (1) of subsection (b) of this Code section, the  
525 immediate family member or immediate family members who receive such motor  
526 vehicle shall, subsequent to the transfer of title of such motor vehicle, continue to be  
527 subject to ad valorem tax under Chapter 5 of this title and shall not be subject to the  
528 state and local title ad valorem tax fees provided for in paragraph (1) of subsection (b)  
529 of this Code section unless the immediate family member or immediate family  
530 members make an affirmative written election to become subject to paragraph (1) of  
531 subsection (b) of this Code section. In the event of such election, such transfer shall be  
532 subject to the state and local title ad valorem tax fees provided for in paragraph (1) of  
533 subsection (b) of this Code section.

534 (B) Upon the transfer from an immediate family member of a motor vehicle which has  
535 become subject to paragraph (1) of subsection (b) of this Code section, the immediate  
536 family member who receives such motor vehicle shall transfer title of such motor  
537 vehicle to such recipient family member and shall be subject to a state title ad valorem  
538 tax fee in an amount equal to one-quarter of 1 percent of the fair market value of the  
539 motor vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of  
540 1 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees

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

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

551 (3) Any individual who:

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

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

556 shall ~~only~~ be required to pay state and local title ad valorem tax fees ~~in the amount of 50~~  
557 ~~percent of the amount which would otherwise be due and payable under this subsection~~  
558 ~~at the time of filing the application for a certificate of title, and the remaining 50 percent~~  
559 ~~shall be paid within 12 months~~ in accordance with this Code section, provided that such  
560 individual shall not be required to pay more than \$1,100.00 in state and local title ad  
561 valorem tax fees in order to register and title such motor vehicle under this paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

632 (11)(A) In the case of rental motor vehicles owned by a rental motor vehicle concern,  
 633 the state title ad valorem tax fee shall be in an amount equal to .625 percent of the fair  
 634 market value of the motor vehicle, and the local title ad valorem tax fee shall be in an  
 635 amount equal to .625 percent of the fair market value of the motor vehicle, but only if  
 636 in the immediately prior calendar year the average amount of sales and use tax  
 637 attributable to the rental charge of each such rental motor vehicle was at least \$400.00  
 638 as certified by the state revenue commissioner. If, in the immediately prior calendar  
 639 year, the average amount of sales and use tax attributable to the rental charge of each  
 640 such rental motor vehicle was not at least \$400.00, this paragraph shall not apply and  
 641 such vehicles shall be subject to the state and local title ad valorem tax fees prescribed  
 642 in division (b)(1)(B)(ii) of this Code section.

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

645 (12) A loaner vehicle shall not be subject to state and local title ad valorem tax fees  
 646 under paragraph (1) of subsection (b) of this Code section for a period of time not to  
 647 exceed 366 days commencing on the date such loaner vehicle is withdrawn temporarily  
 648 from inventory. Immediately upon the expiration of such 366 day period, if the dealer  
 649 does not return the loaner vehicle to inventory for resale, the dealer shall be responsible  
 650 for remitting state and local title ad valorem tax fees in the same manner as otherwise

651 required of an owner under paragraph (9) of this subsection and shall be subject to the  
 652 same penalties and interest as an owner for noncompliance with the requirements of  
 653 paragraph (9) of this subsection.

654 (13) Any motor vehicle which is donated to a nonprofit organization exempt from  
 655 taxation under Section 501(c)(3) of the Internal Revenue Code ~~for the purpose of being~~  
 656 ~~transferred to another person~~ shall, when titled in the name of such nonprofit  
 657 organization, not be subject to state and local title ad valorem tax fees under  
 658 paragraph (1) of subsection (b) of this Code section but shall be subject to state and local  
 659 title ad valorem tax fees ~~otherwise applicable to salvage titles under paragraph (2) of~~  
 660 ~~subsection (b) of this Code section~~ in the amount of 1 percent of the fair market value of  
 661 the motor vehicle. Such title ad valorem tax fees shall be an alternative ad valorem tax  
 662 as authorized by Article VII, Section I, Paragraph III(b)(3) of the Georgia Constitution.

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

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

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

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

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

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

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

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

- 687 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to  
 688 Code Section 40-3-43;
- 689 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,  
 690 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or  
 691 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,  
 692 or rebuilder shall submit an affidavit in a form promulgated by the commissioner  
 693 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or  
 694 to correct a title only;
- 695 (G) The obtaining of a title by and in the name of the holder of a security interest when  
 696 a motor vehicle has been repossessed after default in accordance with Part 6 of Article 9  
 697 of Title 11 if such title is to be issued in the name of such security interest holder;
- 698 (H) The obtaining of a title by a person or entity for purposes of correcting a title,  
 699 changing an odometer reading, or removing an odometer discrepancy legend, provided  
 700 that, subject to subparagraph (F) of this paragraph, title is not being transferred to  
 701 another person or entity; ~~and~~
- 702 (I) The obtaining of a title by a person who pays state and local title ad valorem tax  
 703 fees on a motor vehicle and subsequently moves out of this state but returns and applies  
 704 to retitle such vehicle in this state;
- 705 (J) The transfer of a title made as a result of a business reorganization when the  
 706 owners, partners, members, or stockholders of the business being reorganized maintain  
 707 the same proportionate interest or share in the newly formed business reorganization;  
 708 and
- 709 (K) The transfer of a title from a company to an owner of the company for the purpose  
 710 of such individual obtaining a prestige or special license plate for the motor vehicle.
- 711 (16) It shall be unlawful for a person, including a dealer of new or used motor vehicles  
 712 under subparagraph (b)(1)(C) of this Code section, to fail to obtain a title for and register  
 713 a motor vehicle in accordance with the provisions of this chapter. Any person, including  
 714 a dealer of new or used motor vehicles under subparagraph (b)(1)(C) of this Code section,  
 715 who knowingly and willfully fails to obtain a title for or register a motor vehicle in  
 716 accordance with the provisions of this chapter shall be guilty of a misdemeanor of a high  
 717 and aggravated nature.
- 718 (17)(A) Any person who purchases a 1963 through 1985 model year motor vehicle for  
 719 which such person obtains a title shall be subject to this Code section, but the state title  
 720 ad valorem tax fee shall be in an amount equal to .50 percent of the fair market value  
 721 of such motor vehicle, and the local title ad valorem tax fee shall be in an amount equal  
 722 to .50 percent of the fair market value of such motor vehicle.

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

732 (18)(A) Upon the transfer of title as the result of a divorce decree or court order of a  
733 motor vehicle which has not become subject to paragraph (1) of subsection (b) of this  
734 Code section, the person who receives such motor vehicle shall, subsequent to the  
735 transfer of title of such motor vehicle, continue to be subject to the ad valorem tax  
736 under Chapter 5 of this title and shall not be subject to the state and local title ad  
737 valorem tax fees provided for in paragraph (1) of subsection (b) of this Code section  
738 unless such person makes an affirmative written election to become subject to  
739 paragraph (1) of subsection (b) of this Code section. In the event of such election, such  
740 transfer shall be subject to the state and local title ad valorem tax fees provided for in  
741 paragraph (1) of subsection (b) of this Code section.

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

751 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the  
752 transferee that such transfer is pursuant to a divorce decree or court order, and the  
753 transferee shall attach such decree or order to the affidavit. There shall be a penalty  
754 imposed on any person who, in the determination of the state revenue commissioner,  
755 falsifies any material information in such affidavit. Such penalty shall not  
756 exceed \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty  
757 as determined by the state revenue commissioner. Such determination shall be made  
758 within 60 days of the state revenue commissioner receiving information of a possible  
759 violation of this paragraph.

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

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

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

778 **SECTION 2.**

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

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

788 (2)(A) It shall be a misdemeanor to operate any vehicle required to be registered in the  
 789 State of Georgia without a valid numbered license plate properly validated, unless such  
 790 operation is otherwise permitted under this chapter; and provided, further, that the  
 791 purchaser of a new vehicle or a used vehicle from a dealer of new or used motor  
 792 vehicles who displays a temporary plate issued as provided by subparagraph (B) of this  
 793 paragraph may operate such vehicle on the public highways and streets of this state  
 794 without a current valid license plate during the period within which the purchaser is  
 795 required by Code Section 40-2-20. An owner acquiring a motor vehicle from an entity

796 that is not a new or used vehicle dealer shall register such vehicle as provided for in  
 797 Code Section 40-2-29 unless such vehicle is to be registered under the International  
 798 Registration Plan pursuant to Article 3A of this chapter.

799 (B)(i) Any dealer of new or used motor vehicles shall issue to the purchaser of a  
 800 vehicle at the time of sale thereof, unless such vehicle is to be registered under the  
 801 International Registration Plan, a temporary plate as provided for by department rules  
 802 or regulations which may bear the dealer's name and location and shall bear ~~the an~~ an  
 803 expiration date ~~of the period within which the purchaser is required by Code Section~~  
 804 ~~40-2-20 to register such vehicle~~ 45 days from the date of purchase. The expiration  
 805 date of such a temporary plate may be revised and extended by the county tag agent  
 806 upon application by the dealer, the purchaser, or the transferee if an extension of the  
 807 purchaser's initial registration period has been granted as provided by Code  
 808 Section 40-2-20. Such temporary plate shall not resemble a license plate issued by  
 809 this state and shall be issued without charge or fee. The requirements of this  
 810 subparagraph ~~do~~ shall not apply to a dealer whose primary business is the sale of  
 811 salvage motor vehicles and other vehicles on which total loss claims have been paid  
 812 by insurers.

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

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

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

### 825 SECTION 3.

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

829 "(c) A person unable to fully comply with the requirements of subsection (a) of this Code  
 830 section shall register such vehicle and receive a temporary operating permit that will be  
 831 valid until the end of the initial registration period as provided for in paragraph (.1) of

832 subsection (a) of Code Section 40-2-21. The commissioner may provide by rule or  
 833 regulation for one 30 day extension of such initial registration period which may be granted  
 834 by the county tag agent if the transferor has not provided such purchaser or other transferee  
 835 owner with a title to the motor vehicle more than five business days prior to the expiration  
 836 of such initial registration period. The county tag agent shall grant an extension of the  
 837 initial registration period when the transferor, purchaser, or transferee can demonstrate by  
 838 affidavit in a form provided by the commissioner that title has not been provided to the  
 839 purchaser or transferee due to the failure of a security interest holder or lienholder to timely  
 840 release a security interest or lien in accordance with Code Section 40-3-56."

841 **SECTION 4.**

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

844 "40-3-21.

845 (a) The application for the first certificate of title of a vehicle in this state shall be made  
 846 ~~by the owner to the commissioner or~~ to the commissioner's duly authorized county tag  
 847 agent on the prescribed form. Except as provided in subsection (b) of this Code section,  
 848 the application ~~must~~ shall be submitted to ~~the commissioner or~~ the appropriate authorized  
 849 county tag agent by the owner of the vehicle within 30 days from the date of purchase of  
 850 the vehicle or from the date the owner is otherwise required by law to register the vehicle  
 851 in this state. If the owner does not submit the application within that time, the owner of the  
 852 vehicle shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee  
 853 provided for by this chapter. If the documents submitted in support of the title application  
 854 are rejected, the party submitting the documents shall have 60 days from the date of  
 855 rejection to resubmit the documents required by ~~the commissioner or~~ the authorized county  
 856 tag agent for the issuance of a certificate of title. Should the documents not be properly  
 857 resubmitted within the 60 day period, there shall be an additional \$10.00 penalty assessed,  
 858 and the owner of the vehicle shall be required to remove immediately the license plate of  
 859 the vehicle and return the same to ~~the commissioner or~~ the authorized county tag agent.  
 860 The license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth day  
 861 following the initial rejection of the documents submitted, if the documents have not been  
 862 resubmitted as required under this subsection. Such application shall contain:

- 863 (1) The full legal name, driver's license number, residence, and mailing address of the  
 864 owner;
- 865 (2) A description of the vehicle, including, so far as the following data exist: its make,  
 866 model, identifying number, type of body, the number of cylinders, and whether new,  
 867 used, or a demonstrator and, for a manufactured home, the manufacturer's statement or

868 certificate of origin and the full serial number for all manufactured homes sold in this  
869 state on or after July 1, 1994;

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

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

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

883 (2) If the application refers to a vehicle purchased from a dealer, it shall contain the name  
884 and address of the holder of any security interest created or reserved at the time of the  
885 sale by the dealer. The application shall be signed by the owner and, unless the dealer's  
886 signature appears on the certificate of title or manufacturer's statement of origin submitted  
887 in support of the title application, the dealer, provided that as an alternative to a  
888 handwritten signature, the commissioner may authorize use of a digital signature ~~as so~~  
889 long as appropriate security measures are implemented which assure security and  
890 verification of the digital signature process, in accordance with regulations promulgated  
891 by the commissioner. The dealer shall ~~promptly mail or deliver~~ mail, deliver, or  
892 electronically submit the application to the ~~commissioner or the county tag agent of the~~  
893 ~~county in which the seller is located, of the county in which the sale takes place, of the~~  
894 ~~county in which the vehicle is delivered, or of the county wherein the vehicle owner~~  
895 ~~resides so as to have the application submitted to the commissioner or such authorized~~  
896 county tag agent in the county where the vehicle will be registered within 30 days from  
897 the date of the sale of the vehicle. If the application is not submitted within that time, the  
898 dealer, or in nondealer sales the transferee, shall be required to pay a penalty of \$10.00  
899 in addition to the ordinary title fee paid by the transferee provided for in this chapter. If  
900 the documents submitted in support of the title application are rejected, the dealer  
901 submitting the documents shall have 60 days from the date of initial rejection to resubmit  
902 the documents required by the ~~commissioner~~ or authorized county tag agent for the  
903 issuance of a certificate of title. Should the documents not be properly resubmitted  
904 within 60 days, there shall be an additional penalty of \$10.00 assessed against the dealer.

905 The willful failure of a dealer to obtain a certificate of title for a purchaser shall be  
 906 grounds for suspension or revocation of the dealer's state issued license and registration  
 907 for the sale of motor vehicles.

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

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

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

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

917 **SECTION 5.**

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

919 "40-3-21.1.

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

937 **SECTION 6.**

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

940 "(b) Except as provided in Code Section 40-3-33, the transferee, promptly after delivery  
941 to him or her of the vehicle and certificate of title, shall execute the application for a new  
942 certificate of title on the form the commissioner prescribes and cause the application and  
943 the certificate of title to be mailed or delivered to the ~~commissioner or his appropriate~~  
944 authorized county tag agent in the county where the vehicle will be registered together with  
945 the application for change of registration for the vehicle, so that the title application shall  
946 be received within 30 days from the date of the transfer of the vehicle. If the title  
947 application is not received within that time, the owner shall be required to pay a penalty of  
948 \$10.00 in addition to the ordinary title fee provided for by this chapter. If the documents  
949 submitted in support of the title application are rejected, the party submitting the  
950 documents shall have 60 days from the date of initial rejection to resubmit the documents  
951 required by the ~~commissioner~~ authorized county tag agent for the issuance of title. If the  
952 documents are not properly resubmitted within 60 days, there shall be an additional \$10.00  
953 penalty assessed, and the owner of the vehicle shall be required to remove immediately the  
954 license plate of the vehicle and return the same to the ~~commissioner~~ authorized county tag  
955 agent. The license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth  
956 day following the initial rejection of the documents, if the documents have not been  
957 resubmitted as required under this subsection."

958 **SECTION 7.**

959 This Act shall become effective on January 1, 2018, and shall apply to all tax years beginning  
960 on and after such date.

961 **SECTION 8.**

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