

The Senate Committee on Finance offered 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 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 provide an effective date and for applicability; to repeal conflicting laws; and for other
15 purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

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

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

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

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

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

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

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

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

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

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

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

- 136 (II) For the 2014 tax year, 6.75 percent of the fair market value of the motor
137 vehicle; and
- 138 (III) 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 (iv) For the 2014 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 (v) For the 2015 tax year, the state title ad valorem tax shall be at a rate equal to 55
149 percent of the tax rate specified in division (ii) of this subparagraph, and the local title
150 ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in
151 division (ii) of this subparagraph.
- 152 (vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this
153 subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of
154 the tax rate specified in division (ii) of this subparagraph, and the local title ad
155 valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in
156 division (ii) of this subparagraph.
- 157 (vii) For the 2017 tax year, except as otherwise provided in divisions (xiii) and (xiv)
158 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 44 percent
159 of the tax rate specified in division (ii) of this subparagraph, and the local title ad
160 valorem tax shall be at a rate equal to 56 percent of the tax rate specified in
161 division (ii) of this subparagraph.
- 162 (viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this
163 subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the
164 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
165 tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this
166 subparagraph.
- 167 (ix) For the 2019 tax year, except as otherwise provided in divisions (xiii) and (xiv)
168 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 36 percent
169 of the tax rate specified in division (ii) of this subparagraph, and the local title ad
170 valorem tax shall be at a rate equal to 64 percent of the tax rate specified in
171 division (ii) of this subparagraph.

172 (x) For the 2020 tax year, except as otherwise provided in division (xiii) of this
173 subparagraph, the state title ad valorem tax shall be at a rate equal to 34 percent of the
174 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
175 tax shall be at a rate equal to 66 percent of the tax rate specified in division (ii) of this
176 subparagraph.

177 (xi) For the 2021 tax year, except as otherwise provided in division (xiii) of this
178 subparagraph, the state title ad valorem tax shall be at a rate equal to 30 percent of the
179 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem
180 tax shall be at a rate equal to 70 percent of the tax rate specified in division (ii) of this
181 subparagraph.

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

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

209 combined state and local title ad valorem tax rate at the rate specified in division (ii)
210 of this subparagraph. In the event of an adjustment of such ad valorem tax rates, by
211 not later than January 31 of such tax year, the state revenue commissioner shall notify
212 the tax commissioner of each county in this state of the adjusted rate amounts. The
213 effective date of such adjusted rate amounts shall be January 1 of such tax year.

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

241 (xv) The state revenue commissioner shall promulgate such rules and regulations as
242 may be necessary and appropriate to implement and administer this Code section,
243 including, but not limited to, rules and regulations regarding appropriate public
244 notification of ~~any changes in rate amounts and the effective date of such changes~~ and
245 rules and regulations regarding appropriate enforcement and compliance procedures

246 and methods for the implementation and operation of this Code section. The state
247 revenue commissioner shall promulgate a standardized form to be used by all dealers
248 of new and used vehicles in this state in order to ease the administration of this Code
249 section. The state revenue commissioner may promulgate and implement rules and
250 regulations as may be necessary to permit seller financed sales of used vehicles to be
251 assessed 2.5 percentage points less than the rate specified in division (ii) of this
252 subparagraph. The used motor vehicle sold through a seller financed sale shall be
253 taxed at the fair market value. The fair market value of a used motor vehicle sold
254 through a seller financed sale shall be the average of the current fair market value and
255 the current wholesale value of a motor vehicle for a vehicle listed in the current motor
256 vehicle ad valorem assessment manual utilized by the state revenue commissioner and
257 based upon a nationally recognized motor vehicle industry pricing guide for fair
258 market and wholesale market values in determining the taxable value of a motor
259 vehicle under Code Section 48-5-442, less any reduction for the trade-in value of
260 another motor vehicle.

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

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

278 (E) Except in the case in which an extension of the registration period has been granted
279 by the county tag agent under Code Section 40-2-20, a dealer of new or used motor
280 vehicles that ~~accepts~~ makes an application for title and collects state and local title ad
281 valorem tax fees from a purchaser of a new or used motor vehicle and does not submit
282 or, in the case of an electronic title transaction, finalize such application for title and

283 remit such state and local title ad valorem tax fees to the county tag agent within 30
 284 days following the date of purchase shall be liable to the county tag agent for an amount
 285 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An
 286 additional penalty equal to 10 percent of the amount of such state and local title ad
 287 valorem tax fees shall be imposed if such payment is not transmitted within 60 days
 288 following the date of purchase. An additional penalty equal to 15 percent of the amount
 289 of such state and local title ad valorem tax fees shall be imposed if such payment is not
 290 transmitted within 90 days following the date of purchase, and an additional penalty
 291 equal to 20 percent of the amount of such state and local title ad valorem tax fees shall
 292 be imposed if such payment is not transmitted within 120 days following the date of
 293 purchase. An additional penalty equal to 25 percent of the amount of such state and
 294 local title ad valorem tax fees shall be imposed for each subsequent 30 day period in
 295 which the payment is not transmitted. In addition, any such dealer of used motor
 296 vehicles that fails to make an application for title and submit or, in the case of an
 297 electronic title transaction, finalize such application for title and remit such state and
 298 local title ad valorem tax fees to the county tag agent within 30 days following the date
 299 of purchase shall also be subject to civil fines not to exceed \$500.00 per transaction,
 300 and such failure may be the basis for the revocation or suspension of such dealer's
 301 license under Chapter 47 of Title 43.

302 (F) A dealer of new or used motor vehicles that ~~accepts~~ makes an application for title
 303 and collects state and local title ad valorem tax fees from a purchaser of a new or used
 304 motor vehicle and converts such fees to his or her own use shall be guilty of theft by
 305 conversion and, upon conviction, shall be punished as provided in Code Section
 306 16-8-12.

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

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

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

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

328 (B) Local title ad valorem tax fees, administrative fees, penalties, and interest shall be
329 designated as local government ad valorem tax funds. The tag agent shall then
330 distribute the proceeds as specified in paragraph (3) of this subsection.

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

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

356 Metropolitan Atlanta Rapid Transit Authority Act of 1965, Ga. L. 1965, p. 2243, as
357 amended, and the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the
358 ~~Commissioner~~ commissioner may determine what amount of sales and use tax would
359 have been collected in 2012, had such tax been levied. This reduction shall be
360 calculated, with respect to (i) above, by subtracting the amount of ad valorem tax on
361 motor vehicles collected under Chapter 5 of this title in each such taxing jurisdiction
362 from the amount of ad valorem tax on motor vehicles collected under Chapter 5 of this
363 title in that taxing jurisdiction in the same calendar month of 2012. In the event that the
364 local title ad valorem tax fee proceeds are insufficient to fully offset such reduction in
365 ad valorem taxes on motor vehicles or the portion of the sales and use tax described
366 in (ii) above, the tag agent shall allocate a proportionate amount of the proceeds to each
367 governing authority, the board of education of each such school district, the water and
368 sewerage authority, and the transportation authority, and any remaining shortfall shall
369 be paid from the following month's local title ad valorem tax fee proceeds. In the event
370 that a shortfall remains, the tag agent shall continue to first allocate local title ad
371 valorem tax fee proceeds to offset such shortfalls until the shortfall has been fully
372 repaid; and

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

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

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

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

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

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

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

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

425 (II) If such tax were in effect but expired and is not currently in effect, such
426 proceeds shall be distributed to the governing authority of the county and the
427 governing authority of each qualified municipality located in such county in the
428 same manner as if such tax were still in effect according to the intergovernmental

429 agreement or as otherwise required under the county special purpose local sales and
430 use tax under Part 1 of Article 3 of Chapter 8 of this title for the 12 month period
431 commencing at the expiration of such tax. If such tax is not renewed prior to the
432 expiration of such 12 month period, such amount shall be distributed in accordance
433 with subdivision (I) of division (ii) of this subparagraph; provided, however, that if
434 a tax under Article 2 of Chapter 8 of this title is not in effect, such amount shall be
435 distributed in accordance with subdivision (II) of division (ii) of this subparagraph.
436 (III) If such tax is not currently in effect in a county in which a tax is levied for
437 purposes of a metropolitan area system of public transportation, as authorized by the
438 amendment to the Constitution set out at Ga. L. 1964, p. 1008; the continuation of
439 such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution;
440 and the laws enacted pursuant to such constitutional amendment, such proceeds
441 shall be distributed in such county, in the same manner as ad valorem tax on motor
442 vehicles collected under Chapter 5 of this title in the taxing jurisdiction of each
443 governing authority and school district from the amount of ad valorem taxes on
444 motor vehicles collected under Chapter 5 of this title in each such governing
445 authority and school district during the same calendar month of 2012.

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

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

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

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

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

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

- 502 (3) Any individual who:
- 503 (A) Is required by law to register a motor vehicle or motor vehicles in this state which
- 504 were registered in the state in which such person formerly resided; and
- 505 (B) Is required to file an application for a certificate of title under Code
- 506 Section 40-3-21 or 40-3-32
- 507 shall ~~only~~ be required to pay state and local title ad valorem tax fees ~~in the amount of 50~~
- 508 ~~percent of the amount which would otherwise be due and payable under this subsection~~
- 509 ~~at the time of filing the application for a certificate of title, and the remaining 50 percent~~
- 510 ~~shall be paid within 12 months in accordance with this Code section, provided that such~~
- 511 ~~individual shall not be required to pay more than \$1,100.00 in state and local title ad~~
- 512 ~~valorem tax fees in order to register and title such motor vehicle under this paragraph.~~
- 513 (4) The state and local title ad valorem tax fees provided for under this Code section
- 514 shall not apply to corrected titles, replacement titles under Code Section 40-3-31, or titles
- 515 reissued to the same owner pursuant to Code Sections 40-3-50 through 40-3-56.
- 516 (5) Any motor vehicle subject to state and local title ad valorem tax fees under
- 517 paragraph (1) of subsection (b) of this Code section shall continue to be subject to the
- 518 title, license plate, revalidation decal, and registration requirements and applicable fees
- 519 as otherwise provided in Title 40 in the same manner as motor vehicles which are not
- 520 subject to state and local title ad valorem tax fees under paragraph (1) of subsection (b)
- 521 of this Code section.
- 522 (6) Motor vehicles owned or leased by or to the state or any county, consolidated
- 523 government, municipality, county or independent school district, or other government
- 524 entity in this state shall not be subject to the state and local title ad valorem tax fees
- 525 provided for under paragraph (1) of subsection (b) of this Code section; provided,
- 526 however, that such other government entity shall not qualify for the exclusion under this
- 527 paragraph unless it is exempt from ad valorem tax and sales and use tax pursuant to
- 528 general law.
- 529 (7)(A) Any motor vehicle which is exempt from sales and use tax pursuant to
- 530 paragraph (30) of Code Section 48-8-3 shall be exempt from state and local title ad
- 531 valorem tax fees under this subsection.
- 532 (B) Any motor vehicle which is exempt from ad valorem taxation pursuant to Code
- 533 Section 48-5-478, 48-5-478.1, 48-5-478.2, or 48-5-478.3 shall be exempt from state and
- 534 local title ad valorem tax fees under paragraph (1) of subsection (b) of this Code
- 535 section.
- 536 (8) There shall be a penalty imposed on the transfer of all or any part of the interest in a
- 537 business entity that includes primarily as an asset of such business entity one or more
- 538 motor vehicles, when, in the determination of the state revenue commissioner, such

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

656 (J) The transfer of a title made as a result of a business reorganization when the
 657 owners, partners, members, or stockholders of the business being reorganized maintain
 658 the same proportionate interest or share in the newly formed business reorganization;
 659 and

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

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

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

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

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SECTION 4.

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

"40-3-21.

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

- (1) The full legal name, driver's license number, residence, and mailing address of the owner;
- (2) A description of the vehicle, including, so far as the following data exist: its make, model, identifying number, type of body, the number of cylinders, and whether new, used, or a demonstrator and, for a manufactured home, the manufacturer's statement or certificate of origin and the full serial number for all manufactured homes sold in this state on or after July 1, 1994;
- (3) The date of purchase by the applicant and, except as provided in paragraph (2) of subsection (c) of this Code section, the name and address of the person from whom the vehicle was acquired and the names and addresses of the holders of all security interests and liens in order of their priority; and
- (4) Any further information the ~~commissioner~~ authorized county tag agent reasonably requires to identify the vehicle and to enable ~~the commissioner or~~ the authorized county tag agent to determine whether the owner is entitled to a certificate of title and the 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 This Act shall become effective on January 1, 2018, and shall apply to all tax years beginning
912 on and after such date.

913 **SECTION 8.**

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