

The House Committee on Ways and Means offers the following substitute to HB 327:

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 for an
15 effective date; 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 motor vehicle dealer, the average
26 of the current fair market value and the current wholesale value of a motor vehicle for

27 a vehicle listed in the current motor vehicle ad valorem assessment manual utilized by
 28 the state revenue commissioner and based upon a nationally recognized motor vehicle
 29 industry pricing guide for fair market and wholesale market values in determining the
 30 taxable value of a motor vehicle under Code Section 48-5-442, ~~and, in the case of a~~
 31 ~~used car dealer, less any reduction for the trade-in value of another motor vehicle;~~
 32 (B) For a used motor vehicle not sold by a licensed motor vehicle dealer and which is
 33 not ~~so~~ listed in such current motor vehicle ad valorem assessment manual, the value
 34 from the bill of sale or the average of the current fair market value and the current
 35 wholesale value from a reputable used car market guide designated by the
 36 commissioner, whichever is greater, ~~and, in the case of a used car dealer, less any~~
 37 ~~reduction for the trade-in value of another motor vehicle;~~
 38 (C) Upon written application and supporting documentation submitted by an applicant
 39 under this Code section, a county tag agent may deviate from the fair market value as
 40 defined in subparagraph (A), ~~or (B), or (D)~~ of this paragraph based upon mileage and
 41 condition of the used vehicle. Supporting documentation may include, but not be
 42 limited to, bill of sale, odometer statement, and values from reputable pricing guides.
 43 The fair market value as determined by the county tag agent pursuant to this
 44 subparagraph shall be appealable as provided in subsection (e) of this Code section;
 45 (D) For a ~~new~~ motor vehicle sold by a new motor vehicle dealer or licensed used motor
 46 vehicle dealer, the greater of the retail selling price or, in the case of a lease of a new
 47 motor vehicle, the agreed upon value of the vehicle pursuant to the lease agreement or
 48 the average of the current fair market value and the current wholesale value of a motor
 49 vehicle for a vehicle listed in the current motor vehicle ad valorem assessment manual
 50 utilized by the state revenue commissioner in determining the taxable value of a motor
 51 vehicle under Code Section 48-5-442, less any reduction for the trade-in value of
 52 another motor vehicle and any rebate or any cash discounts provided by the selling
 53 dealer and taken at the time of sale. The retail selling price or agreed upon value shall
 54 include any charges for labor, freight, delivery, dealer fees; and similar charges,
 55 tangible accessories, and dealer add-ons, and mark-ups, but shall not include any
 56 federal retailers' excise tax or extended warranty, service contract, or maintenance
 57 agreement, or similar products itemized on the dealer's invoice to the customer or any
 58 finance, insurance, and interest charges for deferred payments billed separately. No
 59 reduction for the trade-in value of another motor vehicle shall be taken unless the name
 60 of the owner and the vehicle identification number of such trade-in motor vehicle are
 61 shown on the bill of sale; or
 62 (E) For a ~~new~~ motor vehicle that is leased, ~~the:~~

- 63 (i) The agreed upon value of the vehicle pursuant to the lease agreement less any
 64 reduction for the trade-in value of another motor vehicle and any rebate; or
 65 (ii) The total of the base payments pursuant to the lease agreement plus any down
 66 payments.

67 The term 'any down payments' as used in this subparagraph shall mean cash collected
 68 from the lessee at the inception of the lease which shall include cash supplied as a
 69 capital cost reduction; shall not include rebates, noncash credits, or net trade
 70 allowances; and shall include any upfront payments collected from the lessee at the
 71 inception of the lease except for taxes or fees imposed by law and monthly lease
 72 payments made in advance; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

136 ~~the total amount of motor vehicle state ad valorem tax proceeds collected under~~
 137 ~~Chapter 5 of this title during 2014.~~

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

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

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

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

146 ~~(III) Except as provided in division (xiv) of this subparagraph, for the 2015 and~~
 147 ~~subsequent tax years, 7 6.75 percent of the fair market value of the motor vehicle.~~

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

152 Beginning on July 1, 2019, each county shall retain an amount of the state and local
 153 title ad valorem tax proceeds, including associated fees, penalties, and interest,
 154 collected for each month equal to one-twelfth of the amount of ad valorem taxes
 155 collected pursuant to Chapter 5 of this title on motor vehicles in the 2012 tax year
 156 minus the amount of title ad valorem tax proceeds collected pursuant to Chapter 5 of
 157 this title in the current month. Such proceeds shall be distributed as provided in
 158 paragraph (3) or (4) of subsection (c) of this Code section. The portion of the state
 159 and local title ad valorem tax proceeds in excess of such amount each month shall be
 160 distributed as follows:

161 (I) For the period beginning July 1, 2019, and extending through June 30, 2020, 80
 162 percent of the remaining funds shall be remitted to the state revenue commissioner
 163 as provided in subparagraph (c)(2)(A) of this Code section and 20 percent of the
 164 remaining funds shall be distributed as provided in paragraph (3) of subsection (c)
 165 of this Code section;

166 (II) For the period beginning July 1, 2020, and extending through June 30, 2021,
 167 75 percent of the remaining funds shall be remitted to the state revenue
 168 commissioner as provided in subparagraph (c)(2)(A) of this Code section and 25
 169 percent of the remaining funds shall be distributed as provided in paragraph (3) of
 170 subsection (c) of this Code section;

171 (III) For the period beginning July 1, 2021, and extending through June 30, 2022,
 172 70 percent of the remaining funds shall be remitted to the state revenue

173 commissioner as provided in subparagraph (c)(2)(A) of this Code section and 30
 174 percent of the remaining funds shall be distributed as provided in paragraph (3) of
 175 subsection (c) of this Code section;

176 (IV) For the period beginning July 1, 2022, and extending through June 30, 2023,
 177 65 percent of the remaining funds shall be remitted to the state revenue
 178 commissioner as provided in subparagraph (c)(2)(A) of this Code section and 35
 179 percent of the remaining funds shall be distributed as provided in paragraph (3) of
 180 subsection (c) of this Code section;

181 (V) For the period beginning July 1, 2023, and extending through June 30, 2024,
 182 60 percent of the remaining funds shall be remitted to the state revenue
 183 commissioner as provided in subparagraph (c)(2)(A) of this Code section and 40
 184 percent of the remaining funds shall be distributed as provided in paragraph (3) of
 185 subsection (c) of this Code section; and

186 (VI) For the period beginning July 1, 2024, and extending through June 30, 2025,
 187 55 percent of the remaining funds shall be remitted to the state revenue
 188 commissioner as provided in subparagraph (c)(2)(A) of this Code section and 45
 189 percent of the remaining funds shall be distributed as provided in paragraph (3) of
 190 subsection (c) of this Code section.

191 ~~(iv) For the 2014 tax year, the state title ad valorem tax shall be at a rate equal to 55~~
 192 ~~percent of the tax rate specified in division (ii) of this subparagraph, and the local title~~
 193 ~~ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in~~
 194 ~~division (ii) of this subparagraph. Beginning on July 1, 2025, each county shall~~
 195 ~~distribute the state and local title ad valorem tax proceeds, including associated fees,~~
 196 ~~penalties, and interest, collected each month by remitting 30 percent of the funds to~~
 197 ~~the state revenue commissioner as provided in subparagraph (c)(2)(A) of this Code~~
 198 ~~section and distributing 70 percent of the funds as provided in paragraph (4) of~~
 199 ~~subsection (c) of this Code section.~~

200 ~~(v) For the 2015 tax year, the state title ad valorem tax shall be at a rate equal to 55~~
 201 ~~percent of the tax rate specified in division (ii) of this subparagraph, and the local title~~
 202 ~~ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in~~
 203 ~~division (ii) of this subparagraph:~~

204 ~~(vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this~~
 205 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of~~
 206 ~~the tax rate specified in division (ii) of this subparagraph, and the local title ad~~
 207 ~~valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in~~
 208 ~~division (ii) of this subparagraph:~~

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

214 ~~(viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this~~
 215 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the~~
 216 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
 217 ~~tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this~~
 218 ~~subparagraph.~~

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

224 ~~(x) For the 2020 tax year, except as otherwise provided in division (xiii) of this~~
 225 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 34 percent of the~~
 226 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
 227 ~~tax shall be at a rate equal to 66 percent of the tax rate specified in division (ii) of this~~
 228 ~~subparagraph.~~

229 ~~(xi) For the 2021 tax year, except as otherwise provided in division (xiii) of this~~
 230 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 30 percent of the~~
 231 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
 232 ~~tax shall be at a rate equal to 70 percent of the tax rate specified in division (ii) of this~~
 233 ~~subparagraph.~~

234 ~~(xii) For the 2022 and all subsequent tax years, except as otherwise provided in~~
 235 ~~division (xiii) of this subparagraph for tax years 2022, 2023, and 2024 and except as~~
 236 ~~otherwise provided in division (xiv) of this subparagraph for tax year 2023, the state~~
 237 ~~title ad valorem tax shall be at a rate equal to 28 percent of the tax rate specified in~~
 238 ~~division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate~~
 239 ~~equal to 72 percent of the tax rate specified in division (ii) of this subparagraph.~~

240 ~~(xiii) Beginning in 2016, by not later than January 15 of each tax year through the~~
 241 ~~2022 tax year, the state revenue commissioner shall determine the local target~~
 242 ~~collection amount and the local current collection amount for the preceding calendar~~
 243 ~~year. If such local current collection amount is equal to or within 1 percent of the~~
 244 ~~local target collection amount, then the state title ad valorem tax rate and the local title~~
 245 ~~ad valorem tax rate for such tax year shall remain at the rate specified in this~~

246 ~~subparagraph for that year. If the local current collection amount is more than 1~~
247 ~~percent greater than the local target collection amount, then the local title ad valorem~~
248 ~~tax rate for such tax year shall be reduced automatically by operation of this division~~
249 ~~by such percentage amount as may be necessary so that, if such rate had been in effect~~
250 ~~for the calendar year under review, the local current collection amount would have~~
251 ~~produced an amount equal to the local target collection amount, and the state title ad~~
252 ~~valorem tax rate for such tax year shall be increased by an equal amount to maintain~~
253 ~~the combined state and local title ad valorem tax rate at the rate specified in~~
254 ~~division (ii) of this subparagraph. If the local current collection amount is more than~~
255 ~~1 percent less than the local target collection amount, then the local title ad valorem~~
256 ~~tax rate for such tax year shall be increased automatically by operation of this division~~
257 ~~by such percentage amount as may be necessary so that, if such rate had been in effect~~
258 ~~for the calendar year under review, the local current collection amount would have~~
259 ~~produced an amount equal to the local target collection amount, and the state title ad~~
260 ~~valorem tax rate for such tax year shall be reduced by an equal amount to maintain the~~
261 ~~combined state and local title ad valorem tax rate at the rate specified in division (ii)~~
262 ~~of this subparagraph. In the event of an adjustment of such ad valorem tax rates, by~~
263 ~~not later than January 31 of such tax year, the state revenue commissioner shall notify~~
264 ~~the tax commissioner of each county in this state of the adjusted rate amounts. The~~
265 ~~effective date of such adjusted rate amounts shall be January 1 of such tax year.~~
266 ~~(xiv) In tax years 2015, 2018, and 2022, by not later than July 1 of each such tax~~
267 ~~year, the state revenue commissioner shall determine the state target collection~~
268 ~~amount and the state current collection amount for the preceding calendar year. If~~
269 ~~such state current collection amount is greater than, equal to, or within 1 percent of~~
270 ~~the state target collection amount after making the adjustment, if any, required in~~
271 ~~division (xiii) of this subparagraph, then the combined state and local title ad valorem~~
272 ~~tax rate provided in division (ii) of this subparagraph shall remain at the rate specified~~
273 ~~in such division. If the state current collection amount is more than 1 percent less~~
274 ~~than the state target collection amount after making the adjustment, if any, required~~
275 ~~by division (xiii) of this subparagraph, then the combined state and local title ad~~
276 ~~valorem tax rate provided in division (ii) of this subparagraph shall be increased~~
277 ~~automatically by operation of this division by such percentage amount as may be~~
278 ~~necessary so that, if such rate had been in effect for the calendar year under review,~~
279 ~~the state current collection amount would have produced an amount equal to the state~~
280 ~~target collection amount, and the state title ad valorem tax rate and the local title ad~~
281 ~~valorem tax rate for the tax year in which such increase in the combined state and~~
282 ~~local title ad valorem tax rate shall become effective shall be adjusted from the rates~~

283 ~~specified in this subparagraph or division (xiii) of this subparagraph for such tax year~~
 284 ~~such that the proceeds from such increase in the combined state and local title ad~~
 285 ~~valorem tax rate shall be allocated in full to the state. In the event of an adjustment~~
 286 ~~of the combined state and local title ad valorem tax rate, by not later than August 31~~
 287 ~~of such tax year, the state revenue commissioner shall notify the tax commissioner of~~
 288 ~~each county in this state of the adjusted combined state and local title ad valorem tax~~
 289 ~~rate for the next calendar year. The effective date of such adjusted combined state~~
 290 ~~and local title ad valorem tax rate shall be January 1 of the next calendar year.~~
 291 ~~Notwithstanding the provisions of this division, the combined state and local title ad~~
 292 ~~valorem tax rate shall not exceed 9 percent.~~

293 ~~(xv)~~(v) The state revenue commissioner shall promulgate such rules and regulations
 294 as may be necessary and appropriate to implement and administer this Code section,
 295 including, but not limited to, rules and regulations regarding appropriate public
 296 notification of ~~any changes in rate amounts and the effective date of such changes and~~
 297 rules and regulations regarding appropriate enforcement and compliance procedures
 298 and methods for the implementation and operation of this Code section. The state
 299 revenue commissioner shall promulgate a standardized form to be used by all dealers
 300 of new and used vehicles in this state in order to ease the administration of this Code
 301 section. The state revenue commissioner may promulgate and implement rules and
 302 regulations as may be necessary to permit seller financed sales of used vehicles to be
 303 assessed 2.5 percentage points less than the rate specified in division (ii) of this
 304 subparagraph.

305 (C) The application for title and the state and local title ad valorem tax fees provided
 306 for in subparagraph (A) of this paragraph shall be paid to the tag agent in the county
 307 where the motor vehicle is to be registered and shall be paid at the time the application
 308 for a certificate of title is submitted or, in the case of an electronic title transaction, at
 309 the time when the electronic title transaction is finalized. In an electronic title
 310 transaction, the state and local title ad valorem tax fees shall be remitted electronically
 311 directly to the county tag agent. A dealer of new or used motor vehicles ~~may accept~~
 312 shall make such application for title and state and local title ad valorem tax fees on
 313 behalf of the purchaser of a new or used motor vehicle for the purpose of submitting or,
 314 in the case of an electronic title application, finalizing such title application and
 315 remitting state and local title ad valorem tax fees. The state and local title ad valorem
 316 tax fees provided for in this chapter shall be imposed on the purchaser, including a
 317 lessor, that acquires title to the motor vehicle; provided, however, that a lessor that pays
 318 such state and local title ad valorem tax fees may seek reimbursement for such state and
 319 local title ad valorem tax fees from the lessee.

320 (D) There shall be a penalty imposed on any person who, in the determination of the
321 commissioner, falsifies any information in any bill of sale used for purposes of
322 determining the fair market value of the motor vehicle. Such penalty shall not exceed
323 \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty as
324 determined by the commissioner. Such determination shall be made within 60 days of
325 the commissioner receiving information of a possible violation of this paragraph.

326 (E) Except in the case in which an extension of the registration period has been granted
327 by the county tag agent under Code Section 40-2-20, a dealer of new or used motor
328 vehicles that ~~accepts~~ makes an application for title and collects state and local title ad
329 valorem tax fees from a purchaser of a new or used motor vehicle and does not submit
330 or, in the case of an electronic title transaction, finalize such application for title and
331 remit such state and local title ad valorem tax fees to the county tag agent within 30
332 days following the date of purchase shall be liable to the county tag agent for an amount
333 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An
334 additional penalty equal to 10 percent of the amount of such state and local title ad
335 valorem tax fees shall be imposed if such payment is not transmitted within 60 days
336 following the date of purchase. An additional penalty equal to 15 percent of the amount
337 of such state and local title ad valorem tax fees shall be imposed if such payment is not
338 transmitted within 90 days following the date of purchase, and an additional penalty
339 equal to 20 percent of the amount of such state and local title ad valorem tax fees shall
340 be imposed if such payment is not transmitted within 120 days following the date of
341 purchase. An additional penalty equal to 25 percent of the amount of such state and
342 local title ad valorem tax fees shall be imposed for each subsequent 30 day period in
343 which the payment is not transmitted.

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

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

355 (c)(1) The amount of proceeds collected by tag agents each month as state and local title
356 ad valorem tax fees, state salvage title ad valorem tax fees, administrative fees, penalties,

357 and interest pursuant to subsection (b) of this Code section shall be allocated and
 358 disbursed as provided in this subsection.

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

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

370 (B) Local title ad valorem tax fees, administrative fees, penalties, and interest shall be
 371 designated as local government ad valorem tax funds. The tag agent shall then
 372 distribute the proceeds as specified in paragraph (3) or (4) of this subsection, less an
 373 amount to be retained by the tag agent not to exceed 1 percent of the total amount
 374 otherwise required to be remitted under this subparagraph to defray the cost of
 375 administration. Such retained amount shall be remitted to the collecting county's
 376 general fund. Failure by the tag agent to disburse within such 20 day period shall result
 377 in a forfeiture of such administrative fee plus interest on such amount at the rate
 378 specified in Code Section 48-2-40.

379 (3) ~~The local~~ For the period beginning July 1, 2019, and extending through June 30,
 380 2025, the portion of the title ad valorem tax fee proceeds ~~required under this subsection~~
 381 to be retained by the county pursuant to division (b)(1)(B)(iii) of this Code section shall
 382 be distributed as follows:

383 (A) The tag agent of the county shall within 20 days following the end of each calendar
 384 month allocate and distribute to the county governing authority and to municipal
 385 governing authorities, the board of education of the county school district, the board of
 386 education of any independent school district located in such county, the water and
 387 sewerage authority for which the county has levied an ad valorem tax in accordance
 388 with a local constitutional amendment, and in a county in which a sales and use tax is
 389 levied for purposes of a metropolitan area system of public transportation, as authorized
 390 by the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the governing
 391 body of the transportation authority created by the Metropolitan Atlanta Rapid Transit
 392 Authority Act of 1965, Ga. L. 1965, p. 2243, as amended, and the amendment to the
 393 Constitution set out at Ga. L. 1964, p. 1008, an amount of those proceeds necessary to

394 offset any reduction in (i) ad valorem tax on motor vehicles collected under Chapter 5
395 of this title in the taxing jurisdiction of each governing authority, school district, and
396 water and sewerage authority from the amount of ad valorem taxes on motor vehicles
397 collected under Chapter 5 of this title in each such governing authority, school district,
398 and water and sewerage authority during the same calendar month of 2012 and (ii) with
399 respect to the transportation authority, the monthly average portion of the sales and use
400 tax levied for purposes of a metropolitan area system of public transportation applicable
401 to any motor vehicle titled in a county which levied such tax in 2012. Such amount of
402 tax may be determined by the commissioner for counties which levied such tax in 2012,
403 and any counties which subsequently levy a tax pursuant to a metropolitan area system
404 of public transportation, as authorized by the amendment to the Constitution set out at
405 Ga. L. 1964, p. 1008, the governing body of the transportation authority created by the
406 Metropolitan Atlanta Rapid Transit Authority Act of 1965, Ga. L. 1965, p. 2243, as
407 amended, and the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the
408 ~~Commissioner~~ commissioner may determine what amount of sales and use tax would
409 have been collected in 2012, had such tax been levied. This reduction shall be
410 calculated, with respect to (i) above, by subtracting the amount of ad valorem tax on
411 motor vehicles collected under Chapter 5 of this title in each such taxing jurisdiction
412 from the amount of ad valorem tax on motor vehicles collected under Chapter 5 of this
413 title in that taxing jurisdiction in the same calendar month of 2012. In the event that the
414 local title ad valorem tax fee proceeds are insufficient to fully offset such reduction in
415 ad valorem taxes on motor vehicles or the portion of the sales and use tax described in
416 (ii) above, the tag agent shall allocate a proportionate amount of the proceeds to each
417 governing authority, the board of education of each such school district, the water and
418 sewerage authority, and the transportation authority, and any remaining shortfall shall
419 be paid from the following month's local title ad valorem tax fee proceeds. In the event
420 that a shortfall remains, the tag agent shall continue to first allocate local title ad
421 valorem tax fee proceeds to offset such shortfalls until the shortfall has been fully
422 repaid; and

423 (B) Of the proceeds remaining following the allocation and distribution under
424 subparagraph (A) of this paragraph, the tag agent shall allocate and distribute to the
425 county governing authority and to municipal governing authorities, the board of
426 education of the county school district, and the board of education of any independent
427 school district located in such county the remaining amount of those proceeds in the
428 manner provided in this subparagraph. Such proceeds shall be deposited in the general
429 fund of such governing authority or board of education and shall not be subject to any
430 use or expenditure requirements provided for under any of the following described local

431 sales and use taxes but shall be authorized to be expended in the same manner as
 432 authorized for the ad valorem tax revenues on motor vehicles under Chapter 5 of this
 433 title which would otherwise have been collected for such governing authority or board
 434 of education. Of such remaining proceeds:

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

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

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

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

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

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

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

475 (II) If such tax were in effect but expired and is not currently in effect, such
476 proceeds shall be distributed to the governing authority of the county and the
477 governing authority of each qualified municipality located in such county in the
478 same manner as if such tax were still in effect according to the intergovernmental
479 agreement or as otherwise required under the county special purpose local sales and
480 use tax under Part 1 of Article 3 of Chapter 8 of this title for the 12 month period
481 commencing at the expiration of such tax. If such tax is not renewed prior to the
482 expiration of such 12 month period, such amount shall be distributed in accordance
483 with subdivision (I) of division (ii) of this subparagraph; provided, however, that if
484 a tax under Article 2 of Chapter 8 of this title is not in effect, such amount shall be
485 distributed in accordance with subdivision (II) of division (ii) of this subparagraph.

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

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

504 (4) Beginning July 1, 2025, the portion of the title ad valorem tax fee proceeds to be
 505 retained by the county pursuant to division (b)(1)(B)(iv) of this Code section shall be
 506 distributed as follows:

507 (A) With regard to the proceeds associated with and collected on motor vehicle titles
 508 for motor vehicles registered in the unincorporated areas of the county, the tag agent
 509 of the county shall within 20 days following the end of each calendar month allocate
 510 and distribute 51 percent of such proceeds to the county governing authority and
 511 distribute 49 percent of such proceeds to the board of education of the county school
 512 district; and

513 (B) With regard to the proceeds associated with and collected on motor vehicle titles
 514 for motor vehicles registered in the incorporated areas of the county, the tag agent of
 515 the county shall within 20 days following the end of each calendar month allocate such
 516 proceeds by the municipality from which the proceeds were derived and then, for each
 517 such municipality, distribute 28 percent of such proceeds to the county governing
 518 authority and 23 percent of such proceeds to the governing authority of such
 519 municipality, and the remaining 49 percent of such proceeds shall be distributed to the
 520 board of education of the county school district; provided, however, that, if there is an
 521 independent school district in such municipality, then such remaining 49 percent of
 522 such proceeds shall be distributed to the board of education of the independent school
 523 district.

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

535 (B) Upon the death of an owner of a motor vehicle which has become subject to
 536 paragraph (1) of subsection (b) of this Code section, the immediate family member or
 537 immediate family members of such owner who receive such motor vehicle pursuant to
 538 a will or under the rules of inheritance shall be subject to a state title ad valorem tax fee
 539 in an amount equal to one-quarter of 1 percent of the fair market value of the motor
 540 vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of 1

541 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees
 542 shall be an alternative ad valorem tax as authorized by Article VII, Section I,
 543 Paragraph III(b)(3) of the Georgia Constitution.

544 (2)(A) Upon the transfer from an immediate family member of a motor vehicle which
 545 has not become subject to paragraph (1) of subsection (b) of this Code section, the
 546 immediate family member or immediate family members who receive such motor
 547 vehicle shall, subsequent to the transfer of title of such motor vehicle, continue to be
 548 subject to ad valorem tax under Chapter 5 of this title and shall not be subject to the
 549 state and local title ad valorem tax fees provided for in paragraph (1) of subsection (b)
 550 of this Code section unless the immediate family member or immediate family
 551 members make an affirmative written election to become subject to paragraph (1) of
 552 subsection (b) of this Code section. In the event of such election, such transfer shall be
 553 subject to the state and local title ad valorem tax fees provided for in paragraph (1) of
 554 subsection (b) of this Code section.

555 (B) Upon the transfer from an immediate family member of a motor vehicle which has
 556 become subject to paragraph (1) of subsection (b) of this Code section, the immediate
 557 family member who receives such motor vehicle shall transfer title of such motor
 558 vehicle to such recipient family member and shall be subject to a state title ad valorem
 559 tax fee in an amount equal to one-quarter of 1 percent of the fair market value of the
 560 motor vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of
 561 1 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees
 562 shall be an alternative ad valorem tax as authorized by Article VII, Section I,
 563 Paragraph III(b)(3) of the Georgia Constitution.

564 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
 565 transferor and transferee that such persons are immediate family members to one
 566 another. There shall be a penalty imposed on any person who, in the determination of
 567 the state revenue commissioner, falsifies any material information in such affidavit.
 568 Such penalty shall not exceed \$2,500.00 as a state penalty and shall not exceed
 569 \$2,500.00 as a local penalty as determined by the state revenue commissioner. Such
 570 determination shall be made within 60 days of the state revenue commissioner
 571 receiving information of a possible violation of this paragraph.

572 (3) Any individual who:

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

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

577 shall ~~only~~ be required to pay state and local title ad valorem tax fees in ~~the~~ an amount
 578 equal to 4 percent of the fair market value of the motor vehicle. Such fees may be paid
 579 in one lump sum or may be paid in two payments with an initial payment of 50 percent
 580 of the amount which would otherwise be due and payable under this subsection at the
 581 time of filing the application for a certificate of title; and the remaining 50 percent ~~shall~~
 582 to be paid within 12 months following the date of such application.

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

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

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

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

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

606 (8) There shall be a penalty imposed on the transfer of all or any part of the interest in a
 607 business entity that includes primarily as an asset of such business entity one or more
 608 motor vehicles, when, in the determination of the state revenue commissioner, such
 609 transfer is done to evade the payment of state and local title ad valorem tax fees under
 610 this subsection. Such penalty shall not exceed \$2,500.00 as a state penalty per motor
 611 vehicle and shall not exceed \$2,500.00 as a local penalty per motor vehicle, as
 612 determined by the state revenue commissioner, plus the amount of the state and local title
 613 ad valorem tax fees. Such determination shall be made within 60 days of the state

614 revenue commissioner receiving information that a transfer may be in violation of this
615 paragraph.

616 (9) Any owner of any motor vehicle who fails to submit within 30 days of the date such
617 owner is required by law to register such vehicle in this state an application for a first
618 certificate of title under Code Section 40-3-21 or a certificate of title under Code
619 Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the state
620 title ad valorem tax fees and 10 percent of the local title ad valorem tax fees required
621 under this Code section and, if such state and local title ad valorem tax fees and the
622 penalty are not paid within 60 days following the date such owner is required by law to
623 register such vehicle, interest at the rate of ~~1.0~~ 1 percent per month shall be imposed on
624 the state and local title ad valorem tax fees due under this Code section, unless a
625 temporary permit has been issued by the tax commissioner. The tax commissioner shall
626 grant a temporary permit in the event the failure to timely apply for a first certificate of
627 title is due to the failure of a lienholder to comply with Code Section 40-3-56, regarding
628 release of a security interest or lien, and no penalty or interest shall be assessed. Such
629 penalty and interest shall be in addition to the penalty and fee required under Code
630 Section 40-3-21 or 40-3-32, as applicable.

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

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

638 (ii) The total amount of Georgia state and local sales and use tax and Georgia state
639 and local ad valorem tax under Chapter 5 of this title which were due and paid in
640 2012 for that motor vehicle and, if applicable, the total amount of such taxes which
641 were due and paid for that motor vehicle in 2013 and 2014 shall be determined; and

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

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

649 Upon certification by the tag agent of compliance with the requirements of this
650 paragraph, such motor vehicle shall not be subject to ad valorem tax as otherwise

651 required under Chapter 5 of this title in the same manner as otherwise provided in
652 paragraph (1) of subsection (b) of this Code section.

653 (11)(A) In the case of rental motor vehicles owned by a rental motor vehicle concern,
654 the state title ad valorem tax fee shall be in an amount equal to .625 percent of the fair
655 market value of the motor vehicle, and the local title ad valorem tax fee shall be in an
656 amount equal to .625 percent of the fair market value of the motor vehicle, but only if
657 in the immediately prior calendar year the average amount of sales and use tax
658 attributable to the rental charge of each such rental motor vehicle was at least \$400.00
659 as certified by the state revenue commissioner. If, in the immediately prior calendar
660 year, the average amount of sales and use tax attributable to the rental charge of each
661 such rental motor vehicle was not at least \$400.00, this paragraph shall not apply and
662 such vehicles shall be subject to the state and local title ad valorem tax fees prescribed
663 in division (b)(1)(B)(ii) of this Code section.

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

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

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

684 (14)(A) A lessor of motor vehicles that leases motor vehicles for more than 31
685 consecutive days to lessees residing in this state shall register with the department. The
686 department shall collect an annual fee of \$100.00 for such registrations. Failure of a

687 lessor to register under this subparagraph shall subject such lessor to a civil penalty of
688 \$2,500.00.

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

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

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

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

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

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

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

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

710 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,
711 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or
712 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,
713 or rebuilder shall submit an affidavit in a form promulgated by the commissioner
714 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or
715 to correct a title only;

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

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

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

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

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

732 (16) It shall be unlawful for a person to fail to obtain a title for and register a motor
 733 vehicle in accordance with the provisions of this chapter. Any person who knowingly
 734 and willfully fails to obtain a title for or register a motor vehicle in accordance with the
 735 provisions of this chapter shall be guilty of a misdemeanor.

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

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

750 (18)(A) Upon the transfer of title as the result of a divorce decree or court order of a
 751 motor vehicle which has not become subject to paragraph (1) of subsection (b) of this
 752 Code section, the person who receives such motor vehicle shall, subsequent to the
 753 transfer of title of such motor vehicle, continue to be subject to the ad valorem tax
 754 under Chapter 5 of this title and shall not be subject to the state and local title ad
 755 valorem tax fees provided for in paragraph (1) of subsection (b) of this Code section
 756 unless such person makes an affirmative written election to become subject to
 757 paragraph (1) of subsection (b) of this Code section. In the event of such election, such
 758 transfer shall be subject to the state and local title ad valorem tax fees provided for in
 759 paragraph (1) of subsection (b) of this Code section.

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

769 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
770 transferee that such transfer is pursuant to a divorce decree or court order, and the
771 transferee shall attach such decree or order to the affidavit. There shall be a penalty
772 imposed on any person who, in the determination of the state revenue commissioner,
773 falsifies any material information in such affidavit. Such penalty shall not
774 exceed \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty
775 as determined by the state revenue commissioner. Such determination shall be made
776 within 60 days of the state revenue commissioner receiving information of a possible
777 violation of this paragraph.

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

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

791 (g) A motor vehicle dealer shall be authorized to apply to the county tag agent of the
792 county in which such motor vehicle is registered for a refund of state and local title ad
793 valorem taxes on behalf of the person who purchased a motor vehicle from such dealer.
794 Such dealer shall promptly pay to such purchaser any refund received by the dealer which
795 is owed to the purchaser, and in any event, such payment shall be made no later than ten
796 days following the receipt of such refund by the dealer. The county tag agent shall approve

797 or deny the request for refund within 30 days after the filing of the application for refund.
 798 If the county tag agent denies the refund, the county tag agent shall specify the reasons for
 799 such denial. The motor vehicle dealer shall be authorized to appeal such denial to the
 800 commissioner within 30 days following such denial."

801 **SECTION 2.**

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

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

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

822 (B)(i) Any dealer of new or used motor vehicles shall issue to the purchaser of a
 823 vehicle at the time of sale thereof, unless such vehicle is to be registered under the
 824 International Registration Plan, a temporary plate as provided for by department rules
 825 or regulations which may bear the dealer's name and location and shall bear ~~the an~~ an
 826 ~~expiration date of the period within which the purchaser is required by Code Section~~
 827 ~~40-2-20 to register such vehicle~~ 45 days from the date of purchase. The expiration
 828 date of such a temporary plate may be revised and extended by the county tag agent
 829 upon application by the dealer, the purchaser, or the transferee if an extension of the
 830 purchaser's initial registration period has been granted as provided by Code
 831 Section 40-2-20. Such temporary plate shall not resemble a license plate issued by
 832 this state and shall be issued without charge or fee. The requirements of this

833 subparagraph ~~to~~ shall not apply to a dealer whose primary business is the sale of
 834 salvage motor vehicles and other vehicles on which total loss claims have been paid
 835 by insurers.

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

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

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

848 **SECTION 3.**

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

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

864 **SECTION 4.**

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

867 "40-3-21.

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

- 886 (1) The full legal name, driver's license number, residence, and mailing address of the
 887 owner;
- 888 (2) A description of the vehicle, including, so far as the following data exist: its make,
 889 model, identifying number, type of body, the number of cylinders, and whether new,
 890 used, or a demonstrator and, for a manufactured home, the manufacturer's statement or
 891 certificate of origin and the full serial number for all manufactured homes sold in this
 892 state on or after July 1, 1994;
- 893 (3) The date of purchase by the applicant and, except as provided in paragraph (2) of
 894 subsection (c) of this Code section, the name and address of the person from whom the
 895 vehicle was acquired and the names and addresses of the holders of all security interests
 896 and liens in order of their priority; and
- 897 (4) Any further information the commissioner reasonably requires to identify the vehicle
 898 and to enable the commissioner or the authorized county tag agent to determine whether
 899 the owner is entitled to a certificate of title and the existence or nonexistence of security
 900 interests in the vehicle and liens on the vehicle.
- 901 (b)(1) As used in this subsection, the term 'digital signature' means a digital or electronic
 902 method executed or adopted by a party with the intent to be bound by or to authenticate
 903 a record, which is unique to the person using it, is capable of verification, is under the

904 sole control of the person using it, and is linked to data in such a manner that if the data
905 are changed, the digital or electronic signature is invalidated.

906 (2) If the application refers to a vehicle purchased from a dealer, it shall contain the name
907 and address of the holder of any security interest created or reserved at the time of the
908 sale by the dealer. The application shall be signed by the owner and, unless the dealer's
909 signature appears on the certificate of title or manufacturer's statement of origin submitted
910 in support of the title application, the dealer, provided that as an alternative to a
911 handwritten signature, the commissioner may authorize use of a digital signature ~~as so~~
912 long as appropriate security measures are implemented which assure security and
913 verification of the digital signature process, in accordance with regulations promulgated
914 by the commissioner. The dealer shall ~~promptly mail or deliver~~ mail, deliver, or
915 electronically submit the application to the ~~commissioner or the county tag agent of the~~
916 ~~county in which the seller is located, of the county in which the sale takes place, of the~~
917 ~~county in which the vehicle is delivered, or of the county wherein the vehicle owner~~
918 ~~resides so as to have the application submitted to the commissioner or such authorized~~
919 county tag agent in the county where the vehicle will be registered within 30 days from
920 the date of the sale of the vehicle. If the application is not submitted within that time, the
921 dealer, or in nondealer sales the transferee, shall be required to pay a penalty of \$10.00
922 in addition to the ordinary title fee paid by the transferee provided for in this chapter. If
923 the documents submitted in support of the title application are rejected, the dealer
924 submitting the documents shall have 60 days from the date of initial rejection to resubmit
925 the documents required by the commissioner ~~or authorized county tag agent~~ for the
926 issuance of a certificate of title. Should the documents not be properly resubmitted
927 within 60 days, there shall be an additional penalty of \$10.00 assessed against the dealer.
928 The willful failure of a dealer to obtain a certificate of title for a purchaser shall be
929 grounds for suspension or revocation of the dealer's state issued license and registration
930 for the sale of motor vehicles.

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

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

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

940 **SECTION 5.**

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

942 "40-3-21.1.

943 For a 1962 or earlier model year motor vehicle, the owner of such motor vehicle may apply
 944 to the commissioner through the county tag agent for a conditional title for such motor
 945 vehicle. The application shall be made under oath on a form prescribed by the
 946 commissioner for such purpose. Such form shall require the applicant to provide such
 947 information as the commissioner shall determine, including all liens and other
 948 encumbrances known to the applicant at the time of application, which the commissioner
 949 shall cause to be listed on the conditional title upon its issuance. Upon receipt of the
 950 application, the commissioner or the commissioner's duly authorized county tag agent shall
 951 file such application and, when satisfied as to its genuineness and regularity and that the
 952 applicant is entitled to the issuance of a conditional certificate of title under the provisions
 953 of this chapter, shall issue a conditional certificate of title for the motor vehicle. The
 954 conditional certificate of title shall be clearly marked as such and shall contain a disclaimer
 955 that states that the title may not reflect all liens or other encumbrances affecting the motor
 956 vehicle. The commissioner may impose a fee for the issuance of a conditional title which
 957 shall not exceed \$20.00. The duly authorized county tag agent shall retain 50 percent of
 958 such fee for the general fund of the county and shall transmit the remaining 50 percent to
 959 the department for deposit into the state treasury."

960 **SECTION 6.**961 Said title is further amended by revising subsection (b) of Code Section 40-3-32, relating to
962 the transfer of vehicles, as follows:

963 "(b) Except as provided in Code Section 40-3-33, the transferee, promptly after delivery
 964 to him or her of the vehicle and certificate of title, shall execute the application for a new
 965 certificate of title on the form the commissioner prescribes and cause the application and
 966 the certificate of title to be mailed or delivered to the ~~commissioner or his~~ appropriate
 967 authorized county tag agent in the county where the vehicle will be registered together with
 968 the application for change of registration for the vehicle, so that the title application shall
 969 be received within 30 days from the date of the transfer of the vehicle. If the title
 970 application is not received within that time, the owner shall be required to pay a penalty of
 971 \$10.00 in addition to the ordinary title fee provided for by this chapter. If the documents
 972 submitted in support of the title application are rejected, the party submitting the
 973 documents shall have 60 days from the date of initial rejection to resubmit the documents
 974 required by the commissioner for the issuance of title. If the documents are not properly
 975 resubmitted within 60 days, there shall be an additional \$10.00 penalty assessed, and the

976 owner of the vehicle shall be required to remove immediately the license plate of the
977 vehicle and return the same to the commissioner authorized county tag agent. The license
978 plate shall be deemed to have expired at 12:00 Midnight of the sixtieth day following the
979 initial rejection of the documents, if the documents have not been resubmitted as required
980 under this subsection."

981 **SECTION 7.**

982 This Act shall become effective on July 1, 2019.

983 **SECTION 8.**

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