

The Senate Committee on Finance offered 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:

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, the average of the current fair market value and the
25 current wholesale value of a motor vehicle for a vehicle listed in the current motor
26

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

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

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

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

56 (E) For a ~~new~~ motor vehicle that is leased, ~~the~~:

57 (i) The agreed upon value of the vehicle pursuant to the lease agreement less any
 58 reduction for the trade-in value of another motor vehicle and any rebate; or

59 (ii) The total of the base payments pursuant to the lease agreement plus any down
 60 payments.

61 The term 'any down payments' as used in this subparagraph shall mean cash collected
 62 from the lessee at the inception of the lease which shall include cash supplied as a
 63 capital cost reduction; shall not include rebates, noncash credits, or net trade

64 allowances; and shall include any upfront payments collected from the lessee at the
 65 inception of the lease except for taxes or fees imposed by law and monthly lease
 66 payments made in advance; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 138 ~~(H) For the 2014 tax year, 6.75 percent of the fair market value of the motor~~
139 ~~vehicle; and~~
- 140 ~~(HI) Except as provided in division (xiv) of this subparagraph, for the 2015 and~~
141 ~~subsequent tax years, 7 percent of the fair market value of the motor vehicle.~~
- 142 (iii) ~~For the period commencing March 1, 2013, through December 31, 2013, the~~
143 ~~state title ad valorem tax shall be at a rate equal to 57 percent of the tax rate specified~~
144 ~~in division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate~~
145 ~~equal to 43 percent of the tax rate specified in division (ii) of this subparagraph.~~
146 Beginning on July 1, 2019, each county tag agent shall remit to the state revenue
147 commissioner 40 percent of state and local title ad valorem tax proceeds collected by
148 such county tag agent and shall retain 60 percent of such state and local title ad
149 valorem tax proceeds collected by such county tag agent and distribute such proceeds
150 in accordance with paragraph (3) of subsection (c) of this Code section.
- 151 ~~(iv) For the 2014 tax year, the state title ad valorem tax shall be at a rate equal to 55~~
152 ~~percent of the tax rate specified in division (ii) of this subparagraph, and the local title~~
153 ~~ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in~~
154 ~~division (ii) of this subparagraph:~~
- 155 ~~(v) For the 2015 tax year, the state title ad valorem tax shall be at a rate equal to 55~~
156 ~~percent of the tax rate specified in division (ii) of this subparagraph, and the local title~~
157 ~~ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in~~
158 ~~division (ii) of this subparagraph:~~
- 159 ~~(vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this~~
160 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of~~
161 ~~the tax rate specified in division (ii) of this subparagraph, and the local title ad~~
162 ~~valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in~~
163 ~~division (ii) of this subparagraph:~~
- 164 ~~(vii) For the 2017 tax year, except as otherwise provided in divisions (xiii) and (xiv)~~
165 ~~of this subparagraph, the state title ad valorem tax shall be at a rate equal to 44 percent~~
166 ~~of the tax rate specified in division (ii) of this subparagraph, and the local title ad~~
167 ~~valorem tax shall be at a rate equal to 56 percent of the tax rate specified in~~
168 ~~division (ii) of this subparagraph:~~
- 169 ~~(viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this~~
170 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the~~
171 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
172 ~~tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this~~
173 ~~subparagraph:~~

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

179 ~~(x) For the 2020 tax year, except as otherwise provided in division (xiii) of this~~
180 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 34 percent of the~~
181 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
182 ~~tax shall be at a rate equal to 66 percent of the tax rate specified in division (ii) of this~~
183 ~~subparagraph.~~

184 ~~(xi) For the 2021 tax year, except as otherwise provided in division (xiii) of this~~
185 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 30 percent of the~~
186 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
187 ~~tax shall be at a rate equal to 70 percent of the tax rate specified in division (ii) of this~~
188 ~~subparagraph.~~

189 ~~(xii) For the 2022 and all subsequent tax years, except as otherwise provided in~~
190 ~~division (xiii) of this subparagraph for tax years 2022, 2023, and 2024 and except as~~
191 ~~otherwise provided in division (xiv) of this subparagraph for tax year 2023, the state~~
192 ~~title ad valorem tax shall be at a rate equal to 28 percent of the tax rate specified in~~
193 ~~division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate~~
194 ~~equal to 72 percent of the tax rate specified in division (ii) of this subparagraph.~~

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

211 tax rate for such tax year shall be increased automatically by operation of this division
212 by such percentage amount as may be necessary so that, if such rate had been in effect
213 for the calendar year under review, the local current collection amount would have
214 produced an amount equal to the local target collection amount, and the state title ad
215 valorem tax rate for such tax year shall be reduced by an equal amount to maintain the
216 combined state and local title ad valorem tax rate at the rate specified in division (ii)
217 of this subparagraph. In the event of an adjustment of such ad valorem tax rates, by
218 not later than January 31 of such tax year, the state revenue commissioner shall notify
219 the tax commissioner of each county in this state of the adjusted rate amounts. The
220 effective date of such adjusted rate amounts shall be January 1 of such tax year.

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

248 ~~(xv)~~(iv) The state revenue commissioner shall promulgate such rules and regulations
 249 as may be necessary and appropriate to implement and administer this Code section,
 250 including, but not limited to, rules and regulations regarding appropriate public
 251 notification of ~~any changes in rate amounts and the effective date of such changes~~ and
 252 rules and regulations regarding appropriate enforcement and compliance procedures
 253 and methods for the implementation and operation of this Code section. The state
 254 revenue commissioner shall promulgate a standardized form to be used by all dealers
 255 of new and used vehicles in this state in order to ease the administration of this Code
 256 section. The state revenue commissioner may promulgate and implement rules and
 257 regulations as may be necessary to permit seller financed sales of used vehicles to be
 258 assessed 2.5 percentage points less than the rate specified in division (ii) of this
 259 subparagraph.

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

275 (D) There shall be a penalty imposed on any person who, in the determination of the
 276 commissioner, falsifies any information in any bill of sale used for purposes of
 277 determining the fair market value of the motor vehicle. Such penalty shall not exceed
 278 \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty as
 279 determined by the commissioner. Such determination shall be made within 60 days of
 280 the commissioner receiving information of a possible violation of this paragraph.

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

285 or, in the case of an electronic title transaction, finalize such application for title and
 286 remit such state and local title ad valorem tax fees to the county tag agent within 30
 287 days following the date of purchase shall be liable to the county tag agent for an amount
 288 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An
 289 additional penalty equal to 10 percent of the amount of such state and local title ad
 290 valorem tax fees shall be imposed if such payment is not transmitted within 60 days
 291 following the date of purchase. An additional penalty equal to 15 percent of the amount
 292 of such state and local title ad valorem tax fees shall be imposed if such payment is not
 293 transmitted within 90 days following the date of purchase, and an additional penalty
 294 equal to 20 percent of the amount of such state and local title ad valorem tax fees shall
 295 be imposed if such payment is not transmitted within 120 days following the date of
 296 purchase. An additional penalty equal to 25 percent of the amount of such state and
 297 local title ad valorem tax fees shall be imposed for each subsequent 30 day period in
 298 which the payment is not transmitted.

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

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

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

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

316 (A) State title ad valorem tax fees, state salvage title ad valorem tax fees,
 317 administrative fees, penalties, and interest shall be remitted to the state revenue
 318 commissioner who shall deposit such proceeds in the general fund of the state less an
 319 amount to be retained by the tag agent not to exceed 1 percent of the total amount
 320 otherwise required to be remitted under this subparagraph to defray the cost of
 321 administration. Such retained amount shall be remitted to the collecting county's

322 general fund. Failure by the tag agent to disburse within such 20 day period shall result
 323 in a forfeiture of such administrative fee plus interest on such amount at the rate
 324 specified in Code Section 48-2-40; and

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

334 (3) The local Beginning July 1, 2019, the portion of the title ad valorem tax fee proceeds
 335 required under this subsection to be retained by the county tag agent pursuant to
 336 division (b)(1)(B)(iii) of this Code section shall be distributed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

489 (B) Upon the transfer from an immediate family member of a motor vehicle which has
490 become subject to paragraph (1) of subsection (b) of this Code section, the immediate
491 family member who receives such motor vehicle shall transfer title of such motor
492 vehicle to such recipient family member and shall be subject to a state title ad valorem
493 tax fee in an amount equal to one-quarter of 1 percent of the fair market value of the
494 motor vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of
495 1 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees
496 shall be an alternative ad valorem tax as authorized by Article VII, Section I,
497 Paragraph III(b)(3) of the Georgia Constitution.

498 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
499 transferor and transferee that such persons are immediate family members to one
500 another. There shall be a penalty imposed on any person who, in the determination of
501 the state revenue commissioner, falsifies any material information in such affidavit.
502 Such penalty shall not exceed \$2,500.00 as a state penalty and shall not exceed
503 \$2,500.00 as a local penalty as determined by the state revenue commissioner. Such
504 determination shall be made within 60 days of the state revenue commissioner
505 receiving information of a possible violation of this paragraph.

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

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

550 (9) Any owner of any motor vehicle who fails to submit within 30 days of the date such
 551 owner is required by law to register such vehicle in this state an application for a first
 552 certificate of title under Code Section 40-3-21 or a certificate of title under Code
 553 Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the state
 554 title ad valorem tax fees and 10 percent of the local title ad valorem tax fees required
 555 under this Code section and, if such state and local title ad valorem tax fees and the
 556 penalty are not paid within 60 days following the date such owner is required by law to
 557 register such vehicle, interest at the rate of ~~1.0~~ 1 percent per month shall be imposed on
 558 the state and local title ad valorem tax fees due under this Code section, unless a
 559 temporary permit has been issued by the tax commissioner. The tax commissioner shall
 560 grant a temporary permit in the event the failure to timely apply for a first certificate of
 561 title is due to the failure of a lienholder to comply with Code Section 40-3-56, regarding
 562 release of a security interest or lien, and no penalty or interest shall be assessed. Such
 563 penalty and interest shall be in addition to the penalty and fee required under Code
 564 Section 40-3-21 or 40-3-32, as applicable.

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

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

572 (ii) The total amount of Georgia state and local sales and use tax and Georgia state
 573 and local ad valorem tax under Chapter 5 of this title which were due and paid in
 574 2012 for that motor vehicle and, if applicable, the total amount of such taxes which
 575 were due and paid for that motor vehicle in 2013 and 2014 shall be determined; and

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

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

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

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

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

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

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

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

618 (14)(A) A lessor of motor vehicles that leases motor vehicles for more than 31
 619 consecutive days to lessees residing in this state shall register with the department. The
 620 department shall collect an annual fee of \$100.00 for such registrations. Failure of a
 621 lessor to register under this subparagraph shall subject such lessor to a civil penalty of
 622 \$2,500.00.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

684 (18)(A) Upon the transfer of title as the result of a divorce decree or court order of a
 685 motor vehicle which has not become subject to paragraph (1) of subsection (b) of this
 686 Code section, the person who receives such motor vehicle shall, subsequent to the
 687 transfer of title of such motor vehicle, continue to be subject to the ad valorem tax
 688 under Chapter 5 of this title and shall not be subject to the state and local title ad
 689 valorem tax fees provided for in paragraph (1) of subsection (b) of this Code section

690 unless such person makes an affirmative written election to become subject to
691 paragraph (1) of subsection (b) of this Code section. In the event of such election, such
692 transfer shall be subject to the state and local title ad valorem tax fees provided for in
693 paragraph (1) of subsection (b) of this Code section.

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

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

712 (19)(A) As used in this paragraph, the term 'for-hire charter bus or motor coach' means
713 a motor vehicle designed for carrying more than 15 passengers and used for the
714 transportation of persons for compensation.

715 (B) In the case of for-hire charter buses or motor coaches, the state and local title ad
716 valorem tax fee may be paid by paying 50 percent of the amount which would
717 otherwise be due and payable under this Code section at the time of filing of the
718 application for a certificate of title with the remaining 50 percent being due within 12
719 months following such time.

720 (e) The fair market value of any motor vehicle subject to this Code section shall be
721 appealable in the same manner as otherwise authorized for a motor vehicle subject to ad
722 valorem taxation under Code Section 48-5-450; provided, however, that the person
723 appealing the fair market value shall first pay the full amount of the state and local title ad
724 valorem tax prior to filing any appeal. If the appeal is successful, the amount of the tax
725 owed shall be recalculated and, if the amount paid by the person appealing the

726 determination of fair market value is greater than the recalculated tax owed, the person
727 shall be promptly given a refund of the difference.

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

733 (g) A motor vehicle dealer shall be authorized to apply to the county tag agent of the
734 county in which such motor vehicle is registered for a refund of state and local title ad
735 valorem taxes on behalf of the person who purchased a motor vehicle from such dealer.
736 Such dealer shall promptly pay to such purchaser any refund received by the dealer which
737 is owed to the purchaser, and in any event, such payment shall be made no later than ten
738 days following the receipt of such refund by the dealer. The county tag agent shall approve
739 or deny the request for refund within 30 days after the filing of the application for refund.
740 If the county tag agent denies the refund, the county tag agent shall specify the reasons for
741 such denial. The motor vehicle dealer shall be authorized to appeal such denial to the
742 commissioner within 30 days following such denial."

743

SECTION 2.

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

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

753 (2)(A) It shall be a misdemeanor to operate any vehicle required to be registered in the
754 State of Georgia without a valid numbered license plate properly validated, unless such
755 operation is otherwise permitted under this chapter; and provided, further, that the
756 purchaser of a new vehicle or a used vehicle from a dealer of new or used motor
757 vehicles who displays a temporary plate issued as provided by subparagraph (B) of this
758 paragraph may operate such vehicle on the public highways and streets of this state
759 without a current valid license plate during the period within which the purchaser is
760 required by Code Section 40-2-20. An owner acquiring a motor vehicle from an entity
761 that is not a new or used vehicle dealer shall register such vehicle as provided for in

762 Code Section 40-2-29 unless such vehicle is to be registered under the International
763 Registration Plan pursuant to Article 3A of this chapter.

764 (B)(i) Any dealer of new or used motor vehicles shall issue to the purchaser of a
765 vehicle at the time of sale thereof, unless such vehicle is to be registered under the
766 International Registration Plan, a temporary plate as provided for by department rules
767 or regulations which may bear the dealer's name and location and shall bear ~~the~~ an
768 expiration date ~~of the period within which the purchaser is required by Code Section~~
769 ~~40-2-20 to register such vehicle~~ 45 days from the date of purchase. The expiration
770 date of such a temporary plate may be revised and extended by the county tag agent
771 upon application by the dealer, the purchaser, or the transferee if an extension of the
772 purchaser's initial registration period has been granted as provided by Code
773 Section 40-2-20. Such temporary plate shall not resemble a license plate issued by
774 this state and shall be issued without charge or fee. The requirements of this
775 subparagraph ~~do~~ shall not apply to a dealer whose primary business is the sale of
776 salvage motor vehicles and other vehicles on which total loss claims have been paid
777 by insurers.

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

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

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

790 **SECTION 3.**

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

794 "(c) A person unable to fully comply with the requirements of subsection (a) of this Code
795 section shall register such vehicle and receive a temporary operating permit that will be
796 valid until the end of the initial registration period as provided for in paragraph (.1) of
797 subsection (a) of Code Section 40-2-21. The commissioner may provide by rule or

798 regulation for one 30 day extension of such initial registration period which may be granted
 799 by the county tag agent if the transferor has not provided such purchaser or other transferee
 800 owner with a title to the motor vehicle more than five business days prior to the expiration
 801 of such initial registration period. The county tag agent shall grant an extension of the
 802 initial registration period when the transferor, purchaser, or transferee can demonstrate by
 803 affidavit in a form provided by the commissioner that title has not been provided to the
 804 purchaser or transferee due to the failure of a security interest holder or lienholder to timely
 805 release a security interest or lien in accordance with Code Section 40-3-56."

806 **SECTION 4.**

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

809 "40-3-21.

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

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

830 (2) A description of the vehicle, including, so far as the following data exist: its make,
 831 model, identifying number, type of body, the number of cylinders, and whether new,
 832 used, or a demonstrator and, for a manufactured home, the manufacturer's statement or

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

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

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

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

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

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

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

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

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

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

882 SECTION 5.

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

884 "40-3-21.1.

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

902 SECTION 6.

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

