

The Senate Committee on Transportation offered the following substitute to HB 551:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and
2 traffic, so as to provide for conditions, procedures, and limitations for issuance of temporary
3 operating permits for motor vehicles; to revise provisions relative to the operation of an
4 unregistered motor vehicle or vehicle without a current license plate, revalidation decal,
5 county decal, or temporary operating permit; to authorize the development and maintenance
6 by third parties of an electronic temporary operating permit issuance system for issuance of
7 temporary operating permits; to provide for utilization of such system by dealers for issuance
8 of temporary operating permits; to provide for the suspension of access to such system by
9 the department for certain violations; to authorize access to certain information with the State
10 Board of Registration of Used Motor Vehicle Dealers and Used Motor Vehicle Parts Dealers
11 for certain purposes; to revise a definition; to provide for notice and hearings; to amend Code
12 Section 43-47-2 of the Official Code of Georgia Annotated, relating to definitions relative
13 to used motor vehicle and used motor vehicle parts dealers, so as to revise the definition of
14 established place of business; to amend Code Section 48-5C-1 of the Official Code of
15 Georgia Annotated, relating to alternative ad valorem tax on motor vehicles, so as to provide
16 for enhanced penalty for an owner of a passive entity that fails to pay alternative ad valorem
17 tax; to provide for a definition; to provide for an effective date; to provide for related matters;
18 to repeal conflicting laws; and for other purposes.

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

20 SECTION 1.

21 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is
22 amended by revising Code Section 40-2-8, relating to operation of unregistered vehicle or
23 vehicle without current license plate, revalidation decal, or county decal and temporary
24 operating permit issued by dealers of new or used motor vehicles, as follows:

25 "40-2-8.

26 (a) No person shall own, rent, lease, or operate any vehicle required to be registered
27 pursuant to Code Section 40-2-20 upon a highway in this state without registering such
28 vehicle. Any person who becomes a resident of this state shall register his or her vehicle
29 within 30 days of becoming a resident. Any person who fails to comply with this
30 subsection shall be guilty of a misdemeanor and punished by a fine of \$100.00 for each day
31 in which the vehicle is in violation. Any person owning or operating any vehicle described
32 in Code Section 40-2-20 on any public highway or street without complying with that Code
33 section shall be guilty of a misdemeanor, provided that a person shall register his or her
34 motor vehicle within 30 days after becoming a resident of this state. Any person renting,
35 leasing, or loaning any vehicle described in Code Section 40-2-20 which is being used on
36 any public highway or street without complying with that Code section shall be guilty of
37 a misdemeanor and, upon conviction thereof, shall be punished by a fine of \$100.00 for
38 each violation, and each day that such vehicle is operated in violation of Code Section
39 40-2-20 shall be deemed to be a separate and distinct offense.

40 (b)(1) It shall be unlawful and punishable as for a misdemeanor to operate any vehicle
41 required to be registered in this state pursuant to Code Section 40-2-20 without a valid
42 numbered license plate properly validated with a current revalidation decal, unless such
43 operation is otherwise permitted under this chapter; and provided, further, that the
44 purchaser of a new vehicle or a used vehicle from a dealer of new or used motor vehicles

45 who displays a temporary operating permit issued as provided by ~~paragraph (2) of this~~
46 ~~subsection~~ Code Section 40-2-8.1 may operate such vehicle on the public highways and
47 streets of this state without a current valid license plate during the period ~~within which~~
48 ~~the purchaser is required by Code Section~~ authorized by Code Sections 40-2-8.1
49 and 40-2-20. An owner acquiring a motor vehicle from an entity that is not a new or used
50 vehicle dealer shall register such vehicle as provided for in Code Section 40-2-29 unless
51 such vehicle is to be registered under the International Registration Plan pursuant to
52 Article 3A of this chapter.

53 ~~(2)(A) Any dealer of new or used motor vehicles shall issue to the purchaser of a~~
54 ~~vehicle at the time of sale thereof, unless such vehicle is to be registered under the~~
55 ~~International Registration Plan, a temporary operating permit as provided for by~~
56 ~~department rules or regulations which may bear the dealer's name and location and shall~~
57 ~~bear an expiration date 45 days from the date of purchase. The expiration date of such~~
58 ~~a temporary operating permit may be revised and extended by the county tag agent~~
59 ~~upon application by the dealer, the purchaser, or the transferee if an extension of the~~
60 ~~purchaser's initial registration period has been granted as provided by Code~~
61 ~~Section 40-2-20. Such temporary operating permit shall not resemble a license plate~~
62 ~~issued by this state and shall be issued without charge or fee. The requirements of this~~
63 ~~paragraph shall not apply to a dealer whose primary business is the sale of salvage~~
64 ~~motor vehicles and other vehicles on which total loss claims have been paid by insurers.~~

65 ~~(B) All temporary operating permits issued by dealers to purchasers of vehicles shall~~
66 ~~be of a standard design prescribed by regulation promulgated by the department. The~~
67 ~~department may provide by rule or regulation for the sale and distribution of such~~
68 ~~temporary operating permits by third parties in accordance with paragraph (3) of this~~
69 ~~subsection.~~

70 ~~(3) All sellers and distributors of temporary operating permits shall maintain an~~
71 ~~inventory record of temporary operating permits by number and name of the dealer.~~

72 ~~(4)(2)~~ The purchaser and operator of a vehicle shall not be subject to the penalties set
73 forth in this Code section during the period allowed for the registration of such vehicle.
74 ~~If the owner of such vehicle presents evidence that such owner has properly applied for~~
75 ~~the registration of such vehicle, but that the license plate or revalidation decal has not~~
76 ~~been delivered to such owner, then the owner shall not be subject to the penalties~~
77 ~~enumerated in this subsection.~~

78 (c) It shall be unlawful and punishable as for a misdemeanor to operate any vehicle
79 required to be registered in ~~the State of Georgia~~ this state without a valid county decal
80 designating the county where the vehicle was last registered, unless such operation is
81 otherwise permitted under this chapter. ~~Any person convicted of such offense shall be~~
82 ~~punished by a fine of \$25.00 for a first offense and \$100.00 for a second or subsequent~~
83 ~~such offense. However, a A county name decal shall not be required if there is no space~~
84 ~~provided for a county name decal on the current license plate. Any person convicted of a~~
85 ~~violation of this subsection shall be subject to a fine not to exceed \$25.00 if that person~~
86 ~~shows to the court having jurisdiction of the offense that the proper revalidation decal had~~
87 ~~been obtained prior to the time of the offense.~~

88 ~~(d) No violation of this Code section shall have occurred upon presentation of evidence~~
89 ~~that the owner had properly applied for the registration of such vehicle, but that the license~~
90 ~~plate or revalidation decal had not been delivered to such owner at the time the uniform~~
91 ~~traffic citation was issued.~~

92 ~~(e) The commissioner is authorized to promulgate rules and regulations necessary to~~
93 ~~effectuate the provisions of this Code section.~~

94 **SECTION 2.**

95 Said title is further amended by revising Code Section 40-2-8.1, relating to operation of
96 vehicle without revalidation decal on license plate, as follows:

97 "40-2-8.1.
98 Notwithstanding Code Section 40-2-8 or any other provision of law, a person who operates
99 a vehicle which is required to be registered in this state and which has attached to the rear
100 thereof a valid numbered license plate without having the required revalidation decal
101 affixed upon that plate, which person is otherwise guilty of a misdemeanor for not having
102 such decal affixed to the plate, shall be subject for that offense only to a fine not to exceed
103 \$25.00 if that person shows to the court having jurisdiction of the offense that the proper
104 revalidation decal had been obtained prior to the time of the offense.

105 (a) Any dealer of new or used motor vehicles other than a motor vehicle broker, as such
106 term is defined in Code Section 43-47-2, shall issue a temporary operating permit without
107 charge or fee to the purchaser of a vehicle at the time of sale thereof, unless such vehicle
108 is to be registered under the International Registration Plan or such dealer is one whose
109 primary business is the sale of salvage motor vehicles and other vehicles on which total
110 loss claims have been paid by insurers. Such temporary operating permit shall be of a
111 standard design prescribed the department; provided, however, that such permit shall not
112 resemble a license plate issued by this state. A temporary operating permit may bear the
113 name of the dealer and location and shall include an expiration date which shall be 45 days
114 from the date of purchase. The expiration date of a temporary operating permit may be
115 revised and extended by the county tag agent upon application by the dealer, purchaser, or
116 transferee if an extension of the purchaser's initial registration period has been granted as
117 provided by Code Section 40-2-20.

118 (b)(1) The department may provide by rule or regulation for the sale and distribution of
119 temporary operating permits to dealers by third parties through the development and
120 maintenance of an electronic temporary operating permit issuance system and establish
121 standards for distribution and issuance of such permits. The department may further
122 provide by rule or regulation for standards for authorized access to an electronic
123 temporary operating permit issuance system, which may include, but shall not be limited

124 to, required criminal background checks for any user of the system. Any third party
125 authorized to sell and distribute temporary operating permits shall maintain an inventory
126 record of such permits by number and name of the dealer.

127 (2)(A) The department shall be authorized to suspend access to the electronic
128 temporary operating permit issuance system established pursuant to this Code section
129 for any dealer found to have issued temporary operating permits for a vehicle which has
130 not been sold or intended to be registered or otherwise violated requirements for
131 issuance of such permits established by rule or regulation of the department after
132 issuance of notice of such violation by electronic means and opportunity for informal
133 review as set forth in this subparagraph. Any dealer who has received notice pursuant
134 to this subsection of an alleged violation and for whom the department intends to
135 suspend access to the electronic temporary operating permit issuance system may
136 request an informal review of the allegations with the department. The method for
137 making such request shall be developed by the department and may be by electronic
138 means. Upon receipt of such request for informal review, the department shall, within
139 ten business days, schedule an informal conference with such dealer to review the
140 suspected violations. Proceedings under this subparagraph shall not be governed by
141 any formal procedural requirements and may be conducted in such manner as the
142 department may establish by rule or regulation. The department shall consider the
143 historical use of the electronic temporary operating permit issuance system by the
144 dealer under consideration for access suspension, together with other pertinent
145 information which may be available, and shall render a decision regarding access to the
146 electronic temporary operating permit issuance system within seven business days of
147 the informal conference. Upon a finding that such dealer violated the requirements of
148 this Code section or rules and regulations of the department, the department shall be
149 authorized to impose fines or fees as provided by law. The department shall not be
150 authorized to suspend access to the temporary operating permit system unless the

151 department finds a dealer to be substantially out of compliance with the requirements
152 of this Code section or the rules and regulations of the department and such dealer has
153 failed to produce satisfactory evidence of extenuating circumstances to justify such
154 noncompliance.

155 (B) If the department suspends a dealer's access to the electronic temporary operating
156 permit issuance system established pursuant to this Code section after an informal
157 review held pursuant to subparagraph (A) of this paragraph, the suspended dealer shall
158 have the right to a formal hearing to review the suspension pursuant to Code
159 Section 40-3-6. Such hearing shall be held within 30 days of the department's decision
160 to suspend the dealer's access to the electronic temporary operating permit issuance
161 system and shall be conducted in accordance with Chapter 13 of Title 50, the 'Georgia
162 Administrative Procedure Act.' At such hearing, the department may present evidence
163 of any instances in which the suspended dealer unlawfully issued temporary operating
164 permits or issued fraudulent temporary operating permits. Upon a finding that the
165 suspended dealer is in compliance with the requirements of this Code section and has
166 issued temporary operating permits predominantly for bona fide motor vehicle sales,
167 the department shall provide for the immediate restoration of access to the electronic
168 temporary operating permit issuance system for such dealer but shall be authorized to
169 impose fines or fees as provided by law for failure to comply with the requirements of
170 this chapter. Upon a finding that the suspended dealer violated the requirements of this
171 Code section or rules and regulations of the department, the department shall be
172 authorized to extend the term of suspension for a period of up to 24 months. Upon a
173 finding that a dealer has unlawfully issued temporary operating permits in violation of
174 this chapter or rules and regulations of the department, the department shall further be
175 authorized to issue a civil monetary penalty in an amount no greater than \$100.00 per
176 violation, suspend or revoke the registration issued to a dealer pursuant to Code Section
177 40-2-39, and suspend, confiscate, or limit issuance of any dealer plates issued pursuant

178 to Code Section 40-2-38 for a period of up to 24 months. The department shall comply
179 with Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act,' in relation to
180 the expedited review provided for in this subparagraph and the suspended dealer shall
181 have the right to appeal any decision of the department in accordance with such chapter.
182 (c) The commissioner is authorized to promulgate rules and regulations necessary to
183 effectuate the provisions of this Code section."

184 **SECTION 3.**

185 Said title is further amended in Code Section 40-2-33, relating to issuance of license plates
186 and decals, transfer of registration to a digital license plate, compensation of tag agents, and
187 required identification, by revising paragraph (3) of subsection (a) as follows:

188 "(3) At the time of initial application for registration or at any time during the registration
189 period, a vehicle owner may file with the county tag agent, on a form or electronic form
190 prescribed by the commissioner, a request to have a vehicle license plate duplicated on
191 a digital license plate purchased from a digital license plate provider. Such request to the
192 county tag agent shall include all applicable registration fees. Upon approving the
193 application provided in this paragraph, the commissioner or county tag agent shall furnish
194 the digital license plate provider with the appropriate licensing information to be
195 displayed upon the digital license plate. In accordance with Code Section ~~40-2-8~~
196 40-2-8.1, a 45 day temporary operating permit shall be issued by the commissioner or
197 county tag agent to an applicant for a digital license plate until such license plate is
198 received by the applicant."

199 **SECTION 4.**

200 Said title is further amended in Code Section 40-2-38, relating to registration and licensing
201 of manufacturers, distributors, and dealers and issuance of manufacturer, manufacturer

202 headquarters, distributor, and dealer plates, by revising paragraph (1) of subsection (a) and
203 subsections (c) through (f) as follows:

204 "(a)(1) Manufacturers, manufacturer headquarters, distributors, and dealers other than
205 a motor vehicle broker, as such term is defined in Code Section 43-47-2, engaged in the
206 manufacture, sale, or leasing of vehicles required to be registered under Code Section
207 40-2-20 shall register by electronic means with the commissioner, making application for
208 a distinguishing ~~dealer's number, specifying the name and make of motor vehicle, tractor,~~
209 ~~or trailer manufactured, sold, or leased by them~~ number, upon forms prepared by the
210 commissioner for such purposes, and pay therefor a fee of \$62.00, which shall
211 accompany such application. Upon payment of such fee by ~~a dealer~~ an applicant, the
212 commissioner shall furnish ~~to the dealer~~ one master number plate to expire each year in
213 accordance with ~~subsection (f) of this Code section, to be known as a dealer's number and~~
214 ~~to~~ based upon the type of master number plate issued. Each additional plate issued
215 pursuant to this Code section shall require payment of a \$12.00 fee. Each master number
216 plate and any additional plates issued pursuant to this Code section shall be distinguished
217 from the ~~number~~ license plates provided for in this chapter by different and distinguishing
218 colors to be determined by the commissioner. The dealer plate for a franchise motor
219 vehicle dealer shall be distinguishable from the dealer plate for a used car dealer and from
220 the dealer plate for a motor vehicle wholesaler. Except as otherwise authorized by this
221 Code section, a dealer's master number plate or additional plates issued pursuant to this
222 Code section shall be ~~A dealer's number plate is~~ for the purpose of demonstrating or
223 transporting ~~the dealer's~~ vehicles or trailers for sale or lease. Persons engaged in the
224 business of transporting vehicles for a dealer under a vehicle's own power shall be
225 permitted to use such dealer's plate for the purpose of transporting a vehicle."

226 ~~"(c) This Code section shall not apply in any manner to mopeds.~~

227 ~~(d)~~(c) The license plates issued pursuant to this Code section shall be revoked and
228 confiscated upon a determination after a hearing that such dealer, distributor, manufacturer,

229 or manufacturer headquarters has unlawfully used such license plates in violation of this
230 Code section.

231 ~~(e)~~(d) If a license plate issued pursuant to this Code section is lost or stolen, the dealer,
232 manufacturer, distributor, manufacturer headquarters, or other party to whom the license
233 plate was issued ~~must~~ shall immediately report the lost or stolen plate to local law
234 enforcement agencies. If a replacement license plate is sought, the dealer, manufacturer,
235 distributor, manufacturer headquarters, or other party to whom the license plate was issued
236 shall file a notarized affidavit with the department requesting a replacement plate. Such
237 affidavit shall certify under penalty of perjury that the license plate has been lost or stolen
238 and that the loss has been reported to a local law enforcement agency.

239 ~~(f)(1)~~(e) Except as otherwise provided for in this Code section, the ~~The~~ expiration of a
240 license plate issued pursuant to this Code section shall be the last day of the registration
241 period as provided in division (a)(1)(A)(ii) of Code Section 40-2-21, except that for the
242 purposes of this subsection, the registration period shall be determined by the first letter of
243 the legal name of the business listed on the application for registration or renewal of
244 registration. An application for renewal of registration shall not be submitted earlier than
245 90 days prior to the last day of the registration period. A penalty of 25 percent of the total
246 registration fees due shall be assessed any person registering pursuant to this Code section
247 who, prior to the expiration of such person's registration period, fails to apply for renewal
248 or if having applied fails to pay the required fees.

249 ~~(2) A transition period shall commence on October 1, 2007, and conclude on December~~
250 ~~31, 2007, for all existing registrations and any new registration applications presented~~
251 ~~prior to January 1, 2008. On or after January 1, 2008, new applications for registration~~
252 ~~shall be submitted and remain valid until the expiration of such registration as specified~~
253 ~~in paragraph (1) of this subsection."~~

254

SECTION 5.

255 Said title is further amended in Code Section 40-2-130, relating to records of certificates of
256 registration, by revising subsection (c) as follows:

257 "(c) The motor vehicle registration records which the commissioner is required to maintain
258 under this Code section or any other provision are exempt from the provisions of any law
259 of this state requiring that such records be open for public inspection; provided, however,
260 that, subject to subsection (d) of this Code section, the records may be disclosed for use as
261 provided in the federal Driver's Privacy Protection Act of 1994, 18 U.S.C. Chapter 123, and
262 by ~~the following~~:

263 (1) Any licensed dealer of new or used motor vehicles;

264 (2) Any tax collector, tax receiver, or tax commissioner;

265 (3) The director of the Environmental Protection Division of the Department of Natural
266 Resources or his or her designee;

267 (4) Any private person who has met the requirements of Code Section 40-2-25, provided
268 that the information shall be used for the sole purpose of effectuating the registration or
269 renewal of motor vehicles by electronic or similar means and that the private person
270 requesting the information has entered into an agreement to provide electronic services
271 to the commissioner or a county tag agent; provided, further, that the information made
272 available pursuant to this paragraph for such purpose shall be limited to the vehicle
273 identification number, the license tag number, the date of expiration of registration, and
274 the amount of tax owed; ~~and~~

275 (5) A person or entity authorized by the commissioner for use in providing notice to the
276 owners of towed or impounded vehicles; and

277 (6) The board established pursuant to Chapter 47 of Title 43 for use in carrying out its
278 functions."

279

SECTION 6.

280 Said title is further amended in Code Section 40-3-23, relating to issuance of certificate of
281 title, maintenance of record of certificates issued, public inspection, furnishing records for
282 fee, and electronic format, by revising subsection (d) as follows:

283 "(d) The motor vehicle records which the commissioner or the commissioner's duly
284 authorized county tag agent is required to maintain under this Code section or any other
285 provision are exempt from the provisions of any law of this state requiring that such
286 records be open for public inspection; provided, however, that, subject to subsection (f) of
287 this Code section, the records may be disclosed for use as provided in the federal Driver's
288 Privacy Protection Act of 1994, 18 U.S.C. Chapter 123, and by ~~the following~~:

289 (1) Any licensed dealer of new or used motor vehicles;

290 (2) Any tax collector, tax receiver, or tax commissioner; ~~and~~

291 (3) A person or entity authorized by the commissioner for use in providing notice to the
292 owners of towed or impounded vehicles; and

293 (4) The board established pursuant to Chapter 47 of Title 43 for carrying out its
294 functions."

295

SECTION 7.

296 Said title is further amended in Code Section 40-3-33, relating to transfer of vehicle to or
297 from dealer, records to be kept by dealers, electronic filing, and application for title where
298 dealer located, by revising subsections (a) and (b) and by adding new subsections to read as
299 follows:

300 "(a)(1) Except as provided in paragraph (2) of this subsection, a dealer who buys a
301 vehicle and holds it for resale need not apply to the commissioner for a new certificate
302 of title but may retain the delivered certificate ~~delivered to him~~. Upon transferring the
303 vehicle to another person other than by the creation of a security interest, such dealer
304 shall promptly execute the assignment and warranty of title by a dealer. Such assignment

305 and warranty shall show the names and addresses of the transferee and any holder of a
306 security interest created or reserved at the time of the resale and the date of ~~his~~ the
307 security agreement, in the spaces provided therefor on the certificate or as the
308 commissioner prescribes. Transfers of vehicles under this Code section shall otherwise
309 conform with Code Section 40-3-32. A dealer selling a previously registered vehicle for
310 which ~~under this chapter need not have~~ a certificate of title ~~is not required under this~~
311 chapter need not furnish a purchaser of such a vehicle a certificate of title. After a
312 previously registered vehicle has been brought under the terms of this chapter, a dealer,
313 when selling that vehicle, shall conform to all provisions of this chapter.

314 (2)(A) As used in this paragraph, the term 'franchise dealer' means a dealer who under
315 a contract or franchise agreement with a manufacturer, distributor, wholesaler, or
316 importer is authorized to sell new motor vehicles of or for such manufacturer,
317 distributor, wholesaler, or importer and who is authorized to use trademarks or service
318 marks associated with one or more makes of motor vehicles in connection with such
319 sales.

320 (B) A dealer who is not a franchise dealer who acquires a vehicle for which the original
321 certificate of title has not been issued and who holds such vehicle for resale shall not
322 be exempt from the requirement to obtain a certificate of title in such dealer's name as
323 provided in paragraph (1) of this subsection. Such dealer shall, as provided in Code
324 Section 40-3-32, obtain a certificate of title in such dealer's name prior to selling or
325 otherwise transferring said vehicle to any other person or dealer.

326 (b) Every dealer shall maintain a record, in the form the commissioner prescribes, of every
327 vehicle bought, sold, or exchanged ~~by him~~, or received ~~by him~~ for sale or exchange. Such
328 record shall be kept for three years and shall be open to inspection by a representative of
329 the commissioner during reasonable business hours. The information contained in records
330 maintained by a dealer pursuant to this subsection shall be an accurate representation of the
331 transaction, and no alternative versions of records shall be produced for a purchaser with

332 information which differs from that contained in records maintained for inspection by the
333 department."

334 "(f) The department shall be authorized to assess a civil penalty against a dealer of up to
335 \$500.00 for each sales transaction conducted in violation of subsection (b) of this Code
336 section.

337 (g) The department is authorized to promulgate rules and regulations necessary to
338 effectuate the provisions of this Code section."

339

SECTION 8.

340 Code Section 43-47-2 of the Official Code of Georgia Annotated, relating to definitions
341 relative to used motor vehicle and used motor vehicle parts dealers, is amended by revising
342 paragraph (3) as follows:

343 "(3) 'Established place of business' means a salesroom or sales office in a building or on
344 an open lot of a retail used car dealership or at which a permanent business of bartering,
345 trading, offering, displaying, selling, buying, dismantling, or rebuilding wrecked or used
346 motor vehicles or parts is carried on, or the place at which the books, records, and files
347 necessary to conduct such business are kept. Each such place of business shall be at least
348 250 square feet, furnished with a working telephone listed in the name of the licensee for
349 use in conducting the business, and ~~shall be~~ marked by an appropriate permanent sign as
350 prescribed by the appropriate division under this chapter."

351

SECTION 9.

352 Code Section 48-5C-1 of the Official Code of Georgia Annotated, relating to alternative ad
353 valorem tax on motor vehicles, is amended by adding a new paragraph to subsection (a), by
354 revising paragraph (9) of subsection (d), and by adding a new subsection to read as follows:

355 "(3.1) 'Passive entity' means a person, other than an individual, formed under the laws
356 of another state that does not have an established place of business in this state, owns no

357 real property, and conducts no trade or business other than the holding of assets for
358 investment and income."

359 "(9)(A) Any owner of any motor vehicle who fails to submit within 30 days of the date
360 such owner is required by law to register such vehicle in this state an application for a
361 first certificate of title under Code Section 40-3-21 or a certificate of title under Code
362 Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the
363 state title ad valorem tax fees and 10 percent of the local title ad valorem tax fees
364 required under this Code section and, if such state and local title ad valorem tax fees
365 and the penalty are not paid within 60 days following the date such owner is required
366 by law to register such vehicle, interest at the rate of 1 percent per month shall be
367 imposed on the state and local title ad valorem tax fees due under this Code section,
368 unless a temporary permit has been issued by the tax commissioner. The tax
369 commissioner shall grant a temporary permit in the event the failure to timely apply for
370 a first certificate of title is due to the failure of a lienholder to comply with Code
371 Section 40-3-56, regarding release of a security interest or lien, and no penalty or
372 interest shall be assessed. Such penalty and interest shall be in addition to the penalty
373 and fee required under Code Section 40-3-21 or 40-3-32, as applicable.

374 (B) The penalties provided for in subparagraph (A) of this paragraph shall be double
375 for any resident of this state who owns at least 50 percent of a passive entity that owns
376 a motor vehicle that fails to submit within 60 days of the date such owner is required
377 by law to register such vehicle in this state an application for a first certificate of title
378 under Code Section 40-3-21 or a certificate of title under Code Section 40-3-32 and
379 register such vehicle."

380 "(h) The commissioner shall be authorized in his or her sole discretion to share information
381 obtained for purposes of this Code section with the board established pursuant to
382 Chapter 47 of Title 43. Any confidential information furnished pursuant to this Code
383 section shall retain its character as confidential. Any person who divulges confidential

384 information obtained pursuant to this Code section shall be subject to the same penalties
385 as those provided for divulgence of information by employees of the department."

386 **SECTION 10.**

387 This Act shall become effective on January 1, 2026.

388 **SECTION 11.**

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