

House Bill 729 (AS PASSED HOUSE AND SENATE)

By: Representatives Rice of the 95<sup>th</sup>, Geisinger of the 48<sup>th</sup>, and Oliver of the 82<sup>nd</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-5C-1 of the Official Code of Georgia Annotated, relating to  
2 definitions, exemption from taxation, allocation and disbursement of proceeds collected by  
3 tag agents, fair market value of vehicle appealable, and report, so as to change the manner  
4 for determining fair market value of motor vehicles subject to the tax; to provide for the fair  
5 market value determination of kit cars; to provide for credit for trade-in vehicle in certain  
6 lease transactions; to provide for fees of the tag agent; to provide for the promulgation of a  
7 standardized form; to provide for the submission of title applications and title ad valorem tax  
8 fees by dealers; to provide for penalties for failure to submit title applications and title ad  
9 valorem tax fees timely; to provide for certain refunds; to provide for transfers as a result of  
10 a divorce decree or court order; to amend Title 40 of the Official Code of Georgia Annotated,  
11 relating to motor vehicles and traffic, so as to provide for an expiration period for temporary  
12 license plates; to require that applications be submitted to the county where the vehicle will  
13 be registered; to provide for extensions of the registration period under certain circumstances;  
14 to provide for related matters; to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

16 style="text-align:center">**SECTION 1.**

17 Code Section 48-5C-1 of the Official Code of Georgia Annotated, relating to definitions,  
18 exemption from taxation, allocation and disbursement of proceeds collected by tag agents,  
19 fair market value of vehicle appealable, and report, is amended by revising the Code section  
20 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 vehicle ad valorem assessment manual utilized by the state revenue commissioner and

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

36 (B) For a used motor vehicle which is not so listed in such current motor vehicle ad  
 37 valorem assessment manual, the value from the bill of sale or the value from a reputable  
 38 used car market guide designated by the commissioner, whichever is greater, and, in the  
 39 case of a used car dealer, less any reduction for the trade-in value of another motor  
 40 vehicle; provided, however, that, if the value of the motor vehicle is based upon a  
 41 reputable used car market guide designated by the commissioner, then the value of the  
 42 trade-in shall also be based upon the same reputable used car market guide;

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

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

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

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

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

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

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

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

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

96 (7) 'Trade-in value' means the fair market value of the motor vehicle, as defined in  
 97 paragraph (1) of this subsection, as stated in the bill of sale for a vehicle which has been  
 98 traded in to the dealer in a transaction involving the purchase of another vehicle from the  
 99 dealer. When a lessor receives a motor vehicle which was returned to the lessor by a

100 lessee and the lessor utilizes such vehicle as a trade-in in the purchase of another motor  
 101 vehicle to be leased to the same or a different lessee, such lessor shall receive a reduction  
 102 for the trade-in value of such trade-in vehicle in determining the fair market value of the  
 103 vehicle being purchased.

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

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

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

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

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

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

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

137 was 7 percent of the fair market value of the motor vehicle less any trade-in value  
138 plus the total amount of motor vehicle state ad valorem tax proceeds collected under  
139 Chapter 5 of this title during 2014.

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

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

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

146 (II) For the 2014 tax year, 6.75 percent of the fair market value of the motor  
147 vehicle; and

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

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

154 (iv) For the 2014 tax year, the state title ad valorem tax shall be at a rate equal to 55  
155 percent of the tax rate specified in division (ii) of this subparagraph, and the local title  
156 ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in  
157 division (ii) of this subparagraph.

158 (v) For the 2015 tax year, the state title ad valorem tax shall be at a rate equal to 55  
159 percent of the tax rate specified in division (ii) of this subparagraph, and the local title  
160 ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in  
161 division (ii) of this subparagraph.

162 (vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this  
163 subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of  
164 the tax rate specified in division (ii) of this subparagraph, and the local title ad  
165 valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in division  
166 (ii) of this subparagraph.

167 (vii) For the 2017 tax year, except as otherwise provided in divisions (xiii) and (xiv)  
168 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 44 percent  
169 of the tax rate specified in division (ii) of this subparagraph, and the local title ad  
170 valorem tax shall be at a rate equal to 56 percent of the tax rate specified in division  
171 (ii) of this subparagraph.

172 (viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this  
173 subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the

174 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem  
175 tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this  
176 subparagraph.

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

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

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

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

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

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

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

248 and local title ad valorem tax rate shall be January 1 of the next calendar year.  
 249 Notwithstanding the provisions of this division, the combined state and local title ad  
 250 valorem tax rate shall not exceed 9 percent.

251 (xv) The state revenue commissioner shall promulgate such rules and regulations as  
 252 may be necessary and appropriate to implement and administer this Code section,  
 253 including, but not limited to, rules and regulations regarding appropriate public  
 254 notification of any changes in rate amounts and the effective date of such changes and  
 255 rules and regulations regarding appropriate enforcement and compliance procedures  
 256 and methods for the implementation and operation of this Code section. The state  
 257 revenue commissioner shall promulgate a standardized form to be used by all dealers  
 258 of new and used vehicles in this state in order to ease the administration of this Code  
 259 section. The state revenue commissioner may promulgate and implement rules and  
 260 regulations as may be necessary to permit seller financed sales of used vehicles to be  
 261 assessed 2.5 percentage points less than the rate specified in division ~~(b)(1)(B)~~(ii) of  
 262 this ~~Code section~~ subparagraph.

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

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

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

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

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

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

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

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

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

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

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

341 (A) The tag agent of the county shall within 20 days following the end of each calendar  
 342 month allocate and distribute to the county governing authority and to municipal  
 343 governing authorities, the board of education of the county school district, and the  
 344 board of education of any independent school district located in such county an amount  
 345 of those proceeds necessary to offset any reduction in ad valorem tax on motor vehicles  
 346 collected under Chapter 5 of this title in the taxing jurisdiction of each governing  
 347 authority and school district from the amount of ad valorem taxes on motor vehicles  
 348 collected under Chapter 5 of this title in each such governing authority and school  
 349 district during the same calendar month of 2012. This reduction shall be calculated by  
 350 subtracting the amount of ad valorem tax on motor vehicles collected under Chapter 5  
 351 of this title in each such taxing jurisdiction from the amount of ad valorem tax on motor  
 352 vehicles collected under Chapter 5 of this title in that taxing jurisdiction in the same  
 353 calendar month of 2012. In the event that the local title ad valorem tax fee proceeds are  
 354 insufficient to fully offset such reduction in ad valorem taxes on motor vehicles, the tag  
 355 agent shall allocate a proportionate amount of the proceeds to each governing authority  
 356 and to the board of education of each such school district, and any remaining shortfall  
 357 shall be paid from the following month's local title ad valorem tax fee proceeds. In the

358 event that a shortfall remains, the tag agent shall continue to first allocate local title ad  
359 valorem tax fee proceeds to offset such shortfalls until the shortfall has been fully  
360 repaid; and

361 (B) Of the proceeds remaining following the allocation and distribution under  
362 subparagraph (A) of this paragraph, the tag agent shall allocate and distribute to the  
363 county governing authority and to municipal governing authorities, the board of  
364 education of the county school district, and the board of education of any independent  
365 school district located in such county the remaining amount of those proceeds in the  
366 manner provided in this subparagraph. Such proceeds shall be deposited in the general  
367 fund of such governing authority or board of education and shall not be subject to any  
368 use or expenditure requirements provided for under any of the following described local  
369 sales and use taxes but shall be authorized to be expended in the same manner as  
370 authorized for the ad valorem tax revenues on motor vehicles under Chapter 5 of this  
371 title which would otherwise have been collected for such governing authority or board  
372 of education. Of such remaining proceeds:

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

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

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

390 (III) If such tax is currently in effect as well as a local option sales and use tax for  
391 educational purposes levied pursuant to a local constitutional amendment, an  
392 amount equal to one-third of such proceeds shall be distributed in the same manner  
393 as required under subdivision (I) of this division and an amount equal to one-third

394 of such proceeds shall be distributed to the board of education of the county school  
395 district.

396 (IV) If such tax is not currently in effect and a local option sales and use tax for  
397 educational purposes levied pursuant to a local constitutional amendment is  
398 currently in effect, such proceeds shall be distributed to the board of education of  
399 the county school district and the board of education of any independent school  
400 district in the same manner as required under ~~that~~ such local constitutional  
401 amendment.

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

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

414 (II) If such tax were in effect but expired and is not currently in effect, such  
415 proceeds shall be distributed to the governing authority of the county and the  
416 governing authority of each qualified municipality located in such county in the  
417 same manner as if such tax were still in effect according to the intergovernmental  
418 agreement or as otherwise required under the county special purpose local sales and  
419 use tax under Part 1 of Article 3 of Chapter 8 of this title for the 12 month period  
420 commencing at the expiration of such tax. If such tax is not renewed prior to the  
421 expiration of such 12 month period, such amount shall be distributed in accordance  
422 with subdivision (I) of division (ii) of this subparagraph; provided, however, that if  
423 a tax under Article 2 of Chapter 8 of this title is not in effect, such amount shall be  
424 distributed in accordance with subdivision (II) of division (ii) of this subparagraph.

425 (III) If such tax is not currently in effect in a county in which a tax is levied for  
426 purposes of a metropolitan area system of public transportation, as authorized by the  
427 amendment to the Constitution set out at Ga. L. 1964, p. 1008; the continuation of  
428 such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution;  
429 and the laws enacted pursuant to such constitutional amendment, such proceeds

430 shall be distributed to the governing body of the authority created by local Act to  
 431 operate such metropolitan area system of public transportation.

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

440 (d)(1)(A) Upon the death of an owner of a motor vehicle which has not become subject  
 441 to paragraph (1) of subsection (b) of this Code section, the immediate family member  
 442 or immediate family members of such owner who receive such motor vehicle pursuant  
 443 to a will or under the rules of inheritance shall, subsequent to the transfer of title of such  
 444 motor vehicle, continue to be subject to ad valorem tax under Chapter 5 of this title and  
 445 shall not be subject to the state and local title ad valorem tax fees provided for in  
 446 paragraph (1) of subsection (b) of this Code section unless the immediate family  
 447 member or immediate family members make an affirmative written election to become  
 448 subject to paragraph (1) of subsection (b) of this Code section. In the event of such  
 449 election, such transfer shall be subject to the state and local title ad valorem tax fees  
 450 provided for in paragraph (1) of subsection (b) of this Code section.

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

460 (2)(A) Upon the transfer from an immediate family member of a motor vehicle which  
 461 has not become subject to paragraph (1) of subsection (b) of this Code section, the  
 462 immediate family member or immediate family members who receive such motor  
 463 vehicle shall, subsequent to the transfer of title of such motor vehicle, continue to be  
 464 subject to ad valorem tax under Chapter 5 of this title and shall not be subject to the  
 465 state and local title ad valorem tax fees provided for in paragraph (1) of subsection (b)  
 466 of this Code section unless the immediate family member or immediate family

467 members make an affirmative written election to become subject to paragraph (1) of  
468 subsection (b) of this Code section. In the event of such election, such transfer shall be  
469 subject to the state and local title ad valorem tax fees provided for in paragraph (1) of  
470 subsection (b) of this Code section.

471 (B) Upon the transfer from an immediate family member of a motor vehicle which has  
472 become subject to paragraph (1) of subsection (b) of this Code section, the immediate  
473 family member who receives such motor vehicle shall transfer title of such motor  
474 vehicle to such recipient family member and shall be subject to a state title ad valorem  
475 tax fee in an amount equal to one-quarter of 1 percent of the fair market value of the  
476 motor vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of 1  
477 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees  
478 shall be an alternative ad valorem tax as authorized by Article VII, Section I, Paragraph  
479 III(b)(3) of the Georgia Constitution.

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

488 (3) Any individual who:

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

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

493 shall only be required to pay state and local title ad valorem tax fees in the amount of 50  
494 percent of the amount which would otherwise be due and payable under this subsection  
495 at the time of filing the application for a certificate of title, and the remaining 50 percent  
496 shall be paid within 12 months.

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

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

504 subject to state and local title ad valorem tax fees under paragraph (1) of subsection (b)  
505 of this Code section.

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

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

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

520 (8) There shall be a penalty imposed on the transfer of all or any part of the interest in a  
521 business entity that includes primarily as an asset of such business entity one or more  
522 motor vehicles, when, in the determination of the state revenue commissioner, such  
523 transfer is done to evade the payment of state and local title ad valorem tax fees under  
524 this subsection. Such penalty shall not exceed \$2,500.00 as a state penalty per motor  
525 vehicle and shall not exceed \$2,500.00 as a local penalty per motor vehicle, as  
526 determined by the state revenue commissioner, plus the amount of the state and local title  
527 ad valorem tax fees. Such determination shall be made within 60 days of the state  
528 revenue commissioner receiving information that a transfer may be in violation of this  
529 paragraph.

530 (9) Any owner of any motor vehicle who fails to submit within 30 days of the date such  
531 owner is required by law to register such vehicle in this state an application for a first  
532 certificate of title under Code Section 40-3-21 or a certificate of title under Code  
533 Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the state  
534 title ad valorem tax fees and 10 percent of the local title ad valorem tax fees required  
535 under this Code section, and; if such state and local title ad valorem tax fees and the  
536 penalty are not paid within 60 days following the date such owner is required by law to  
537 register such vehicle, interest at the rate of 1.0 percent per month shall be imposed on the  
538 state and local title ad valorem tax fees due under this Code section, unless a temporary  
539 permit has been issued by the tax commissioner. The tax commissioner shall grant a  
540 temporary permit in the event the failure to timely apply for a first certificate of title is

541 due to the failure of a lienholder to comply with Code Section 40-3-56, regarding release  
 542 of a security interest or lien, and no penalty or interest shall be assessed. Such penalty  
 543 and interest shall be in addition to the penalty and fee required under Code  
 544 Section 40-3-21 or 40-3-32, as applicable.

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

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

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

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

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

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

568 (11)(A) In the case of rental motor vehicles owned by a rental motor vehicle concern,  
 569 the state title ad valorem tax fee shall be in an amount equal to .625 percent of the fair  
 570 market value of the motor vehicle, and the local title ad valorem tax fee shall be in an  
 571 amount equal to .625 percent of the fair market value of the motor vehicle, but only if  
 572 in the immediately prior calendar year the average amount of sales and use tax  
 573 attributable to the rental charge of each such rental motor vehicle was at least \$400.00  
 574 as certified by the state revenue commissioner. If, in the immediately prior calendar  
 575 year, the average amount of sales and use tax attributable to the rental charge of each  
 576 such rental motor vehicle was not at least \$400.00, this paragraph shall not apply and

577 such vehicles shall be subject to the state and local title ad valorem tax fees prescribed  
578 in division (b)(1)(B)(ii) of this Code section.

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

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

590 (13) Any motor vehicle which is donated to a nonprofit organization exempt from  
591 taxation under Section 501(c)(3) of the Internal Revenue Code for the purpose of being  
592 transferred to another person shall, when titled in the name of such nonprofit  
593 organization, not be subject to state and local title ad valorem tax fees under  
594 paragraph (1) of subsection (b) of this Code section but shall be subject to state and local  
595 title ad valorem tax fees otherwise applicable to salvage titles under paragraph (2) of  
596 subsection (b) of this Code section.

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

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

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

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

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

- 613 (B) The acquisition of a bonded title by a person or entity pursuant to Code  
 614 Section 40-3-28 if the title is to be issued in the name of such person or entity;
- 615 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the  
 616 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be  
 617 issued in the name of such lienholder;
- 618 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity  
 619 pursuant to Chapter 11 of this title if such person or entity is a manufacturer or dealer  
 620 of motor vehicles and the title is to be issued in the name of such person or entity;
- 621 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to  
 622 Code Section 40-3-43;
- 623 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,  
 624 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or  
 625 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,  
 626 or rebuilder shall submit an affidavit in a form promulgated by the commissioner  
 627 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or  
 628 to correct a title only;
- 629 (G) The obtaining of a title by and in the name of the holder of a security interest when  
 630 a motor vehicle has been repossessed after default in accordance with Part 6 of Article  
 631 9 of Title 11 if such title is to be issued in the name of such security interest holder;
- 632 (H) The obtaining of a title by a person or entity for purposes of correcting a title,  
 633 changing an odometer reading, or removing an odometer discrepancy legend, provided  
 634 that, subject to subparagraph (F) of this paragraph, title is not being transferred to  
 635 another person or entity; and
- 636 (I) The obtaining of a title by a person who pays state and local title ad valorem tax  
 637 fees on a motor vehicle and subsequently moves out of this state but returns and applies  
 638 to retitle such vehicle in this state.
- 639 (16) It shall be unlawful for a person, including a dealer of new or used motor vehicles  
 640 under subparagraph (b)(1)(C) of this Code section, to fail to obtain a title for and register  
 641 a motor vehicle in accordance with the provisions of this chapter. Any person, including  
 642 a dealer of new or used motor vehicles under subparagraph (b)(1)(C) of this Code section,  
 643 who knowingly and willfully fails to obtain a title for or register a motor vehicle in  
 644 accordance with the provisions of this chapter shall be guilty of a misdemeanor of a high  
 645 and aggravated nature.
- 646 (17) Any person who purchases a 1963 through 1985 model year motor vehicle for  
 647 which such person obtains a title shall be subject to this Code section, but the state title  
 648 ad valorem tax fee shall be in an amount equal to .50 percent of the fair market value of

649 such motor vehicle, and the local title ad valorem tax fee shall be in an amount equal to  
650 .50 percent of the fair market value of such motor vehicle.

651 (18)(A) Upon the transfer as the result of a divorce decree or court order of a motor  
652 vehicle which has not become subject to paragraph (1) of subsection (b) of this Code  
653 section, the person who receives such motor vehicle shall, subsequent to the transfer of  
654 title of such motor vehicle, continue to be subject to the ad valorem tax under Chapter  
655 5 of this title and shall not be subject to the state and local title ad valorem tax fees  
656 provided for in paragraph (1) of subsection (b) of this Code section unless such person  
657 makes an affirmative written election to become subject to paragraph (1) of subsection  
658 (b) of this Code section. In the event of such election, such transfer shall be subject to  
659 the state and local title ad valorem tax fees provided for in paragraph (1) of subsection  
660 (b) of this Code section.

661 (B) Upon the transfer as the result of a divorce decree or court order of a motor vehicle  
662 which has become subject to paragraph (1) of subsection (b) of this Code section, the  
663 person who receives such motor vehicle shall at the time of the transfer of title of such  
664 motor vehicle be subject to a state title ad valorem tax fee in an amount equal to  
665 one-quarter of 1 percent of the fair market value of the motor vehicle and a local title  
666 ad valorem tax fee in an amount equal to one-quarter of 1 percent of the fair market  
667 value of the motor vehicle. Such title ad valorem tax fees shall be an alternative ad  
668 valorem tax as authorized by Article VII, Section I, Paragraph III(b)(3) of the Georgia  
669 Constitution.

670 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the  
671 transferee that such transfer is pursuant to a divorce decree or court order, and the  
672 transferee shall attach such decree or order to the affidavit. There shall be a penalty  
673 imposed on any person who, in the determination of the state revenue commissioner,  
674 falsifies any material information in such affidavit. Such penalty shall not exceed  
675 \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty as  
676 determined by the state revenue commissioner. Such determination shall be made  
677 within 60 days of the state revenue commissioner receiving information of a possible  
678 violation of this paragraph.

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

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

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

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

697 **SECTION 2.**

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

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

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

718 (B)(i) Any dealer of new or used motor vehicles shall issue to the purchaser of a  
719 vehicle at the time of sale thereof, unless such vehicle is to be registered under the  
720 International Registration Plan, a temporary plate as provided for by department rules

721 or regulations which may bear the dealer's name and location and shall bear ~~the an~~  
 722 expiration date 45 days from the date of purchase ~~of the period within which the~~  
 723 ~~purchaser is required by Code Section 40-2-20 to register such vehicle.~~ The  
 724 expiration date of such a temporary plate may be revised and extended by the county  
 725 tag agent upon application by the dealer, the purchaser, or the transferee if an  
 726 extension of the purchaser's initial registration period has been granted as provided  
 727 by Code Section 40-2-20. Such temporary plate shall not resemble a license plate  
 728 issued by this state and shall be issued without charge or fee. The requirements of  
 729 this subparagraph ~~do~~ shall not apply to a dealer whose primary business is the sale of  
 730 salvage motor vehicles and other vehicles on which total loss claims have been paid  
 731 by insurers.

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

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

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

### 744 SECTION 3.

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

748 "(c) A person unable to fully comply with the requirements of subsection (a) of this Code  
 749 section shall register such vehicle and receive a temporary operating permit that will be  
 750 valid until the end of the initial registration period as provided for in paragraph (.1) of  
 751 subsection (a) of Code Section 40-2-21. The commissioner may provide by rule or  
 752 regulation for one 30 day extension of such initial registration period which may be granted  
 753 by the county tag agent if the transferor has not provided such purchaser or other transferee  
 754 owner with a title to the motor vehicle more than five business days prior to the expiration  
 755 of such initial registration period. The county tag agent shall grant an extension of the  
 756 initial registration period when the transferor, purchaser, or transferee can demonstrate by

757 affidavit in a form provided by the commissioner that title has not been provided to the  
 758 purchaser or transferee due to the failure of a security interest or lienholder to timely  
 759 release a security interest or lien in accordance with Code Section 40-3-56."

760 **SECTION 4.**

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

763 "40-3-21.

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

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

784 (2) A description of the vehicle, including, so far as the following data exist: its make,  
 785 model, identifying number, type of body, the number of cylinders, and whether new,  
 786 used, or a demonstrator and, for a manufactured home, the manufacturer's statement or  
 787 certificate of origin and the full serial number for all manufactured homes sold in this  
 788 state on or after July 1, 1994;

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

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

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

802 (2) If the application refers to a vehicle purchased from a dealer, it shall contain the name  
 803 and address of the holder of any security interest created or reserved at the time of the  
 804 sale by the dealer. The application shall be signed by the owner and, unless the dealer's  
 805 signature appears on the certificate of title or manufacturer's statement of origin submitted  
 806 in support of the title application, the dealer, provided that as an alternative to a  
 807 handwritten signature, the commissioner may authorize use of a digital signature as so  
 808 long as appropriate security measures are implemented which assure security and  
 809 verification of the digital signature process, in accordance with regulations promulgated  
 810 by the commissioner. The dealer shall promptly mail, or deliver, or electronically submit  
 811 the application to ~~the commissioner or the county tag agent of the county in which the~~  
 812 ~~seller is located, of the county in which the sale takes place, of the county tag agent where~~  
 813 ~~the vehicle will be registered in which the vehicle is delivered, or of the county wherein~~  
 814 ~~the vehicle owner resides so as to have the application submitted to the commissioner or~~  
 815 ~~such authorized county tag agent~~ within 30 days from the date of the sale of the vehicle.  
 816 If the application is not submitted within that time, the dealer, or in nondealer sales the  
 817 transferee, shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee  
 818 paid by the transferee provided for in this chapter. If the documents submitted in support  
 819 of the title application are rejected, the dealer submitting the documents shall have 60  
 820 days from the date of initial rejection to resubmit the documents required by the  
 821 ~~commissioner~~ or authorized county tag agent for the issuance of a certificate of title.  
 822 Should the documents not be properly resubmitted within 60 days, there shall be an  
 823 additional penalty of \$10.00 assessed against the dealer. The willful failure of a dealer  
 824 to obtain a certificate of title for a purchaser shall be grounds for suspension or revocation  
 825 of the dealer's state issued license and registration for the sale of motor vehicles.

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

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

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

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

835 **SECTION 5.**

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

838 "(b) Except as provided in Code Section 40-3-33, the transferee, promptly after delivery  
 839 to him or her of the vehicle and certificate of title, shall execute the application for a new  
 840 certificate of title on the form the commissioner prescribes and cause the application and  
 841 the certificate of title to be mailed or delivered to the ~~commissioner~~ or ~~his~~ appropriate  
 842 authorized county tag agent in the county where the vehicle will be registered together with  
 843 the application for change of registration for the vehicle, so that the title application shall  
 844 be received within 30 days from the date of the transfer of the vehicle. If the title  
 845 application is not received within that time, the owner shall be required to pay a penalty of  
 846 \$10.00 in addition to the ordinary title fee provided for by this chapter. If the documents  
 847 submitted in support of the title application are rejected, the party submitting the  
 848 documents shall have 60 days from the date of initial rejection to resubmit the documents  
 849 required by the ~~commissioner~~ authorized county tag agent for the issuance of title. If the  
 850 documents are not properly resubmitted within 60 days, there shall be an additional \$10.00  
 851 penalty assessed, and the owner of the vehicle shall be required to remove immediately the  
 852 license plate of the vehicle and return same to the ~~commissioner~~ authorized county tag  
 853 agent. The license plate shall be deemed to have expired at 12:00 Midnight of the sixtieth  
 854 day following the initial rejection of the documents, if the documents have not been  
 855 resubmitted as required under this subsection."

856 **SECTION 6.**

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