

House Bill 1234

By: Representative Corbett of the 174th

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 provide for definitions; to revise provisions relative
4 to the operation of an unregistered motor vehicle or vehicle without a current license plate,
5 revalidation decal, county decal, or temporary operating permit; to authorize the development
6 and maintenance by third parties of an electronic temporary operating permit issuance system
7 for issuance of temporary operating permits; to provide for utilization of such system by
8 dealers and brokers for issuance of temporary operating permits; to provide for the
9 suspension of access to such system by the department for certain violations; to provide for
10 notice and hearings; to provide for a limitation upon the number of temporary operating
11 permits to be issued by brokers; to provide for issuance of master number broker license
12 plates; to provide for standards and limitations upon issuance of such; to provide for
13 penalties; to amend Code Section 43-47-8 of the Official Code of Georgia Annotated,
14 relating to license applications for used motor vehicle dealers and used motor vehicle parts
15 dealers, prerequisites, license fees, renewal, training or test, supplemental licenses, bonds,
16 insurance, suspension for conviction or false statement, and meetings, so as to provide for
17 issuance or renewal of a license for certain used motor vehicle dealers; to amend Code
18 Section 48-5C-1 of the Official Code of Georgia Annotated, relating to alternative ad

H. B. 1234

- 1 -

19 valorem tax on motor vehicles, so as to provide for enhanced penalty for an owner of a
20 passive entity that fails to pay alternative ad valorem tax; to provide for a definition; to
21 provide for an effective date; to provide for related matters; to repeal conflicting laws; and
22 for other purposes.

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

24 **SECTION 1.**

25 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is
26 amended by revising Code Section 40-2-1, relating to definitions relative to registration and
27 licensing of motor vehicles, as follows:

28 "40-2-1.

29 As used in this chapter, the term:

30 (1) 'Broker' means any person who, for a commission or with the intent to make a profit
31 or gain of money or other thing of value, negotiates or attempts to negotiate the sale of
32 a motor vehicle on behalf of another.

33 ~~(1)~~(2) 'Cancellation of vehicle registration' means the annulment or termination by
34 formal action of the department of a person's vehicle registration because of an error or
35 defect in the registration or because the person is no longer entitled to such registration.
36 The cancellation of registration is without prejudice, and application for a new
37 registration may be made at any time after such cancellation.

38 ~~(2)~~(3) 'Commissioner' means the state revenue commissioner.

39 (4) 'Dealer' means any person who is engaged, in whole or in part, in the business of
40 selling, exchanging, renting with an option to purchase, or offering an interest in motor
41 vehicles for commission or with intent to make a profit or gain of money or other thing
42 of value, whether or not such motor vehicles are owned by such person. Such term shall
43 not include a broker.

44 ~~(3)~~(5) 'Department' means the Department of Revenue.

45 ~~(3.1)~~(6) 'Digital license plate' means a license plate which receives wireless data
46 communication to display information electronically.

47 ~~(3.2)~~(7) 'Digital license plate provider' means a person approved by the commissioner
48 as a vendor of digital license plate hardware and services to motor vehicle owners
49 pursuant to this article.

50 ~~(4)~~(8) 'For-hire intrastate motor carrier' means an entity engaged in the transportation of
51 goods or ten or more passengers for compensation wholly within the boundaries of this
52 state.

53 ~~(5)~~(9) 'Intrastate motor carrier' means any self-propelled or towed motor vehicle operated
54 by an entity that is used on a highway in intrastate commerce to transport passengers or
55 property and:

56 (A) Has a gross vehicle weight rating, gross combination weight rating, gross vehicle
57 weight, or gross combination weight of 4,536 kg (10,001 lbs.) or more, whichever is
58 greater;

59 (B) Is designed or used to transport more than ten passengers, including the driver, and
60 is not used to transport passengers for compensation; or

61 (C) Is used to transport material found by the United States Secretary of Transportation
62 to be hazardous pursuant to 49 U.S.C. Section 5103 and is transported in any quantity.

63 ~~(5.1)~~(10) 'License plate' means a sign affixed to a motor vehicle which displays a series
64 of letters or numbers or both indicating that the vehicle has been registered with this state.
65 Such sign may be in a material made of metal or paper or a device which allows
66 information to be presented electronically in a digital format.

67 ~~(6)~~(11) 'Motor carrier' means:

68 (A) Any entity subject to the terms of the Unified Carrier Registration Agreement
69 pursuant to 49 U.S.C. Section 14504a whether engaged in interstate or intrastate
70 commerce, or both; or

71 (B) Any entity defined by the commissioner or commissioner of public safety who
72 operates or controls commercial motor vehicles as defined in 49 C.F.R. Section 390.5
73 or this chapter whether operated in interstate or intrastate commerce, or both.

74 ~~(7)~~(12) 'Operating authority' means the registration required by 49 U.S.C. Section 13902,
75 49 C.F.R. Part 365, 49 C.F.R. Part 368, and 49 C.F.R. Section 392.9a.

76 ~~(8)~~(13) 'Regulatory compliance inspection' means the examination of facilities, property,
77 buildings, vehicles, drivers, employees, cargo, packages, records, books, or supporting
78 documentation kept or required to be kept in the normal course of motor carrier business
79 or enterprise operations.

80 ~~(9)~~(14) 'Resident' means a person who has a permanent home or domicile in Georgia and
81 to which, having been absent, he or she has the intention of returning. For the purposes
82 of this chapter, there is a rebuttable presumption that any person who, except for
83 infrequent, brief absences, has been present in the state for 30 or more days is a resident.

84 ~~(10)~~(15) 'Revocation of vehicle registration' means the termination by formal action of
85 the department of a vehicle registration, which registration shall not be subject to renewal
86 or reinstatement, except that an application for a new registration may be presented and
87 acted upon by the department after the expiration of the applicable period of time
88 prescribed by law.

89 ~~(11)~~(16) 'Suspension of vehicle registration' means the temporary withdrawal by formal
90 action of the department of a vehicle registration, which temporary withdrawal shall be
91 for a period specifically designated by the department."

92 **SECTION 2.**

93 Said title is further amended by revising Code Section 40-2-8, relating to operation of
94 unregistered vehicle or vehicle without current license plate, revalidation decal, or county
95 decal and temporary operating permit issued by dealers of new or used motor vehicles, as
96 follows:

97 "40-2-8.

98 (a) No person shall own, rent, lease, loan, or operate any vehicle required to be registered
99 pursuant to Code Section 40-2-20 upon a highway in this state without registering such
100 vehicle. Any person who becomes a resident of this state shall register his or her vehicle
101 within 30 days of becoming a resident. Each day that a vehicle is in violation of this Code
102 section shall be deemed to be a separate and distinct offense. Any person convicted of such
103 offense shall be guilty of a misdemeanor and punished by a fine of \$100.00 for each
104 violation. ~~Any person owning or operating any vehicle described in Code Section 40-2-20~~
105 ~~on any public highway or street without complying with that Code section shall be guilty~~
106 ~~of a misdemeanor, provided that a person shall register his or her motor vehicle within 30~~
107 ~~days after becoming a resident of this state. Any person renting, leasing, or loaning any~~
108 ~~vehicle described in Code Section 40-2-20 which is being used on any public highway or~~
109 ~~street without complying with that Code section shall be guilty of a misdemeanor and, upon~~
110 ~~conviction thereof, shall be punished by a fine of \$100.00 for each violation, and each day~~
111 ~~that such vehicle is operated in violation of Code Section 40-2-20 shall be deemed to be~~
112 ~~a separate and distinct offense.~~

113 (b)(1) It shall be unlawful and punishable as for a misdemeanor to operate any vehicle
114 required to be registered in this state pursuant to Code Section 40-2-20 without a valid
115 numbered license plate properly validated with a current revalidation decal, unless such
116 operation is otherwise permitted under this chapter; and provided, further, that the
117 purchaser of a new vehicle or a used vehicle from a broker or dealer of new or used motor
118 vehicles who displays a temporary operating permit issued as provided by ~~paragraph (2)~~
119 ~~of this subsection~~ Code Section 40-2-8.1 may operate such vehicle on the public
120 highways and streets of this state without a current valid license plate during the period
121 ~~within which the purchaser is required by Code Section~~ authorized by Code Sections
122 40-2-8.1 and 40-2-20. An owner acquiring a motor vehicle from an entity that is not a
123 new or used vehicle broker or dealer shall register such vehicle as provided for in Code

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

126 ~~(2)(A) Any dealer of new or used motor vehicles shall issue to the purchaser of a~~
127 ~~vehicle at the time of sale thereof, unless such vehicle is to be registered under the~~
128 ~~International Registration Plan, a temporary operating permit as provided for by~~
129 ~~department rules or regulations which may bear the dealer's name and location and shall~~
130 ~~bear an expiration date 45 days from the date of purchase. The expiration date of such~~
131 ~~a temporary operating permit may be revised and extended by the county tag agent~~
132 ~~upon application by the dealer, the purchaser, or the transferee if an extension of the~~
133 ~~purchaser's initial registration period has been granted as provided by Code~~
134 ~~Section 40-2-20. Such temporary operating permit shall not resemble a license plate~~
135 ~~issued by this state and shall be issued without charge or fee. The requirements of this~~
136 ~~paragraph shall not apply to a dealer whose primary business is the sale of salvage~~
137 ~~motor vehicles and other vehicles on which total loss claims have been paid by insurers.~~
138 ~~(B) All temporary operating permits issued by dealers to purchasers of vehicles shall~~
139 ~~be of a standard design prescribed by regulation promulgated by the department. The~~
140 ~~department may provide by rule or regulation for the sale and distribution of such~~
141 ~~temporary operating permits by third parties in accordance with paragraph (3) of this~~
142 ~~subsection.~~

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

145 ~~(4)(2) The purchaser and operator of a vehicle shall not be subject to the penalties set~~
146 ~~forth in this Code section during the period allowed for the registration of such vehicle.~~
147 ~~If the owner of such vehicle presents evidence that such owner has properly applied for~~
148 ~~the registration of such vehicle, but that the license plate or revalidation decal has not~~
149 ~~been delivered to such owner, then the owner shall not be subject to the penalties~~
150 ~~enumerated in this subsection.~~

- 151 (c) It shall be unlawful and punishable as for a misdemeanor to operate any vehicle
152 required to be registered in ~~the State of Georgia~~ this state without a valid county decal
153 designating the county where the vehicle was last registered, unless such operation is
154 otherwise permitted under this chapter. ~~Any person convicted of such offense shall be~~
155 ~~punished by a fine of \$25.00 for a first offense and \$100.00 for a second or subsequent~~
156 ~~such offense. However, a~~ A county name decal shall not be required if there is no space
157 provided for a county name decal on the current license plate. Any person convicted of a
158 violation of this subsection shall be subject to a fine not to exceed \$25.00 if that person
159 shows to the court having jurisdiction of the offense that the proper revalidation decal had
160 been obtained prior to the time of the offense.
- 161 (d) No violation of this Code section shall have occurred upon presentation of evidence
162 that the owner had properly applied for the registration of such vehicle, but that the license
163 plate or revalidation decal had not been delivered to such owner at the time the uniform
164 traffic citation was issued.
- 165 (e) The commissioner is authorized to promulgate rules and regulations necessary to
166 effectuate the provisions of this Code section."

167 **SECTION 3.**

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

170 "40-2-8.1.

171 ~~Notwithstanding Code Section 40-2-8 or any other provision of law, a person who operates~~
172 ~~a vehicle which is required to be registered in this state and which has attached to the rear~~
173 ~~thereof a valid numbered license plate without having the required revalidation decal~~
174 ~~affixed upon that plate, which person is otherwise guilty of a misdemeanor for not having~~
175 ~~such decal affixed to the plate, shall be subject for that offense only to a fine not to exceed~~

176 ~~\$25.00 if that person shows to the court having jurisdiction of the offense that the proper~~
177 ~~revalidation decal had been obtained prior to the time of the offense.~~

178 (a) Any broker or dealer of new or used motor vehicles shall issue a temporary operating
179 permit without charge or fee to the purchaser of a vehicle at the time of sale thereof, unless
180 such vehicle is to be registered under the International Registration Plan or such broker or
181 dealer is one whose primary business is the sale of salvage motor vehicles and other
182 vehicles on which total loss claims have been paid by insurers. Such temporary operating
183 permit shall be of a standard design prescribed the department; provided, however, that
184 such permit shall not resemble a license plate issued by this state. A temporary operating
185 permit may bear the name of the broker or dealer and location and shall include an
186 expiration date which shall be 45 days from the date of purchase. The expiration date of
187 a temporary operating permit may be revised and extended by the county tag agent upon
188 application by the broker, dealer, purchaser, or transferee if an extension of the purchaser's
189 initial registration period has been granted as provided by Code Section 40-2-20.

190 (b)(1) The department may provide by rule or regulation for the sale and distribution of
191 temporary operating permits to brokers and dealers by third parties through the
192 development and maintenance of an electronic temporary operating permit issuance
193 system and establish standards for distribution and issuance of such permits. The
194 department may further provide by rule or regulation for standards for authorized access
195 to an electronic temporary operating permit issuance system, which may include, but
196 shall not be limited to, required criminal background checks for any user of the system.
197 Any third party authorized to distribute and issue temporary operating permits shall
198 maintain an inventory record of such permits by number and name of the broker or
199 dealer.

200 (2)(A) The department shall be authorized to suspend access to the electronic
201 temporary operating permit issuance system established pursuant to this Code section
202 for any broker or dealer found to have issued temporary operating permits for a vehicle

203 which has not been sold or intended to be registered or otherwise violated requirements
204 for issuance of such permits established by rule or regulation of the department after
205 issuance of notice of such violation by electronic means and opportunity for informal
206 review as set forth in this subparagraph. Any broker or dealer who has received notice
207 pursuant to this subsection of an alleged violation and for whom the department intends
208 to suspend access to the electronic temporary operating permit issuance system may
209 request an informal review of the allegations with the department. The method for
210 making such request shall be developed by the department and may be by electronic
211 means. Upon receipt of such request for informal review, the department shall, within
212 ten business days, schedule an informal conference with such broker or dealer to review
213 the suspected violations. Proceedings under this subparagraph shall not be governed
214 by any formal procedural requirements and may be conducted in such manner as the
215 department may establish by rule or regulation. The department shall consider the
216 historical use of the electronic temporary operating permit issuance system by the
217 broker or dealer under consideration for access suspension, together with other
218 pertinent information which may be available, and shall render a decision regarding
219 access to the electronic temporary operating permit issuance system within seven
220 business days of the informal conference. Upon a finding that such broker or dealer
221 violated the requirements of this Code section or rules and regulations of the
222 department, the department shall suspend access to the electronic temporary operating
223 permit issuance system for a period of no longer than six months and notify such broker
224 or dealer of such decision.

225 (B) If the department suspends a broker's or dealer's access to the electronic temporary
226 operating permit issuance system established pursuant to this Code section after an
227 informal review held pursuant to subparagraph (A) of this paragraph, the suspended
228 broker or dealer shall have the right to request a formal hearing to review the
229 suspension pursuant to Code Section 40-3-6. At such hearing, the department may

230 present evidence of any instances in which the suspended broker or dealer unlawfully
231 issued temporary operating permits or issued fraudulent temporary operating permits.
232 Upon a finding that the suspended broker or dealer is in compliance with the
233 requirements of this Code section and only issued temporary operating permits for bona
234 fide motor vehicle sales, the department shall provide for the immediate restoration of
235 access to the electronic temporary operating permit issuance system for such broker or
236 dealer. Upon a finding that the suspended broker or dealer violated the requirements
237 of this Code section or rules and regulations of the department, the department shall be
238 authorized to extend the term of suspension for a period of up to 24 months. Upon a
239 finding that a broker or dealer has unlawfully issued temporary operating permits in
240 violation of this chapter or rules and regulations of the department, the department shall
241 further be authorized to issue a civil monetary penalty in an amount no greater than
242 \$100.00 per violation, suspend or revoke the registration issued to a dealer pursuant to
243 Code Section 40-2-39, and suspend, confiscate, or limit issuance of any broker or dealer
244 plates issued pursuant to Code Section 40-2-38 for a period of up to 24 months. The
245 department shall comply with Chapter 13 of Title 50, the 'Georgia Administrative
246 Procedure Act,' in relation to the hearing provided for in this subparagraph and the
247 suspended broker or dealer shall have the right to appeal any decision of the department
248 in accordance with such chapter.

249 (c) A broker shall be limited to issuance of 50 temporary operating permits in any one-year
250 period; provided, however, that the department may issue more than such quantity upon
251 submission of documentation of sales history by the broker in a form approved by the
252 department that indicates 40 motor vehicles sold by such broker in the previous calendar
253 year. No temporary operating permit shall be issued by a broker unless he or she holds a
254 valid driver's license from this state.

255 (d) The commissioner is authorized to promulgate rules and regulations necessary to
256 effectuate the provisions of this Code section."

257 **SECTION 4.**

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

261 "(3) At the time of initial application for registration or at any time during the registration
262 period, a vehicle owner may file with the county tag agent, on a form or electronic form
263 prescribed by the commissioner, a request to have a vehicle license plate duplicated on
264 a digital license plate purchased from a digital license plate provider. Such request to the
265 county tag agent shall include all applicable registration fees. Upon approving the
266 application provided in this paragraph, the commissioner or county tag agent shall furnish
267 the digital license plate provider with the appropriate licensing information to be
268 displayed upon the digital license plate. In accordance with Code Section ~~40-2-8~~
269 40-2-8.1, a 45 day temporary operating permit shall be issued by the commissioner or
270 county tag agent to an applicant for a digital license plate until such license plate is
271 received by the applicant."

272 **SECTION 5.**

273 Said title is further amended in Code Section 40-2-38, relating to registration and licensing
274 of manufacturers, distributors, and dealers and issuance of manufacturer, manufacturer
275 headquarters, distributor, and dealer plates, by revising paragraph (1) of subsection (a) and
276 subsections (c) through (f) as follows:

277 "(a)(1) Manufacturers, manufacturer headquarters, distributors, brokers, and dealers
278 engaged in the manufacture, sale, or leasing of vehicles required to be registered under
279 Code Section 40-2-20 shall register by electronic means with the commissioner, making
280 application for a distinguishing ~~dealer's number, specifying the name and make of motor~~
281 ~~vehicle, tractor, or trailer manufactured, sold, or leased by them~~, upon forms prepared by
282 the commissioner for such purposes, and pay therefor a fee of \$62.00, which shall

283 accompany such application. Upon payment of such fee by ~~a dealer~~ an applicant, the
284 commissioner shall furnish ~~to the dealer~~ one master number plate to expire each year in
285 accordance with ~~subsection (f) of this Code section, to be known as a dealer's number and~~
286 to based upon the type of master number plate issued. Each additional plate issued
287 pursuant to this Code section shall require payment of a \$12.00 fee. Each master number
288 plate and any additional plates issued pursuant to this Code section shall be distinguished
289 from the ~~number license~~ plates provided for in this chapter by different and distinguishing
290 colors to be determined by the commissioner. The dealer plate for a franchise motor
291 vehicle dealer shall be distinguishable from the dealer plate for a used car dealer and from
292 the dealer plate for a motor vehicle wholesaler. Except as otherwise authorized by this
293 Code section, any master number plate or additional plates issued pursuant to this Code
294 section shall be for ~~A dealer's number plate~~ is the purpose of demonstrating or
295 transporting ~~dealer's~~ vehicles or trailers for sale or lease. ~~Persons engaged in the business~~
296 ~~of transporting vehicles for a dealer under a vehicle's own power shall be permitted to use~~
297 ~~such dealer's plate for the purpose of transporting a vehicle."~~
298 "(c)(1) A broker licensed pursuant to Chapter 47 of Title 43 may apply for broker plates
299 on a form prescribed by the commissioner. Such plates shall be distinguishable from the
300 other plates issued pursuant to this Code section. This Code section shall not apply in
301 any manner to mopeds as such term is defined in Code Section 40-1-1.
302 (2) Broker plates shall be issued in the following manner:
303 (A) Brokers shall be issued one initial master plate; and
304 (B) In addition to the master plate issued to a broker in accordance with
305 subparagraph (A) of this paragraph, each broker may also be issued one additional plate
306 for every 40 units sold in a calendar year.
307 (3) In order to determine the additional number and classification of plates to be issued
308 to a broker, a broker shall be required to certify by affidavit to the department the number
309 of retail and wholesale units sold in the prior calendar year using the past motor vehicle

310 sales history of the broker as identified by department records of documentation approved
311 by the department.

312 (d) The license plates issued pursuant to this Code section shall be revoked and confiscated
313 upon a determination after a hearing that such broker, dealer, distributor, manufacturer, or
314 manufacturer headquarters has unlawfully used such license plates in violation of this Code
315 section.

316 (e) If a license plate issued pursuant to this Code section is lost or stolen, the broker,
317 dealer, manufacturer, distributor, manufacturer headquarters, or other party to whom the
318 license plate was issued ~~must~~ shall immediately report the lost or stolen plate to local law
319 enforcement agencies. If a replacement license plate is sought, the broker, dealer,
320 manufacturer, distributor, manufacturer headquarters, or other party to whom the license
321 plate was issued shall file a notarized affidavit with the department requesting a
322 replacement plate. Such affidavit shall certify under penalty of perjury that the license
323 plate has been lost or stolen and that the loss has been reported to a local law enforcement
324 agency.

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

335 ~~(2) A transition period shall commence on October 1, 2007, and conclude on December~~
336 ~~31, 2007, for all existing registrations and any new registration applications presented~~

337 ~~prior to January 1, 2008. On or after January 1, 2008, new applications for registration~~
338 ~~shall be submitted and remain valid until the expiration of such registration as specified~~
339 ~~in paragraph (1) of this subsection."~~

340

SECTION 6.

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

345 "(a)(1) Except as provided in paragraph (2) of this subsection, a dealer who buys a
346 vehicle and holds it for resale need not apply to the commissioner for a new certificate
347 of title but may retain the delivered certificate ~~delivered to him~~. Upon transferring the
348 vehicle to another person other than by the creation of a security interest, such dealer
349 shall promptly execute the assignment and warranty of title by a dealer. Such assignment
350 and warranty shall show the names and addresses of the transferee and any holder of a
351 security interest created or reserved at the time of the resale and the date of ~~his~~ the
352 security agreement, in the spaces provided therefor on the certificate or as the
353 commissioner prescribes. Transfers of vehicles under this Code section shall otherwise
354 conform with Code Section 40-3-32. A dealer selling a previously registered vehicle
355 ~~which under this chapter need not have~~ for which a certificate of title is not required
356 under this chapter need not furnish a purchaser of such a vehicle a certificate of title.
357 After a previously registered vehicle has been brought under the terms of this chapter, a
358 dealer, when selling that vehicle, shall conform to all provisions of this chapter.

359 (2)(A) As used in this paragraph, the term 'franchise dealer' means a dealer who under
360 a contract or franchise agreement with a manufacturer, distributor, wholesaler, or
361 importer is authorized to sell new motor vehicles of or for such manufacturer,
362 distributor, wholesaler, or importer and who is authorized to use trademarks or service

363 marks associated with one or more makes of motor vehicles in connection with such
364 sales.

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

371 (b) Every dealer shall maintain a record, in the form the commissioner prescribes, of every
372 vehicle bought, sold, or exchanged ~~by him~~, or received ~~by him~~ for sale or exchange. Such
373 record shall be kept for three years and shall be open to inspection by a representative of
374 the commissioner during reasonable business hours. The information contained in records
375 maintained by a dealer pursuant to this subsection shall be an accurate representation of the
376 transaction, and no alternative versions of records shall be produced for a purchaser with
377 information which differs from that contained in records maintained for inspection by the
378 department."

379 "(f) The department shall be authorized to assess a civil penalty against a dealer of up to
380 \$500.00 for each sales transaction conducted in violation of subsection (b) of this Code
381 section.

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

384 SECTION 7.

385 Code Section 43-47-8 of the Official Code of Georgia Annotated, relating to license
386 applications for used motor vehicle dealers and used motor vehicle parts dealers,
387 prerequisites, license fees, renewal, training or test, supplemental licenses, bonds, insurance,

388 suspension for conviction or false statement, and meetings, is amended by revising
389 subsections (b) and (c) as follows:

390 "(b) A division under this chapter shall not issue or renew any license unless the applicant
391 or holder thereof shall show that he or she maintains an established place of business as
392 defined in Code Section 43-47-2. Any used motor vehicle dealer other than a motor
393 vehicle broker shall demonstrate that such established place of business has adequate
394 square footage to store or display five or more used motor vehicles.

395 (c) All licenses issued under this chapter shall be renewable biennially. The license of a
396 used motor vehicle dealer who is a motor vehicle broker shall be renewable only upon
397 demonstration that such broker has negotiated the sale of at least five motor vehicles in the
398 previous calendar year. The divisions may establish continuing education requirements for
399 license renewals."

400

SECTION 8.

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

404 "(3.1) 'Passive entity' means a person, other than an individual, formed under the laws
405 of another state that does not have an established place of business in this state, owns no
406 real property, and conducts no trade or business other than the holding of assets for
407 investment and income."

408 "(9)(A) Any owner of any motor vehicle who fails to submit within 30 days of the date
409 such owner is required by law to register such vehicle in this state an application for a
410 first certificate of title under Code Section 40-3-21 or a certificate of title under Code
411 Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the
412 state title ad valorem tax fees and 10 percent of the local title ad valorem tax fees
413 required under this Code section and, if such state and local title ad valorem tax fees

414 and the penalty are not paid within 60 days following the date such owner is required
415 by law to register such vehicle, interest at the rate of 1 percent per month shall be
416 imposed on the state and local title ad valorem tax fees due under this Code section,
417 unless a temporary permit has been issued by the tax commissioner. The tax
418 commissioner shall grant a temporary permit in the event the failure to timely apply for
419 a first certificate of title is due to the failure of a lienholder to comply with Code
420 Section 40-3-56, regarding release of a security interest or lien, and no penalty or
421 interest shall be assessed. Such penalty and interest shall be in addition to the penalty
422 and fee required under Code Section 40-3-21 or 40-3-32, as applicable.

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

429 **SECTION 9.**

430 This Act shall become effective on January 1, 2025.

431 **SECTION 10.**

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