

COMMITTEES OF CONFERENCE SUBSTITUTE TO HB 329

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to
2 alternative ad valorem tax on motor vehicles, so as to change the manner for determining fair
3 market value of motor vehicles subject to the tax; to provide for the fair market value
4 determination of kit cars; to change the manner of distribution of the proceeds of such tax;
5 to provide for fees of the tag agent; to provide for the promulgation of a standardized form;
6 to provide for the submission of title applications and title ad valorem tax fees by dealers; to
7 provide for penalties for failure to timely submit title applications and title ad valorem tax
8 fees; to provide for the tax amounts on vehicles which were registered in other states; to
9 provide for tax amount on certain vehicles; to provide for certain refunds; to provide for
10 transfers as a result of a divorce decree or court order; to amend Title 40 of the Official Code
11 of Georgia Annotated, relating to motor vehicles and traffic, so as to provide for an
12 expiration period for temporary license plates; to require that applications be submitted to
13 the county where the vehicle will be registered; to provide for extensions of the registration
14 period under certain circumstances; to provide for conditional titles for certain motor
15 vehicles; to provide for related matters; to provide for an effective date; to repeal conflicting
16 laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

18 Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to alternative ad
19 valorem tax on motor vehicles, is amended by revising Code Section 48-5C-1, relating to
20 definitions, exemption from taxation, allocation and disbursement of proceeds collected by
21 tag agents, fair market value of vehicle appealable, and report, as follows:
22

23 "48-5C-1.

24 (a) As used in this Code section, the term:

25 (1) 'Fair market value of the motor vehicle' means:

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

62 (i) In the case of a motor vehicle that is leased to a lessee for use primarily in the
 63 lessee's trade or business and for which the lease agreement contains a provision for
 64 the adjustment of the rental price as described in Code Section 40-3-60, the agreed
 65 upon value of the motor vehicle less any reduction for the trade-in value of another
 66 motor vehicle and any rebate; or

67 (ii) In the case of a motor vehicle that is leased other than described in division (i) of
 68 this subparagraph, the total of the base payments pursuant to the lease agreement plus
 69 any down payments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

136 ~~vehicle state ad valorem tax proceeds that would have been collected under this~~
 137 ~~Code section in 2014 if the combined state and local title ad valorem tax rate was~~
 138 ~~7 percent of the fair market value of the motor vehicle less any trade-in value plus~~
 139 ~~the total amount of motor vehicle state ad valorem tax proceeds collected under~~
 140 ~~Chapter 5 of this title during 2014.~~

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

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

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

147 ~~(H) For the 2014 tax year, 6.75 percent of the fair market value of the motor~~
 148 ~~vehicle; and~~

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

151 (iii) ~~For the period commencing March 1, 2013, through December 31, 2013, the~~
 152 ~~state title ad valorem tax shall be at a rate equal to 57 percent of the tax rate specified~~
 153 ~~in division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate~~
 154 ~~equal to 43 percent of the tax rate specified in division (ii) of this subparagraph.~~
 155 Beginning on July 1, 2019, the state and local title ad valorem tax proceeds each
 156 month shall be distributed by each county remitting 35 percent of the funds to the
 157 state revenue commissioner as provided in subparagraph (c)(2)(A) of this Code
 158 section and distributing 65 percent of the funds as provided in paragraph (3) of
 159 subsection (c) of this Code section.

160 ~~(iv) For the 2014 tax year, the state title ad valorem tax shall be at a rate equal to 55~~
 161 ~~percent of the tax rate specified in division (ii) of this subparagraph, and the local title~~
 162 ~~ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in~~
 163 ~~division (ii) of this subparagraph:~~

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

168 ~~(vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this~~
 169 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of~~
 170 ~~the tax rate specified in division (ii) of this subparagraph, and the local title ad~~
 171 ~~valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in~~
 172 ~~division (ii) of this subparagraph.~~

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

178 ~~(viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this~~
 179 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the~~
 180 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
 181 ~~tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this~~
 182 ~~subparagraph.~~

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

188 ~~(x) For the 2020 tax year, except as otherwise provided in division (xiii) of this~~
 189 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 34 percent of the~~
 190 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
 191 ~~tax shall be at a rate equal to 66 percent of the tax rate specified in division (ii) of this~~
 192 ~~subparagraph.~~

193 ~~(xi) For the 2021 tax year, except as otherwise provided in division (xiii) of this~~
 194 ~~subparagraph, the state title ad valorem tax shall be at a rate equal to 30 percent of the~~
 195 ~~tax rate specified in division (ii) of this subparagraph, and the local title ad valorem~~
 196 ~~tax shall be at a rate equal to 70 percent of the tax rate specified in division (ii) of this~~
 197 ~~subparagraph.~~

198 ~~(xii) For the 2022 and all subsequent tax years, except as otherwise provided in~~
 199 ~~division (xiii) of this subparagraph for tax years 2022, 2023, and 2024 and except as~~
 200 ~~otherwise provided in division (xiv) of this subparagraph for tax year 2023, the state~~
 201 ~~title ad valorem tax shall be at a rate equal to 28 percent of the tax rate specified in~~
 202 ~~division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate~~
 203 ~~equal to 72 percent of the tax rate specified in division (ii) of this subparagraph.~~

204 ~~(xiii) Beginning in 2016, by not later than January 15 of each tax year through the~~
 205 ~~2022 tax year, the state revenue commissioner shall determine the local target~~
 206 ~~collection amount and the local current collection amount for the preceding calendar~~
 207 ~~year. If such local current collection amount is equal to or within 1 percent of the~~
 208 ~~local target collection amount, then the state title ad valorem tax rate and the local title~~
 209 ~~ad valorem tax rate for such tax year shall remain at the rate specified in this~~

210 ~~subparagraph for that year. If the local current collection amount is more than 1~~
 211 ~~percent greater than the local target collection amount, then the local title ad valorem~~
 212 ~~tax rate for such tax year shall be reduced automatically by operation of this division~~
 213 ~~by such percentage amount as may be necessary so that, if such rate had been in effect~~
 214 ~~for the calendar year under review, the local current collection amount would have~~
 215 ~~produced an amount equal to the local target collection amount, and the state title ad~~
 216 ~~valorem tax rate for such tax year shall be increased by an equal amount to maintain~~
 217 ~~the combined state and local title ad valorem tax rate at the rate specified in~~
 218 ~~division (ii) of this subparagraph. If the local current collection amount is more than~~
 219 ~~1 percent less than the local target collection amount, then the local title ad valorem~~
 220 ~~tax rate for such tax year shall be increased automatically by operation of this division~~
 221 ~~by such percentage amount as may be necessary so that, if such rate had been in effect~~
 222 ~~for the calendar year under review, the local current collection amount would have~~
 223 ~~produced an amount equal to the local target collection amount, and the state title ad~~
 224 ~~valorem tax rate for such tax year shall be reduced by an equal amount to maintain the~~
 225 ~~combined state and local title ad valorem tax rate at the rate specified in division (ii)~~
 226 ~~of this subparagraph. In the event of an adjustment of such ad valorem tax rates, by~~
 227 ~~not later than January 31 of such tax year, the state revenue commissioner shall notify~~
 228 ~~the tax commissioner of each county in this state of the adjusted rate amounts. The~~
 229 ~~effective date of such adjusted rate amounts shall be January 1 of such tax year.~~
 230 ~~(xiv) In tax years 2015, 2018, and 2022, by not later than July 1 of each such tax~~
 231 ~~year, the state revenue commissioner shall determine the state target collection~~
 232 ~~amount and the state current collection amount for the preceding calendar year. If~~
 233 ~~such state current collection amount is greater than, equal to, or within 1 percent of~~
 234 ~~the state target collection amount after making the adjustment, if any, required in~~
 235 ~~division (xiii) of this subparagraph, then the combined state and local title ad valorem~~
 236 ~~tax rate provided in division (ii) of this subparagraph shall remain at the rate specified~~
 237 ~~in such division. If the state current collection amount is more than 1 percent less~~
 238 ~~than the state target collection amount after making the adjustment, if any, required~~
 239 ~~by division (xiii) of this subparagraph, then the combined state and local title ad~~
 240 ~~valorem tax rate provided in division (ii) of this subparagraph shall be increased~~
 241 ~~automatically by operation of this division by such percentage amount as may be~~
 242 ~~necessary so that, if such rate had been in effect for the calendar year under review,~~
 243 ~~the state current collection amount would have produced an amount equal to the state~~
 244 ~~target collection amount, and the state title ad valorem tax rate and the local title ad~~
 245 ~~valorem tax rate for the tax year in which such increase in the combined state and~~
 246 ~~local title ad valorem tax rate shall become effective shall be adjusted from the rates~~

247 specified in this subparagraph or division (xiii) of this subparagraph for such tax year
 248 such that the proceeds from such increase in the combined state and local title ad
 249 valorem tax rate shall be allocated in full to the state. In the event of an adjustment
 250 of the combined state and local title ad valorem tax rate, by not later than August 31
 251 of such tax year, the state revenue commissioner shall notify the tax commissioner of
 252 each county in this state of the adjusted combined state and local title ad valorem tax
 253 rate for the next calendar year. The effective date of such adjusted combined state
 254 and local title ad valorem tax rate shall be January 1 of the next calendar year.
 255 Notwithstanding the provisions of this division, the combined state and local title ad
 256 valorem tax rate shall not exceed 9 percent.

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

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

284 (D) There shall be a penalty imposed on any person who, in the determination of the
 285 commissioner, falsifies any information in any bill of sale used for purposes of
 286 determining the fair market value of the motor vehicle. Such penalty shall not exceed
 287 \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty as
 288 determined by the commissioner. Such determination shall be made within 60 days of
 289 the commissioner receiving information of a possible violation of this paragraph.

290 (E) Except in the case in which an extension of the registration period has been granted
 291 by the county tag agent under Code Section 40-2-20, a dealer of new or used motor
 292 vehicles that ~~accepts~~ makes an application for title and collects state and local title ad
 293 valorem tax fees from a purchaser of a new or used motor vehicle and does not submit
 294 or, in the case of an electronic title transaction, finalize such application for title and
 295 remit such state and local title ad valorem tax fees to the county tag agent within 30
 296 days following the date of purchase shall be liable to the county tag agent for an amount
 297 equal to 5 percent of the amount of such state and local title ad valorem tax fees. An
 298 additional penalty equal to 10 percent of the amount of such state and local title ad
 299 valorem tax fees shall be imposed if such payment is not transmitted within 60 days
 300 following the date of purchase. An additional penalty equal to 15 percent of the amount
 301 of such state and local title ad valorem tax fees shall be imposed if such payment is not
 302 transmitted within 90 days following the date of purchase, and an additional penalty
 303 equal to 20 percent of the amount of such state and local title ad valorem tax fees shall
 304 be imposed if such payment is not transmitted within 120 days following the date of
 305 purchase. An additional penalty equal to 25 percent of the amount of such state and
 306 local title ad valorem tax fees shall be imposed for each subsequent 30 day period in
 307 which the payment is not transmitted.

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

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

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

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

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

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

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

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

346 (A) ~~The tag agent of the county shall within 20 days following the end of each calendar~~
 347 ~~month allocate and distribute to the county governing authority and to municipal~~
 348 ~~governing authorities, the board of education of the county school district, the board of~~
 349 ~~education of any independent school district located in such county, the water and~~
 350 ~~sewerage authority for which the county has levied an ad valorem tax in accordance~~
 351 ~~with a local constitutional amendment, and in a county in which a sales and use tax is~~
 352 ~~levied for purposes of a metropolitan area system of public transportation, as authorized~~
 353 ~~by the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the governing~~
 354 ~~body of the transportation authority created by the Metropolitan Atlanta Rapid Transit~~
 355 ~~Authority Act of 1965, Ga. L. 1965, p. 2243, as amended, and the amendment to the~~
 356 ~~Constitution set out at Ga. L. 1964, p. 1008, an amount of those proceeds necessary to~~
 357 ~~offset any reduction in (i) ad valorem tax on motor vehicles collected under Chapter 5~~

358 of this title in the taxing jurisdiction of each governing authority, school district, and
359 water and sewerage authority from the amount of ad valorem taxes on motor vehicles
360 collected under Chapter 5 of this title in each such governing authority, school district,
361 and water and sewerage authority during the same calendar month of 2012 and (ii) with
362 respect to the transportation authority, the monthly average portion of the sales and use
363 tax levied for purposes of a metropolitan area system of public transportation applicable
364 to any motor vehicle titled in a county which levied such tax in 2012. Such amount of
365 tax may be determined by the commissioner for counties which levied such tax in 2012,
366 and any counties which subsequently levy a tax pursuant to a metropolitan area system
367 of public transportation, as authorized by the amendment to the Constitution set out at
368 Ga. L. 1964, p. 1008, the governing body of the transportation authority created by the
369 Metropolitan Atlanta Rapid Transit Authority Act of 1965, Ga. L. 1965, p. 2243, as
370 amended, and the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the
371 Commissioner may determine what amount of sales and use tax would have been
372 collected in 2012, had such tax been levied. This reduction shall be calculated, with
373 respect to (i) above, by subtracting the amount of ad valorem tax on motor vehicles
374 collected under Chapter 5 of this title in each such taxing jurisdiction from the amount
375 of ad valorem tax on motor vehicles collected under Chapter 5 of this title in that taxing
376 jurisdiction in the same calendar month of 2012. In the event that the local title ad
377 valorem tax fee proceeds are insufficient to fully offset such reduction in ad valorem
378 taxes on motor vehicles or the portion of the sales and use tax described in (ii) above,
379 the tag agent shall allocate a proportionate amount of the proceeds to each governing
380 authority, the board of education of each such school district, the water and sewerage
381 authority, and the transportation authority, and any remaining shortfall shall be paid
382 from the following month's local title ad valorem tax fee proceeds. In the event that a
383 shortfall remains, the tag agent shall continue to first allocate local title ad valorem tax
384 fee proceeds to offset such shortfalls until the shortfall has been fully repaid; and The
385 tag agent of the county shall within 20 days following the end of each calendar month
386 allocate and distribute to the water and sewerage authority for which the county has
387 levied an ad valorem tax in accordance with a local constitutional amendment, and in
388 a county in which a sales and use tax is levied for purposes of a metropolitan area
389 system of public transportation, as authorized by the amendment to the Constitution set
390 out at Ga. L. 1964, p. 1008, the governing body of the transportation authority created
391 by the Metropolitan Atlanta Rapid Transit Authority Act of 1965, Ga. L. 1965, p. 2243,
392 as amended, and the amendment to the Constitution set out at Ga. L. 1964, p. 1008, an
393 amount of those proceeds necessary to offset any reduction in:

394 (i) Ad valorem taxes on motor vehicles collected under Chapter 5 of this title on
395 behalf of such water and sewerage authority during calendar year 2012; and
396 (ii) With respect to the transportation authority, the monthly average portion of the
397 sales and use tax levied for purposes of a metropolitan area system of public
398 transportation applicable to any motor vehicle titled in a county which levied such tax
399 in 2012.

400 Such amount of tax under division (ii) of this subparagraph may be determined by the
401 commissioner for counties which levied such tax in 2012, and in any counties which
402 subsequently levy a tax pursuant to a metropolitan area system of public transportation,
403 as authorized by the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the
404 governing body of the transportation authority created by the Metropolitan Atlanta
405 Rapid Transit Authority Act of 1965, Ga. L. 1965, p. 2243, as amended, and the
406 amendment to the Constitution set out at Ga. L. 1964, p. 1008, the commissioner may
407 determine what amount of sales and use tax would have been collected in calendar year
408 2012, had such tax been levied. The amount of the reduction to be offset under this
409 subparagraph with respect to division (i) of this subparagraph shall be calculated by the
410 county governing authority by subtracting the amount of title ad valorem tax on motor
411 vehicles collected under Chapter 5 of this title on behalf of such water and sewerage
412 authority in the current calendar month from one-twelfth of the amount of such ad
413 valorem tax on motor vehicles collected on behalf of such water and sewerage authority
414 in calendar year 2012. The amount of the reduction to be offset under this
415 subparagraph with respect to division (ii) of this subparagraph shall be calculated by
416 the county governing authority by subtracting the amount of sales tax collected or
417 determined to have been collected on such motor vehicles by the state revenue
418 commissioner in the current calendar month in any such county from one-twelfth of the
419 amount of sales and use tax collected, or determined to have been collected, on such
420 motor vehicles, by the state revenue commissioner in calendar year 2012 in such
421 county. In the event that the local title ad valorem tax proceeds are insufficient to offset
422 fully such reduction in ad valorem taxes on motor vehicles or the portion of the sales
423 and use tax described in division (ii) of this subparagraph, the tag agent shall allocate
424 a proportionate amount of the proceeds to such water and sewerage authority and the
425 transportation authority, as appropriate, and any remaining shortfall shall be paid from
426 the following month's local title ad valorem tax fee proceeds. In the event that a
427 shortfall remains, the tag agent shall continue to first allocate local title ad valorem tax
428 fee proceeds to offset such shortfalls until the shortfall has been fully repaid;

429 ~~(B) Of the proceeds remaining following the allocation and distribution under~~
430 ~~subparagraph (A) of this paragraph, the tag agent shall allocate and distribute to the~~

431 ~~county governing authority and to municipal governing authorities, the board of~~
 432 ~~education of the county school district, and the board of education of any independent~~
 433 ~~school district located in such county the remaining amount of those proceeds in the~~
 434 ~~manner provided in this subparagraph. Such proceeds shall be deposited in the general~~
 435 ~~fund of such governing authority or board of education and shall not be subject to any~~
 436 ~~use or expenditure requirements provided for under any of the following described local~~
 437 ~~sales and use taxes but shall be authorized to be expended in the same manner as~~
 438 ~~authorized for the ad valorem tax revenues on motor vehicles under Chapter 5 of this~~
 439 ~~title which would otherwise have been collected for such governing authority or board~~
 440 ~~of education. Of such remaining proceeds:~~

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

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

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

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

464 ~~(IV) If such tax is not currently in effect and a local option sales and use tax for~~
 465 ~~educational purposes levied pursuant to a local constitutional amendment is~~
 466 ~~currently in effect, such proceeds shall be distributed to the board of education of~~

467 ~~the county school district and the board of education of any independent school~~
 468 ~~district in the same manner as required under that local constitutional amendment.~~
 469 ~~(V) If such tax is not currently in effect and a homestead option sales and use tax~~
 470 ~~under Article 2A of Chapter 8 of this title is in effect, such proceeds shall be~~
 471 ~~distributed to the governing authority of the county, each qualified municipality, and~~
 472 ~~each existing municipality in the same proportion as otherwise required under Code~~
 473 ~~Section 48-8-104; and~~
 474 ~~(iii)(I) An amount equal to one-third of such proceeds shall be distributed to the~~
 475 ~~governing authority of the county and the governing authority of each qualified~~
 476 ~~municipality located in such county in the same manner as specified under an~~
 477 ~~intergovernmental agreement or as otherwise required under the county special~~
 478 ~~purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of this~~
 479 ~~title currently in effect; provided, however, that this subdivision shall not apply if~~
 480 ~~subdivision (III) of division (ii) of this subparagraph is applicable.~~
 481 ~~(II) If such tax were in effect but expired and is not currently in effect, such~~
 482 ~~proceeds shall be distributed to the governing authority of the county and the~~
 483 ~~governing authority of each qualified municipality located in such county in the~~
 484 ~~same manner as if such tax were still in effect according to the intergovernmental~~
 485 ~~agreement or as otherwise required under the county special purpose local sales and~~
 486 ~~use tax under Part 1 of Article 3 of Chapter 8 of this title for the 12 month period~~
 487 ~~commencing at the expiration of such tax. If such tax is not renewed prior to the~~
 488 ~~expiration of such 12 month period, such amount shall be distributed in accordance~~
 489 ~~with subdivision (I) of division (ii) of this subparagraph; provided, however, that if~~
 490 ~~a tax under Article 2 of Chapter 8 of this title is not in effect, such amount shall be~~
 491 ~~distributed in accordance with subdivision (II) of division (ii) of this subparagraph.~~
 492 ~~(III) If such tax is not currently in effect in a county in which a tax is levied for~~
 493 ~~purposes of a metropolitan area system of public transportation, as authorized by the~~
 494 ~~amendment to the Constitution set out at Ga. L. 1964, p. 1008, the continuation of~~
 495 ~~such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution;~~
 496 ~~and the laws enacted pursuant to such constitutional amendment, such proceeds~~
 497 ~~shall be distributed in such county, in the same manner as ad valorem tax on motor~~
 498 ~~vehicles collected under Chapter 5 of this title in the taxing jurisdiction of each~~
 499 ~~governing authority and school district from the amount of ad valorem taxes on~~
 500 ~~motor vehicles collected under Chapter 5 of this title in each such governing~~
 501 ~~authority and school district during the same calendar month of 2012.~~
 502 ~~(IV) If such tax were never in effect, such proceeds shall be distributed in the same~~
 503 ~~manner as specified under the distribution certificate for the joint county and~~

504 ~~municipal sales and use tax under Article 2 of Chapter 8 of this title currently in~~
 505 ~~effect; provided, however, that if such tax under such article is not in effect, such~~
 506 ~~proceeds shall be distributed to the governing authority of the county and the~~
 507 ~~governing authority of each qualified municipality located in such county on a pro~~
 508 ~~rata basis according to the ratio of the population that each such municipality bears~~
 509 ~~to the population of the entire county. As to the proceeds remaining after the~~
 510 ~~distribution provided for in subparagraph (A) of this paragraph, with regard to the~~
 511 ~~proceeds associated with and collected on motor vehicle titles for motor vehicles~~
 512 ~~registered in the unincorporated areas of the county, the tag agent of the county shall~~
 513 ~~within 20 days following the end of each calendar month allocate and distribute 51~~
 514 ~~percent of such proceeds to the county governing authority and distribute 49 percent~~
 515 ~~of such proceeds to the board of education of the county school district; and~~

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

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

539 (B) Upon the death of an owner of a motor vehicle which has become subject to
 540 paragraph (1) of subsection (b) of this Code section, the immediate family member or

541 immediate family members of such owner who receive such motor vehicle pursuant to
542 a will or under the rules of inheritance shall be subject to a state title ad valorem tax fee
543 in an amount equal to one-quarter of 1 percent of the fair market value of the motor
544 vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of 1
545 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees
546 shall be an alternative ad valorem tax as authorized by Article VII, Section I,
547 Paragraph III(b)(3) of the Georgia Constitution.

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

559 (B) Upon the transfer from an immediate family member of a motor vehicle which has
560 become subject to paragraph (1) of subsection (b) of this Code section, the immediate
561 family member who receives such motor vehicle shall transfer title of such motor
562 vehicle to such recipient family member and shall be subject to a state title ad valorem
563 tax fee in an amount equal to one-quarter of 1 percent of the fair market value of the
564 motor vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of
565 1 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees
566 shall be an alternative ad valorem tax as authorized by Article VII, Section I,
567 Paragraph III(b)(3) of the Georgia Constitution.

568 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
569 transferor and transferee that such persons are immediate family members to one
570 another. There shall be a penalty imposed on any person who, in the determination of
571 the state revenue commissioner, falsifies any material information in such affidavit.
572 Such penalty shall not exceed \$2,500.00 as a state penalty and shall not exceed
573 \$2,500.00 as a local penalty as determined by the state revenue commissioner. Such
574 determination shall be made within 60 days of the state revenue commissioner
575 receiving information of a possible violation of this paragraph.

576 (3) Any individual who:

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

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

581 shall ~~only~~ be required to pay state and local title ad valorem tax fees in ~~the~~ an amount
582 equal to 3 percent of the fair market value of the motor vehicle ~~of 50 percent of the~~
583 ~~amount which would otherwise be due and payable under this subsection at the time of~~
584 ~~filing the application for a certificate of title, and the remaining 50 percent shall be paid~~
585 ~~within 12 months.~~

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

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

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

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

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

609 (7.1)(A) As used in this paragraph, the term 'for-hire charter bus or motor coach' means
610 a motor vehicle designed for carrying more than 15 passengers and used for the
611 transportation of persons for compensation.

612 (B) In the case of for-hire charter buses or motor coaches, the person applying for a
613 certificate of title shall be required to pay title ad valorem tax fees in the amount of

614 50 percent of the amount which would otherwise be due and payable under this
615 subsection at the time of filing the application for a certificate of title, and the
616 remaining 50 percent shall be paid within 12 months following the filing of such
617 application.

618 (8) There shall be a penalty imposed on the transfer of all or any part of the interest in a
619 business entity that includes primarily as an asset of such business entity one or more
620 motor vehicles, when, in the determination of the state revenue commissioner, such
621 transfer is done to evade the payment of state and local title ad valorem tax fees under
622 this subsection. Such penalty shall not exceed \$2,500.00 as a state penalty per motor
623 vehicle and shall not exceed \$2,500.00 as a local penalty per motor vehicle, as
624 determined by the state revenue commissioner, plus the amount of the state and local title
625 ad valorem tax fees. Such determination shall be made within 60 days of the state
626 revenue commissioner receiving information that a transfer may be in violation of this
627 paragraph.

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

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

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

650 (ii) The total amount of Georgia state and local sales and use tax and Georgia state
 651 and local ad valorem tax under Chapter 5 of this title which were due and paid in
 652 2012 for that motor vehicle and, if applicable, the total amount of such taxes which
 653 were due and paid for that motor vehicle in 2013 and 2014 shall be determined; and
 654 (B)(i) If the amount derived under division (i) of subparagraph (A) of this paragraph
 655 is greater than the amount derived under division (ii) of subparagraph (A) of this
 656 paragraph, the owner shall remit the difference to the tag agent. Such remittance shall
 657 be deemed local title ad valorem tax fee proceeds; or

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

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

665 (11)(A) In the case of rental motor vehicles owned by a rental motor vehicle concern,
 666 the state title ad valorem tax fee shall be in an amount equal to .625 percent of the fair
 667 market value of the motor vehicle, and the local title ad valorem tax fee shall be in an
 668 amount equal to .625 percent of the fair market value of the motor vehicle, but only if
 669 in the immediately prior calendar year the average amount of sales and use tax
 670 attributable to the rental charge of each such rental motor vehicle was at least \$400.00
 671 as certified by the state revenue commissioner. If, in the immediately prior calendar
 672 year, the average amount of sales and use tax attributable to the rental charge of each
 673 such rental motor vehicle was not at least \$400.00, this paragraph shall not apply and
 674 such vehicles shall be subject to the state and local title ad valorem tax fees prescribed
 675 in division (b)(1)(B)(ii) of this Code section.

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

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

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

696 (14)(A) A lessor of motor vehicles that leases motor vehicles for more than 31
 697 consecutive days to lessees residing in this state shall register with the department. The
 698 department shall collect an annual fee of \$100.00 for such registrations. Failure of a
 699 lessor to register under this subparagraph shall subject such lessor to a civil penalty of
 700 \$2,500.00.

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

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

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

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

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

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

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

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

722 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,
 723 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or

724 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,
 725 or rebuilder shall submit an affidavit in a form promulgated by the commissioner
 726 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or
 727 to correct a title only;

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

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

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

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

741 (K) The transfer of a title from a company to an owner of the company for the purpose
 742 of such individual obtaining a prestige or special license plate for the motor vehicle;
 743 and

744 (L) The transfer of a title from an owner of a company to the company.

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

749 (17)(A) Any person who purchases a 1963 through 1985 model year motor vehicle for
 750 which such person obtains a title shall be subject to this Code section, but the state title
 751 ad valorem tax fee shall be in an amount equal to ~~.50~~ 0.5 percent of the fair market
 752 value of such motor vehicle, and the local title ad valorem tax fee shall be in an amount
 753 equal to ~~.50~~ 0.5 percent of the fair market value of such motor vehicle.

754 (B) The owner of a 1962 or earlier model year motor vehicle who obtains a conditional
 755 title pursuant to Code Section 40-3-21.1 for such motor vehicle shall be authorized to
 756 opt in to the provisions of this subsection upon the payment of a state title ad valorem
 757 tax fee in an amount equal to 0.5 percent of the fair market value of such motor vehicle
 758 and a local title ad valorem tax fee in an amount equal to 0.5 percent of the fair market
 759 value of such motor vehicle. Upon certification by the tag agent of compliance with the
 760 requirements of this subparagraph, such motor vehicle shall not be subject to ad

761 valorem tax as otherwise required under Chapter 5 of this title in the same manner as
762 otherwise provided in paragraph (1) of subsection (b) of this Code section.

763 (18)(A) Upon the transfer of title as the result of a divorce decree or court order of a
764 motor vehicle which has not become subject to paragraph (1) of subsection (b) of this
765 Code section, the person who receives such motor vehicle shall, subsequent to the
766 transfer of title of such motor vehicle, continue to be subject to the ad valorem tax
767 under Chapter 5 of this title and shall not be subject to the state and local title ad
768 valorem tax fees provided for in paragraph (1) of subsection (b) of this Code section
769 unless such person makes an affirmative written election to become subject to
770 paragraph (1) of subsection (b) of this Code section. In the event of such election, such
771 transfer shall be subject to the state and local title ad valorem tax fees provided for in
772 paragraph (1) of subsection (b) of this Code section.

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

782 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
783 transferee that such transfer is pursuant to a divorce decree or court order, and the
784 transferee shall attach such decree or order to the affidavit. There shall be a penalty
785 imposed on any person who, in the determination of the state revenue commissioner,
786 falsifies any material information in such affidavit. Such penalty shall not
787 exceed \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty
788 as determined by the state revenue commissioner. Such determination shall be made
789 within 60 days of the state revenue commissioner receiving information of a possible
790 violation of this paragraph.

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

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

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

804 (g) A motor vehicle dealer shall be authorized to apply to the county tag agent of the
805 county in which such motor vehicle is registered for a refund of state and local title ad
806 valorem taxes on behalf of the person who purchased a motor vehicle from such dealer.
807 Such dealer shall promptly pay to such purchaser any refund received by the dealer which
808 is owed to the purchaser, and in any event, such payment shall be made no later than ten
809 days following the receipt of such refund by the dealer. The county tag agent shall approve
810 or deny the request for refund within 30 days after the filing of the application for refund.
811 If the county tag agent denies the refund, the county tag agent shall specify the reasons for
812 such denial. The motor vehicle dealer shall be authorized to appeal such denial to the
813 commissioner within 30 days following such denial."

814

SECTION 2.

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

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

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

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

835 (B)(i) Any dealer of new or used motor vehicles shall issue to the purchaser of a
836 vehicle at the time of sale thereof, unless such vehicle is to be registered under the
837 International Registration Plan, a temporary plate as provided for by department rules
838 or regulations which may bear the dealer's name and location and shall bear ~~the an~~ an
839 expiration date ~~of the period within which the purchaser is required by Code Section~~
840 ~~40-2-20 to register such vehicle~~ 45 days from the date of purchase. The expiration
841 date of such a temporary plate may be revised and extended by the county tag agent
842 upon application by the dealer, the purchaser, or the transferee if an extension of the
843 purchaser's initial registration period has been granted as provided by Code
844 Section 40-2-20. Such temporary plate shall not resemble a license plate issued by
845 this state and shall be issued without charge or fee. The requirements of this
846 subparagraph ~~do~~ shall not apply to a dealer whose primary business is the sale of
847 salvage motor vehicles and other vehicles on which total loss claims have been paid
848 by insurers.

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

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

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

861 SECTION 3.

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

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

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

877 **SECTION 4.**

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

880 "40-3-21.

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

- 899 (1) The full legal name, driver's license number, residence, and mailing address of the
 900 owner;
- 901 (2) A description of the vehicle, including, so far as the following data exist: its make,
 902 model, identifying number, type of body, the number of cylinders, and whether new,
 903 used, or a demonstrator and, for a manufactured home, the manufacturer's statement or

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

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

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

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

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

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

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

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

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

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

953 SECTION 5.

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

955 "40-3-21.1.

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

973 SECTION 6.

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

976 "(b) Except as provided in Code Section 40-3-33, the transferee, promptly after delivery
977 to him or her of the vehicle and certificate of title, shall execute the application for a new
978 certificate of title on the form the commissioner prescribes and cause the application and
979 the certificate of title to be mailed or delivered to the ~~commissioner or his appropriate~~
980 authorized county tag agent in the county where the vehicle will be registered together with
981 the application for change of registration for the vehicle, so that the title application shall
982 be received within 30 days from the date of the transfer of the vehicle. If the title
983 application is not received within that time, the owner shall be required to pay a penalty of
984 \$10.00 in addition to the ordinary title fee provided for by this chapter. If the documents
985 submitted in support of the title application are rejected, the party submitting the
986 documents shall have 60 days from the date of initial rejection to resubmit the documents
987 required by the commissioner for the issuance of title. If the documents are not properly
988 resubmitted within 60 days, there shall be an additional \$10.00 penalty assessed, and the
989 owner of the vehicle shall be required to remove immediately the license plate of the
990 vehicle and return the same to the ~~commissioner~~ authorized county tag agent. The license
991 plate shall be deemed to have expired at 12:00 Midnight of the sixtieth day following the
992 initial rejection of the documents, if the documents have not been resubmitted as required
993 under this subsection."

994 **SECTION 7.**

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

996 **SECTION 8.**

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