

House Bill 329 (AS PASSED HOUSE AND SENATE)

By: Representatives Powell of the 171<sup>st</sup>, Kelley of the 16<sup>th</sup>, Williamson of the 115<sup>th</sup>, Harrell of the 106<sup>th</sup>, Blackmon of the 146<sup>th</sup>, and others

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:

18 **SECTION 1.**

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

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~~

~~the county school district and the board of education of any independent school district in the same manner as required under that local constitutional amendment.~~  
~~(V) If such tax is not currently in effect and a homestead option sales and use tax under Article 2A of Chapter 8 of this title is in effect, such proceeds shall be distributed to the governing authority of the county, each qualified municipality, and each existing municipality in the same proportion as otherwise required under Code Section 48-8-104; and~~  
~~(iii)(I) An amount equal to one-third of such proceeds shall be distributed to the governing authority of the county and the governing authority of each qualified municipality located in such county in the same manner as specified under an intergovernmental agreement or as otherwise required under the county special purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of this title currently in effect; provided, however, that this subdivision shall not apply if subdivision (III) of division (ii) of this subparagraph is applicable.~~  
~~(II) If such tax were in effect but expired and is not currently in effect, such proceeds shall be distributed to the governing authority of the county and the governing authority of each qualified municipality located in such county in the same manner as if such tax were still in effect according to the intergovernmental agreement or as otherwise required under the county special purpose local sales and use tax under Part 1 of Article 3 of Chapter 8 of this title for the 12 month period commencing at the expiration of such tax. If such tax is not renewed prior to the expiration of such 12 month period, such amount shall be distributed in accordance with subdivision (I) of division (ii) of this subparagraph; provided, however, that if a tax under Article 2 of Chapter 8 of this title is not in effect, such amount shall be distributed in accordance with subdivision (II) of division (ii) of this subparagraph.~~  
~~(III) If such tax is not currently in effect in a county in which a tax is levied for purposes of a metropolitan area system of public transportation, as authorized by the amendment to the Constitution set out at Ga. L. 1964, p. 1008, the continuation of such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution; and the laws enacted pursuant to such constitutional amendment, such proceeds shall be distributed in such county, in the same manner as ad valorem tax on motor vehicles collected under Chapter 5 of this title in the taxing jurisdiction of each governing authority and school district from the amount of ad valorem taxes on motor vehicles collected under Chapter 5 of this title in each such governing authority and school district during the same calendar month of 2012.~~  
~~(IV) If such tax were never in effect, such proceeds shall be distributed in the same 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.