



Georgia House of Representatives



HB 487 - Motor vehicles; license plates and registration; amend provisions

First Reader Summary

A BILL to amend Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, so as to authorize the state revenue commissioner to promulgate certain rules and regulations; to authorize the state revenue commissioner to enter into certain agreements; to change provisions regarding the issuance of license plates for government vehicles; and for other purposes.

Baker, Thurbert E (70th) (Resigned)	Bordeaux, Tom (151st)	Orrock, Nan (56th)
Status Summary	HC: MotV	SC: PUBS
	LA: 04/14/97	Signed by Governor

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Code Sections - [40-2-32.1](#)/[40-3-21](#)/[40-3-23](#)/[40-3-24](#)/[40-3-25](#)/[40-3-26](#)/[40-3-27](#)/[40-3-28](#)/[40-3-31](#)/[40-3-31.1](#)/[40-3-35](#)/[40-3-51](#)/[40-3-52](#)/[40-3-53](#)/[40-3-55](#)/[40-3-56](#)

Recorded Votes

- Vote # [315 PASS 03/11/97](#)

House	Action	Senate
2/7/97	Read 1st Time	3/13/97
2/10/97	Read 2nd Time	3/21/97
2/25/97	Favorably Reported	3/20/97
	Committee Amend/Sub	Sub
3/11/97	Read 3rd Time	3/25/97
3/11/97	Passed/Adopted	3/25/97
FA	Comm/Floor Amend/Sub	CSFA
3/27/97	Amend/Sub Agreed To	
4/10/97	Sent to Governor	
4/14/97	Signed by Governor	
289	Act/Veto Number	
7/1/97	Effective Date	

H. B. No. 487 (AS PASSED HOUSE AND SENATE)
By: Representatives Baker of the 70th, Bordeaux of the
151st and Orrock of the 56th

A BILL TO BE ENTITLED
AN ACT

1- 1 To amend Title 40 of the Official Code of Georgia Annotated,
1- 2 relating to motor vehicles and traffic, so as to authorize
1- 3 the state revenue commissioner to promulgate certain rules
1- 4 and regulations; to authorize the state revenue commissioner
1- 5 to enter into certain agreements; to amend various
1- 6 provisions so as to permit the state revenue commissioner's
1- 7 authorized county tag agent to receive and retain certain
1- 8 documents relating to notices of security interests and
1- 9 applications and registrations for license plates and
1-10 certificates of title; to authorize the use of digital
1-11 signatures under certain circumstances; to authorize certain
1-12 transactions relating to liens to be made by electronic
1-13 means; to provide an effective date; to repeal conflicting
1-14 laws; and for other purposes.

1-15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

1-16 SECTION 1.

1-17 Title 40 of the Official Code of Georgia Annotated, relating
1-18 to motor vehicles and traffic, is amended by striking in its
1-19 entirety subsection (a) of Code Section 40-2-23, relating to
1-20 county tax collectors and tax commissioners as designated
1-21 tag agents, and inserting in its place a new subsection (a)
1-22 to read as follows:


1-23 "(a) The tax collectors of the various counties of this
1-24 state and the tax commissioners of those counties in which
1-25 the duties of the tax collector are performed by a tax
1-26 commissioner shall be designated as tag agents of the
1-27 commissioner for the purpose of accepting applications for
1-28 the registration of vehicles. The commissioner is
1-29 authorized to promulgate rules and regulations for the
1-30 purpose of delegating to such tag agents the custodial
1-31 responsibility for properly receiving, processing,
1-32 issuing, and storing motor vehicle titles or
1-33 registrations, or both."

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SECTION 2.

2- 2 Said title is further amended by adding immediately
2- 3 following Code Section 40-2-32 a new Code section 40-2-32.1
2- 4 to read as follows:

2- 5 "40-2-32.1. 

2- 6 (a) In the event the General Assembly enacts any law
2- 7 approving the sale of commemorative license plates
2- 8 recognizing Georgia organizations or institutions,
2- 9 including educational institutions, civic associations,
2-10 and social organizations, the commissioner shall approve
2-11 the form of any such license plates and shall be
2-12 authorized to enter into any agreements with private
2-13 parties for the purpose of promoting the sale of any such
2-14 license plates.

2-15 (b) Beginning in calendar year 1998, any Georgia resident
2-16 who is the owner of a motor vehicle, except a vehicle
2-17 registered under the international registration plan, upon
2-18 complying with the motor vehicle laws relating to
2-19 registration and licensing of motor vehicles and upon the
2-20 payment of a manufacturing fee of not more than \$25.00 in
2-21 addition to the regular motor vehicle registration fee
2-22 shall be issued a commemorative license plate pursuant to
2-23 the enactment of a law by the General Assembly and
2-24 approval by the commissioner in accordance with subsection
2-25 (a) of this Code section. Revalidation decals, upon
2-26 payment of fees required by law and collected by the
2-27 county tag agent and remitted to the state as provided in
2-28 Code Section 40-2-34, shall be issued for any such
2-29 commemorative license plates in the same manner as
2-30 provided for general issue license plates.

2-31 (c) Any such agreements for the purpose of promoting the
2-32 sale of commemorative license plates may authorize the
2-33 manufacturing fee to be apportioned, as determined by the
2-34 commissioner, between the organization commemorated by the
2-35 license plates, the vendor administering the sale and
2-36 promotion of the license plates, and the State of
2-37 Georgia."

2-38 SECTION 3.

2-39 Said title is further amended by striking in its entirety
2-40 subsection (a) of Code Section 40-2-130, relating to records
2-41 of certificates of registration, and inserting in its place
2-42 a new subsection (a) to read as follows:

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3- 1 "~~(a) The commissioner shall maintain a~~ A record of all

3- 2 certificates of registration shall be maintained by the
3- 3 commissioner or the commissioner's duly authorized county
3- 4 tag agent. All certificates of registration shall be
3- 5 issued:

3- 6 (1) Under a distinctive tag registration number assigned to
3- 7 the vehicle;

3- 8 (2) Under the identifying number of the vehicle;

3- 9 (3) Alphabetically, under the name of the owner;

3-10 (4) Under the vehicle title number; and

3-11 (5) In the discretion of the commissioner, in any other
3-12 method ~~he~~ the commissioner determines."


3-13 SECTION 4.

3-14 Said title is further amended by striking in its entirety
3-15 subsection (a) of Code Section 40-3-3, relating to the
3-16 powers and duties of the commissioner, and inserting in its
3-17 place a new subsection (a) to read as follows:

3-18 "(a) The commissioner is responsible for the
3-19 administration of this chapter and may employ such
3-20 clerical assistants and agents as may be necessary from
3-21 time to time to enable ~~him~~ the commissioner speedily,
3-22 completely, and efficiently to perform the duties
3-23 conferred on ~~him~~ the commissioner in this chapter. The
3-24 commissioner shall be authorized to delegate any
3-25 administrative responsibility for retention of
3-26 applications, certificates of title, notices of security
3-27 interest, and any other forms or documents relating to the
3-28 application and registration process to the appropriate
3-29 authorized tag agent for the county in which the
3-30 application is made or the registration is issued."

3-31 SECTION 5.

3-32 Said title is further amended by striking in its entirety
3-33 Code Section 40-3-21, relating to application for first
3-34 certificate of title, and inserting in its place a new Code
3-35 Section 40-3-21 to read as follows:

3-36 "40-3-21. 

3-37 (a) The application for the first certificate of title of
3-38 a vehicle in this state shall be made by the owner to the
3-39 commissioner or the commissioner's duly authorized county
3-40 tag agent on the prescribed form. Except as provided in

4- 1 subsection (b) of this Code section, the application must
4- 2 be submitted to the commissioner or the appropriate
4- 3 authorized county tag agent by the owner of the vehicle
4- 4 within 90 days from the date of purchase of the vehicle or
4- 5 from the date the owner is otherwise required by law to
4- 6 register the vehicle in this state. If the owner does not
4- 7 submit the application within that time, the owner of the
4- 8 vehicle shall be required to pay a penalty of \$10.00 in
4- 9 addition to the ordinary title fee provided for by this
4-10 chapter. If the documents submitted in support of the
4-11 title application are rejected, the party submitting the
4-12 documents shall have 60 days from the date of rejection to
4-13 resubmit the documents required by the commissioner or the
4-14 authorized county tag agent for the issuance of a
4-15 certificate of title. Should the documents not be
4-16 properly resubmitted within the 60 day period, there shall
4-17 be an additional \$10.00 penalty assessed, and the owner of
4-18 the vehicle shall be required to remove immediately the
4-19 license plate of the vehicle and return same to the
4-20 commissioner or the authorized county tag agent. The
4-21 license plate shall be deemed to have expired at 12:00
4-22 Midnight of the sixtieth day following the initial
4-23 rejection of the documents submitted, if the documents
4-24 have not been resubmitted as required under this
4-25 subsection. Such application shall contain:

4-26 (1) The name, residence, and mailing address of the
4-27 owner;

4-28 (2) A description of the vehicle, including, so far as
4-29 the following data exist: its make, model, identifying
4-30 number, type of body, the number of cylinders, and
4-31 whether new, used, or a demonstrator and, for a
4-32 manufactured home, the manufacturer's statement or
4-33 certificate of origin and the full serial number for all
4-34 manufactured homes sold in this state on or after July
4-35 1, 1994;

4-36 (3) The date of purchase by the applicant and, except as
4-37 provided in paragraph (2) of subsection (c) of this Code
4-38 section, the name and address of the person from whom
4-39 the vehicle was acquired and the names and addresses of
4-40 the holders of all security interests and liens in order
4-41 of their priority; and

4-42 (4) Any further information the commissioner reasonably
4-43 requires to identify the vehicle and to enable the
4-44 commissioner or the authorized county tag agent to

5- 1 determine whether the owner is entitled to a certificate

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of title and the existence or nonexistence of security interests in the vehicle and liens on the vehicle.

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

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(2) If the application refers to a vehicle purchased from a dealer, it shall contain the name and address of the holder of any security interest created or reserved at the time of the sale by the dealer. The application shall be signed by the owner and, unless the dealer's signature appears on the certificate of title or manufacturer's statement of origin submitted in support of the title application, the dealer, provided that as an alternative to a handwritten signature, the commissioner may authorize use of a digital signature as long as appropriate security measures are implemented which assure security and verification of the digital signature process, in accordance with regulations promulgated by the commissioner. The dealer shall promptly mail or deliver the application to the commissioner or the county tag agent of the county in which the seller is located, of the county in which the sale takes place, of the county in which the vehicle is delivered, or of the county wherein the vehicle owner resides so as to have the application submitted to the commissioner or such authorized county tag agent within 90 days from the date of the sale of the vehicle. If the application is not submitted within that time, the dealer, or in nondealer sales the transferee, shall be required to pay a penalty of \$10.00 in addition to the ordinary title fee paid by the transferee provided for in this chapter. If the documents submitted in support of the title application are rejected, the dealer submitting the documents shall have 60 days from the date of initial rejection to resubmit the documents required by the commissioner or authorized county tag agent for the issuance of a certificate of title. Should the documents not be properly resubmitted within 60 days, there shall be an additional penalty of \$10.00

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assessed against the dealer. The willful failure of a dealer to obtain a certificate of title for a purchaser shall be grounds for suspension or revocation of the dealer's state issued license and registration for the

6- 5 sale of motor vehicles.

6- 6 (c) (1) If the application refers to a vehicle last
6- 7 previously registered in another state or country, the
6- 8 application shall contain or be accompanied by:

6- 9 (A) Any certificate of title issued by the other state
6-10 or country; and

6-11 (B) Any other information and documents the
6-12 commissioner or authorized county tag agent reasonably
6-13 requires to establish the ownership of the vehicle and
6-14 the existence or nonexistence of security interests in
6-15 it and liens against it.

6-16 (2) If the application refers to a vehicle last
6-17 previously registered in another state and if the
6-18 applicant is the last previously registered owner in
6-19 such state, the application need not contain the name
6-20 and address of the person from whom the vehicle was
6-21 acquired."

6-22 SECTION 6.

6-23 Said title is further amended by striking in its entirety
6-24 subsection (a) of Code Section 40-3-22, relating to
6-25 examination of records, and inserting in its place a new
6-26 subsection (a) to read as follows:

6-27 "(a) The commissioner or the commissioner's duly
6-28 authorized county tag agent, upon receiving application
6-29 for a first certificate of title, shall check the
6-30 identifying number of the vehicle shown in the application
6-31 against the records of vehicles required to be maintained
6-32 by Code Section 40-3-23 and against the record of stolen
6-33 and converted vehicles required to be maintained by Code
6-34 Section 40-3-5."

6-35 SECTION 7.

6-36 Said title is further amended by striking in its entirety
6-37 Code Section 40-3-23, relating to issuance of certificate of
6-38 title and maintenance and inspection of records, and
6-39 inserting in its place a new Code Section 40-3-23 to read as
6-40 follows:

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7- 1 "40-3-23. 

7- 2 (a) The commissioner or the commissioner's duly authorized
7- 3 county tag agent shall file each application received and,
7- 4 when satisfied as to its genuineness and regularity and
7- 5 that the applicant is entitled to the issuance of a
7- 6 certificate of title, shall issue a certificate of title
7- 7 of the vehicle.

7- 8 (b) The commissioner or the commissioner's duly authorized
7- 9 county tag agent shall maintain a record of all
7-10 certificates of title issued:

7-11 (1) Under a distinctive title number assigned to the
7-12 vehicle;

7-13 (2) Under the identifying number of the vehicle;

7-14 (3) Alphabetically, under the name of the owner;

7-15 (4) Under the vehicle tag registration number; and

7-16 (5) In the discretion of the commissioner, in any other
7-17 method ~~he~~ the commissioner determines.

7-18 (c) The commissioner or the commissioner's duly authorized
7-19 county tag agent is authorized and empowered to provide
7-20 for photographic and photostatic recording of certificate
7-21 of title records in such manner as ~~he~~ the commissioner or
7-22 the commissioner's duly authorized county tag agent may
7-23 deem expedient. The photographic or photostatic copies
7-24 authorized in this subsection shall be sufficient as
7-25 evidence in tracing of titles of the motor vehicles
7-26 designated therein and shall also be admitted in evidence
7-27 in all actions and proceedings to the same extent that the
7-28 originals would have been admitted.

7-29 (d) The motor vehicle records which the commissioner or
7-30 the commissioner's duly authorized county tag agent is
7-31 required to maintain under this Code section or any other
7-32 provision are exempt from the provisions of any law of
7-33 this state requiring that such records be open for public
7-34 inspection; provided, however, that the records of any
7-35 particular motor vehicle may be available for inspection
7-36 by the following:

7-37 (1) Any law enforcement officer for official law
7-38 enforcement investigations as certified by the
7-39 commanding officer of the law enforcement agency making
7-40 such request;



8- 1 (2) The owner of the vehicle. When the title or
8- 2 registration records of the Motor Vehicle Division of
8- 3 the Department of Revenue have not been changed to
8- 4 reflect a new owner of the vehicle, proof of proprietary
8- 5 interest must be submitted prior to release of the
8- 6 information;

8- 7 (3) Any judgment creditor of the owner of the vehicle
8- 8 upon the presentation of a fi. fa.;

8- 9 (4) Any individual or an authorized agent or
8-10 representative of such individual involved in a motor
8-11 vehicle accident either as an operator of a motor
8-12 vehicle, a passenger in a motor vehicle, or a
8-13 pedestrian;

8-14 (5) Any licensed dealer of new or used motor vehicles;

8-15 (6) Any person for the purposes of a manufacturer's
8-16 recall; and

8-17 (7) Any tax collector, tax receiver, or tax
8-18 commissioner.

8-19 (e) The commissioner may, if necessary, promulgate
8-20 reasonable rules and regulations outlining additional
8-21 circumstances under which such records shall be open for
8-22 public inspection."

8-23 SECTION 8.

8-24 Said title is further amended by striking in its entirety
8-25 Code Section 40-3-24, relating to contents of certificate of
8-26 title, and inserting in its place a new Code Section 40-3-24
8-27 to read as follows:

8-28 "40-3-24. 

8-29 (a) Each certificate of title issued by the commissioner
8-30 or the commissioner's duly authorized county tag agent
8-31 shall contain:

8-32 (1) The date issued;

8-33 (2) The name and address of the owner;

8-34 (3) The names and addresses of the holders of any
8-35 security interest and of any lien as shown on the
8-36 application or, if the application is based on a
8-37 certificate of title, as shown on the certificate;

8-38 (4) The title number assigned to the vehicle;

9- 1 (5) A description of the vehicle including, so far as
9- 2 the following data exist: its make, model, identifying
9- 3 number, type of body, number of cylinders, whether new,
9- 4 used, or a demonstrator and, if a new vehicle or a
9- 5 demonstrator, the date of the first sale of the vehicle
9- 6 for use; and

9- 7 (6) Any other data the commissioner prescribes.


9- 8 (b) The certificate of title shall contain forms for
9- 9 assignment and warranty of title by the owner, and for
9-10 assignment and warranty of title by a dealer, and may
9-11 contain forms for applications for a certificate of title
9-12 by a transferee or naming of a security interest holder
9-13 and of a lienholder and the assignment or release of the
9-14 security interest and lien.

9-15 (c) A certificate of title issued by the commissioner or
9-16 the commissioner's duly authorized county tag agent is
9-17 prima-facie evidence of the facts appearing on it.

9-18 (d) A certificate of title for a vehicle is not subject to
9-19 garnishment, attachment, execution, or other judicial
9-20 process, but this subsection does not prevent a lawful
9-21 levy upon the vehicle."

9-22 SECTION 9.

9-23 Said title is further amended by striking in its entirety
9-24 Code Section 40-3-25, relating to entry of odometer reading
9-25 on certificate of title upon sale or transfer of vehicle,
9-26 and inserting in its place a new Code Section 40-3-25 to
9-27 read as follows:

9-28 "40-3-25. 

9-29 In addition to the information required by Code Section
9-30 40-3-24, each certificate of title issued by the
9-31 commissioner or the commissioner's duly authorized county
9-32 tag agent shall contain spaces thereon for the entry of
9-33 the mileage of the motor vehicle as shown on the odometer
9-34 of such motor vehicle at the time of its sale or transfer.
9-35 When a demonstrator or a new motor vehicle is sold by a
9-36 dealer, it shall be the duty of the dealer to insert on
9-37 the application for the certificate of title and on the
9-38 manufacturer's statement of origin where assigned to the
9-39 first retail purchaser the mileage of such motor vehicle
9-40 as shown on its odometer on the day of the sale. When the
9-41 owner of a motor vehicle sells or transfers such motor

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vehicle, ~~he~~ such owner shall enter on the certificate of

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title the mileage as shown on the odometer of such motor vehicle at the time ~~he~~ such owner executes the assignment and warranty of title. When a new certificate of title is issued for a previously titled motor vehicle, the odometer reading as recorded on the old certificate of title shall be shown on the new certificate of title. When a replacement certificate of title is issued to the owner of a lost, stolen, mutilated, or destroyed certificate of title, the mileage as shown on the odometer on the day application is made for the replacement certificate of title shall be shown on the replacement certificate of title. Notwithstanding any other provision of this Code section, the odometer reading of any motor vehicle which is more than ten model years old shall not be required to be recorded on the certificate of title for such vehicle. However, vehicles having a gross vehicle weight rating of more than 16,000 pounds shall be exempt from the requirement of disclosure of the odometer mileage on certificates of title. The commissioner is authorized and directed to provide by regulation for the implementation of this Code section."

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SECTION 10.

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Said title is further amended by striking in its entirety Code Section 40-3-26, relating to delivery of certificates and notices to holders of security interests and liens, and inserting in its place a new Code Section 40-3-26 to read as follows:

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"40-3-26.

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(a) (1) The certificate of title shall be mailed or delivered to the holder of the first security interest or lien named in it. In the event there is no security interest holder or lienholder named in such certificate, the certificate of title shall be mailed or delivered directly to the owner.

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(2) The commissioner may enter into agreements with any such security interest holder or lienholder to provide a means of delivery by secure electronic measures of a notice of the recording of such security interest or lien. Such security interest or lien shall remain on the official records of the Motor Vehicle Division of the Department of Revenue until such time as the security interest or lien is released by secure

11- 1 interest release; after which release, or at the request
11- 2 of the lienholder or security interest holder, the
11- 3 certificate of title may be printed and mailed or
11- 4 delivered to the next lienholder or security interest
11- 5 holder or as otherwise provided by paragraph (1) of this
11- 6 subsection without payment of any fee provided by Code
11- 7 Section 40-3-38.

11- 8 (b) If the certificate of title is mailed to a security
11- 9 interest holder or lienholder, such person shall notify by
11-10 mail all other lien or security interest holders that ~~he~~
11-11 such person has received the certificate of title. The
11-12 notice shall inform the security interest holder or
11-13 lienholder of the contents and information reflected on
11-14 such certificate of title. Such mailing or delivery shall
11-15 be within five days, exclusive of holidays, after the
11-16 receipt of the certificate by the holder of any security
11-17 interest or lien.

11-18 (c) The security interest holder or lienholder may retain
11-19 custody of the certificate of title until ~~his~~ such
11-20 security interest holder's or lienholder's claim has been
11-21 satisfied. The security interest holder or lienholder
11-22 having custody of a certificate of title must deliver the
11-23 certificate of title to the next lienholder or security
11-24 interest holder within ten days after ~~his~~ such custodial
11-25 security interest holder's or lienholder's lien or
11-26 security interest has been satisfied and, if there is no
11-27 other security interest holder or lienholder, ~~he~~ such
11-28 custodial security interest holder or lienholder must
11-29 deliver the certificate of title to the owner.

11-30 (d) If a lien or security interest has been electronically
11-31 recorded, the release of such lien or security interest
11-32 will require the lienholder to notify the commissioner and
11-33 the owner of the vehicle, on a form prescribed by the
11-34 commissioner, or by electronic means approved by the
11-35 commissioner, of the release of the lien or security
11-36 interest. Such notice will inform the owner that such
11-37 owner may request a title free of lien, upon verification
11-38 of such owner's current mailing address, from the
11-39 commissioner as provided in Code Section 40-3-56."

11-40 SECTION 11.

11-41 Said title is further amended by striking in its entirety
11-42 Code Section 40-3-27, relating to general procedure for

11-43 reflecting a subsequent transaction or certificate, and

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12- 1 inserting in its place a new Code Section 40-3-27 to read as
12- 2 follows:

12- 3 "40-3-27.

12- 4 (a) Whenever the certificate of title is in the possession of
12- 5 of a security interest holder or lienholder as allowed by
12- 6 this chapter and some other person, including the owner,
12- 7 who has an interest in a transaction concerning a security
12- 8 interest or lien shown on the certificate of title desires
12- 9 to have that transaction reflected on the certificate of
12-10 title, ~~he~~ such security interest holder or lienholder may
12-11 execute a notice of that transaction in the form
12-12 prescribed by the commissioner, setting forth the details
12-13 of the transaction ~~he~~ such security interest holder or
12-14 lienholder desires to be reflected on the certificate of
12-15 title. The notice, a fee of \$5.00, and the title
12-16 application shall be mailed by registered or certified
12-17 mail, return receipt requested, by the person desiring the
12-18 change to the first security interest holder or lienholder
12-19 having possession of the certificate of title. The notice
12-20 shall contain on its face instructions to the security
12-21 interest holder or lienholder having custody of the
12-22 certificate of title directing ~~him~~ such security interest
12-23 holder or lienholder within ten days to forward the
12-24 notice, the fee, the title application, and the
12-25 certificate of title to the commissioner or the
12-26 commissioner's duly authorized county tag agent. The first
12-27 security interest holder or lienholder having possession
12-28 of the certificate of title shall comply with the
12-29 instructions contained in the notice. The commissioner or
12-30 the authorized county tag agent, upon receipt of such a
12-31 notice and title application, together with the fee and
12-32 certificate of title, shall enter the transaction shown on
12-33 the notice on ~~his~~ such commissioner's or authorized county
12-34 tag agent's records and on the certificate of title or
12-35 issue a new certificate of title and shall then deliver
12-36 the certificate of title as provided for in this chapter.
12-37 The person desiring the change shall retain the return
12-38 registered or certified mail receipt as proof of ~~his~~ such
12-39 person's compliance with this Code section.

12-40 (b) In the event the first security interest holder or
12-41 lienholder holding the certificate of title fails,
12-42 refuses, or neglects to forward the title application,
12-43 notice, fee, and original certificate of title to the

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commissioner or the commissioner's duly authorized county



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tag agent, as required by this Code section, the person desiring the change may, on a form prescribed by the commissioner, make direct application to the commissioner or the authorized county tag agent. Such direct application to the commissioner or the authorized county tag agent shall have attached to it the return registered or certified mail receipt showing the previous mailing of the title application, fee, and notice to the first security interest holder or lienholder. Upon receipt of such a direct application, the commissioner or the authorized county tag agent shall order the first security interest holder or lienholder having custody of the certificate of title to forward the certificate of title to ~~him~~ the commissioner or the authorized county tag agent for the purpose of having the subsequent transaction entered thereon or a new certificate of title issued. If, after a direct application to the commissioner or the authorized county tag agent and the order of the commissioner or authorized county tag agent, the first security interest holder or lienholder continues to fail, refuse, or neglect to forward the certificate of title as provided in this Code section, the commissioner or authorized county tag agent may cancel the outstanding certificate of title and issue a new certificate of title reflecting all security interests and liens, including the subsequent security interest, and this new certificate of title shall be delivered as provided for in this chapter.

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(c) As an alternative to mailing notices of transactions concerning a security interest or lien on the certificate of title to the commissioner or the commissioner's appropriate authorized county tag agent in accordance with this Code section, the commissioner shall be authorized to permit the transaction to be made by electronic means in accordance with regulations promulgated by the commissioner.

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~~(e)~~ (d) Any first security interest holder or lienholder having possession of a certificate of title shall not have the validity of ~~his~~ such first security interest holder's or lienholder's security interest or lien affected by surrendering the certificate of title as provided by this Code section."

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SECTION 12.

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Said title is further amended by striking in its entirety

13-44 Code Section 40-3-28, relating to registration of vehicle

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14- 1 where commissioner not satisfied as to ownership of vehicle,
14- 2 and inserting in its place a new Code Section 40-3-28 to
14- 3 read as follows:

14- 4 "40-3-28.

14- 5 If the commissioner or the commissioner's duly authorized
14- 6 county tag agent is not satisfied as to the ownership of
14- 7 the vehicle or that there are no undisclosed security
14- 8 interests in it, the commissioner or authorized county tag
14- 9 agent may register the vehicle, but shall either: (1)
14-10 withhold issuance of a certificate of title until the
14-11 applicant presents documents reasonably sufficient to
14-12 satisfy the commissioner or authorized county tag agent as
14-13 to the applicant's ownership of the vehicle and that there
14-14 are no undisclosed security interests in it; or (2) as a
14-15 condition of issuing a certificate of title, require the
14-16 applicant to file with the commissioner or authorized
14-17 county tag agent a bond in the form prescribed by the
14-18 commissioner and executed by the applicant and by a
14-19 bonding, surety, or insurance company licensed to do
14-20 business in Georgia. The bond shall be in an amount equal
14-21 to the value of the vehicle as determined by the
14-22 commissioner or authorized county tag agent and payable to
14-23 the commissioner or authorized county tag agent for the
14-24 benefit of any prior owner, lienholder, or security
14-25 interest holder, and any subsequent purchaser of the
14-26 vehicle or person acquiring any security interest or lien
14-27 on it, and their respective successors in interest,
14-28 against any expense, loss, or damage, by reason of the
14-29 issuance of the certificate of title of the vehicle or on
14-30 account of any defect in or undisclosed security interest
14-31 upon the right, title, and interest of the applicant in
14-32 and to the vehicle. The commissioner or authorized county
14-33 tag agent shall have a right of action to recover on the
14-34 bond for any breach of its conditions, but the aggregate
14-35 liability of the surety to all persons shall not exceed
14-36 the amount of the bond. The bond shall expire at the end
14-37 of four years unless the commissioner or authorized county
14-38 tag agent has been notified of a breach of a condition of
14-39 the bond."

14-40 SECTION 13.

14-41 Said title is further amended by striking in its entirety
14-42 subsection (a) of Code Section 40-3-29, relating to refusing
14-43 a certificate of title, and inserting in its place a new

14-44 subsection (a) to read as follows:

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15- 1 "(a) The commissioner or the commissioner's duly
15- 2 authorized county tag agent shall refuse issuance of a
15- 3 certificate of title only if any required fee is not paid
15- 4 or if ~~he~~ the commissioner or the commissioner's duly
15- 5 authorized county tag agent has reasonable grounds to
15- 6 believe that:

15- 7 (1) The applicant is not the owner of the vehicle;

15- 8 (2) The application contains a false or fraudulent
15- 9 statement;

15-10 (3) The applicant fails to furnish required information
15-11 or documents or any additional information the
15-12 commissioner or authorized county tag agent reasonably
15-13 requires; or

15-14 (4) The registration of the vehicle stands suspended or
15-15 revoked for any reason as provided in the motor vehicle
15-16 laws of this state."

15-17 SECTION 14.

15-18 Said title is further amended by striking in its entirety
15-19 Code Section 40-3-31, relating to lost, stolen, mutilated,
15-20 or destroyed certificates, and inserting in its place a new
15-21 Code Section 40-3-31 to read as follows:

15-22 "40-3-31.

15-23 If a certificate of title is lost, stolen, mutilated, or
15-24 destroyed or becomes illegible, the owner or the legal
15-25 representative of the owner named in the certificate, as
15-26 shown by the records of the commissioner or the
15-27 commissioner's duly authorized county tag agent, shall
15-28 promptly make application for and may obtain a
15-29 replacement, upon furnishing information satisfactory to
15-30 the commissioner or authorized county tag agent. The
15-31 replacement shall be issued on the following terms and
15-32 conditions:

15-33 (1) If the replacement title is issued to the owner
15-34 named in the lost, stolen, mutilated, or destroyed
15-35 certificate, as shown by the records of the commissioner
15-36 or authorized county tag agent, the replacement
15-37 certificate of title shall contain the legend:

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'This is a replacement certificate and may be subject to the rights of a person under the original certificate.';

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(2) When the vehicle for which a replacement certificate of title has been issued is transferred to a new owner, the certificate of title issued to the transferee shall continue to contain the legend:

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'This is a replacement certificate and may be subject to the rights of a person under the original certificate.'

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After a replacement certificate has been issued and the records of the commissioner or authorized county tag agent show that the owner has held record title continuously for a period of not less than six calendar months and the record title of the owner has not been challenged, the commissioner or authorized county tag agent may, upon proper application, issue a replacement title, which shall simply contain the legend 'Replacement Title';

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(3) A person recovering an original certificate of title for which a replacement has been issued shall promptly surrender the original certificate to the commissioner or authorized county tag agent. Where the owner named in a replacement certificate of title, or a transferee, recovers the original certificate ~~he~~ such owner or transferee may surrender the original certificate together with the replacement title and if ~~he~~ such owner or transferee is otherwise entitled to a certificate the commissioner or authorized county tag agent may issue ~~him~~ such owner or transferee a new certificate of title with no legend thereon; and

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(4) If two or more innocent persons are the victims of the fraud or mistake of another and none of the victims could have reasonably taken steps to detect or prevent the fraud or mistake, the victim who first acquired an interest in a vehicle through any certificate of title shall have ~~his~~ such victim's interest protected."


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SECTION 15.

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Said title is further amended by striking in its entirety Code Section 40-3-31.1, relating to replacement certificates of title for mobile homes, and inserting in its place a new Code Section 40-3-31.1 to read as follows:

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"40-3-31.1. 

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The commissioner or the commissioner's duly authorized county tag agent shall issue a new certificate of title to

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replace any certificate of title for a mobile home which was retired pursuant to the former provisions of Code Section 40-3-4, authorizing the retirement of the certificate of title for a mobile home which was declared real property by the tax commissioner or tax collector of the county in which such mobile home is located. Any lienholder or security interest holder with an interest in such mobile home may make application to the commissioner or authorized county tag agent to have such interest recorded on the new certificate of title, and such lien or security interest shall relate back to the original date of creation without any lapse due to the retirement of such certificate of title."

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SECTION 16.

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Said title is further amended by striking in its entirety subsection (e) of Code Section 40-3-32, relating to transfer of vehicle generally, and inserting in its place a new subsection (e) to read as follows:

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"(e) The commissioner shall promulgate procedures and provide forms whereby a prospective purchaser may, if ~~he~~ such prospective purchaser desires, have the commissioner's or the commissioner's duly authorized county tag agent's records searched for undisclosed certificates of title and security interests."

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SECTION 17.

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Said title is further amended by striking in its entirety subsection (c) of Code Section 40-3-34, relating to transfer of vehicle by operation of law, and inserting in its place a new subsection (c) to read as follows:

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"(c) A person holding a certificate of title whose interest in the vehicle has been extinguished or transferred other than by voluntary transfer shall mail or deliver the certificate to the commissioner or the commissioner's duly authorized county tag agent upon request of the commissioner or authorized county tag agent. The delivery of the certificate pursuant to the request of the commissioner or authorized tag agent does

17-38 not affect the rights of the person surrendering the
17-39 certificate; and the action of the commissioner or
17-40 authorized tag agent in issuing a new certificate of title
17-41 as provided in this article is not conclusive upon the
17-42 rights of an owner or lienholder named in the old
17-43 certificate."

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18- 1 SECTION 18.

18- 2 Said title is further amended by striking in its entirety
18- 3 Code Section 40-3-35, relating to when commissioner to issue
18- 4 new certificate to transferee and filing and retention of
18- 5 surrendered certificates, and inserting in its place a new
18- 6 Code Section 40-3-35 to read as follows:

18- 7 "40-3-35.

18- 8 (a) The commissioner or the commissioner's duly authorized
18- 9 county tag agent, upon receipt of a properly assigned
18-10 certificate of title, with an application for a new
18-11 certificate of title, the required fee, and any other
18-12 documents required by law, shall issue a new certificate
18-13 of title in the name of the transferee as owner and mail
18-14 the certificate to the first lienholder named in the
18-15 application or, if none, to the owner.


18-16 (b) The commissioner or the commissioner's duly authorized
18-17 county tag agent, upon receipt of an application for a new
18-18 certificate of title by a transferee other than by
18-19 voluntary transfer, with proof of the transfer, the
18-20 required fee, and any other documents required by law,
18-21 shall issue a new certificate of title in the name of the
18-22 transferee as owner. If the outstanding certificate of
18-23 title is not delivered to ~~him~~ the commissioner or the
18-24 authorized county tag agent, the commissioner or
18-25 authorized county tag agent shall make demand therefor
18-26 from the holder thereof.

18-27 (c) The commissioner or the commissioner's duly authorized
18-28 county tag agent shall file and retain for five years
18-29 every surrendered certificate of title, the file to be
18-30 maintained so as to permit the tracing of title of the
18-31 vehicle designated therein."

18-32 SECTION 19.

18-33 Said title is further amended by striking in its entirety
18-34 Code Section 40-3-51, relating to creation of security
18-35 interest by owner, and inserting in its place a new Code

18-36 Section 40-3-51 to read as follows:

18-37 "40-3-51. 

18-38 If the owner creates a security interest in a vehicle:

18-39 (1) The owner shall immediately execute the application
18-40 in the space provided therefor on the certificate of
18-41 title or on a separate form that the commissioner

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19- 1 prescribes, naming the holder of the security interest
19- 2 on the certificate and showing the name and address of
19- 3 the security interest holder, and shall cause the
19- 4 certificate, the application, and the required fee to be
19- 5 delivered to the security interest holder;

19- 6 (2) The security interest holder shall immediately cause
19- 7 the certificate of title and application and the
19- 8 required fee to be mailed or delivered to the
19- 9 commissioner or ~~his~~ the commissioner's appropriate
19-10 authorized county tag agent within 90 days of the date
19-11 of creation of the security interest or lien. If the
19-12 certificate of title and application and the required
19-13 fee are not mailed or delivered within such time, the
19-14 lien or security interest holder shall be required to
19-15 pay a \$10.00 penalty in addition to the ordinary title
19-16 fee provided for by this chapter. If the documents
19-17 submitted in support of the title application are
19-18 rejected, the party submitting the documents shall have
19-19 60 days from the date of initial rejection to resubmit
19-20 the documents required by the commissioner or the
19-21 authorized county tag agent for the issuance of title.
19-22 If the documents are not properly resubmitted within the
19-23 60 day period, there shall be an additional \$10.00
19-24 penalty assessed, and the owner of the vehicle shall be
19-25 required to remove immediately the license plate of the
19-26 vehicle and return same to the commissioner or
19-27 authorized county tag agent. The license plate shall be
19-28 deemed to have expired at 12:00 Midnight of the sixtieth
19-29 day following the initial rejection of the documents, if
19-30 the documents have not been resubmitted as required
19-31 under this paragraph; and

19-32 (3) Upon receipt of the certificate of title, the
19-33 application, and the required fee, the commissioner or
19-34 the commissioner's duly authorized county tag agent
19-35 shall issue a new certificate containing the name and
19-36 address of the holder of the security interest and of
19-37 holders of previous unreleased security interests and

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liens, if any, and shall mail the certificate to the first holder on it. If more than one holder is named on the certificate, the first holder shall comply with subsection (b) of Code Section 40-3-26 in regard to notifying other holders of the content of the certificate."

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SECTION 20.

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Said title is further amended by striking in its entirety Code Section 40-3-52, relating to perfection of second or subsequent security interests, and inserting in its place a new Code Section 40-3-52 to read as follows:

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"40-3-52.



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(a) If the owner of a motor vehicle desires to place a second or subsequent security interest against the vehicle and the certificate of title on that vehicle is being held by a security interest holder or lienholder, the owner shall, on the form prescribed by the commissioner, execute a title application and a notice of the second or subsequent security interest; and the holder of the second or subsequent security interest shall forward such notice and title application, together with a \$5.00 filing fee, by registered or certified mail, return receipt requested, to the first holder of a security interest or lien who has custody of the certificate of title. The notice of such second or subsequent security interest shall contain on its face instructions to the security interest holder or lienholder having custody of the certificate of title directing ~~him~~ such custodial security interest holder or lienholder within ten days to forward the notice, title application, and fee, together with the certificate of title, to the commissioner or the commissioner's duly authorized county tag agent in order that the commissioner or authorized county tag agent may issue a new certificate of title and reflect on the certificate of title the subsequent security interest. The first security interest holder or lienholder having possession of the certificate of title shall comply with the instructions contained in the notice. The commissioner or authorized county tag agent, upon receipt of a properly executed application notice, the fee, and the original certificate of title, shall enter the subsequent security interest on ~~his~~ such commissioner's or authorized county tag agent's records and shall issue a new certificate of title and shall then

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deliver the certificate of title as provided for in this chapter.

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(b) If the holder of the second or subsequent security interest forwards by registered or certified mail the title application, notice of the second or subsequent security interest, and fee to the first security interest holder or lienholder who has custody of the certificate of

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title within ten days of the execution of that second or subsequent security interest, it shall be perfected as of the date it was executed; otherwise, as of the date the notice was forwarded to the first security interest holder or lienholder holding the certificate of title. The second or subsequent security interest holder shall retain the return registered or certified mail receipt as proof of perfection of his security interest under this Code section.

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(c) In the event the first security interest holder or lienholder holding the certificate of the title fails, refuses, or neglects to forward the title application, notice, fee, and original certificate of title to the commissioner or the commissioner's duly authorized county tag agent as required by this Code section, the holder of the second or subsequent security interest may, on a form prescribed by the commissioner, make direct application to the commissioner or authorized county tag agent. Such direct application to the commissioner or authorized county tag agent shall have attached to it the return registered or certified mail receipt showing the previous mailing of the title application, fee, and notice to the first security interest holder or lienholder. Upon receipt of such a direct application, the commissioner or authorized county tag agent shall order the first security interest holder or lienholder having custody of the certificate of title to forward the certificate of title to ~~him~~ the commissioner or the authorized county tag agent for the purpose of having the second or subsequent security interest entered and a new certificate of title issued. If after a direct application of the commissioner or authorized county tag agent and the order of the commissioner or authorized county tag agent the first security interest holder or lienholder continues to fail, refuse, or neglect to forward the certificate of title as provided in this Code section, the commissioner or authorized county tag agent may cancel the outstanding certificate of title and issue a new certificate of title reflecting all security interests and liens, including the second or subsequent security interest, and this new

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certificate of title shall be delivered as provided for in this chapter.

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(d) As an alternative to mailing notices concerning a second or subsequent security interest to the commissioner or the commissioner's duly authorized county tag agent in

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accordance with this Code section, the commissioner shall be authorized to permit the transaction to be made by electronic means in accordance with regulations promulgated by the commissioner.

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~~(d)~~ (e) No first security interest holder or lienholder having possession of the certificate of title shall have the validity of his that security interest or lien affected by surrendering the certificate of title as provided for by this Code section."


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SECTION 21.

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Said title is further amended by striking in its entirety Code Section 40-3-53, relating to perfection and enforcement of liens generally, and inserting in its place a new Code Section 40-3-53 to read as follows:

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 "40-3-53.

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(a) If the holder of any lien as defined in paragraph (7) of Code Section 40-3-2 (excepting the holder of a mechanic's lien, perfection of which is prescribed in Code Section 40-3-54) desires to perfect such lien against a vehicle, the lienholder shall, on the form prescribed by the commissioner, execute a title application and a notice of lien stating the type of lien and the specific vehicle against which the lien is claimed and shall forward such notice and title application, together with a \$5.00 fee, either personally or by registered or certified mail, return receipt requested, to the person who has custody of the current certificate of title at the address shown on such certificate of title. If someone other than the owner is holding the certificate of title, a copy of the notice shall also be forwarded to the owner. The lien claimant shall retain the registered or certified mail receipt as proof of compliance with this Code section.

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(b) After receipt of the notice of lien, as specified in this Code section, neither the owner nor any other person shall take any action affecting the title other than as provided in this Code section. After receipt of the

22-37 notice of lien, the person holding the certificate of
22-38 title shall hold the notice of lien and attachments and
22-39 the title for ten days. If, during the ten-day period
22-40 following receipt of the notice, the claimed lien is
22-41 satisfied, the lien claimant shall, on the form prescribed
22-42 by the commissioner, notify the owner and the person
22-43 holding the certificate of title of such satisfaction.

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23- 1 The notice of satisfaction shall serve as a release and
23- 2 withdrawal of the pending notice of lien. If the owner or
23- 3 person holding the certificate of title chooses to contest
23- 4 the claimed lien, ~~he~~ such owner or person holding the
23- 5 certificate of title shall so indicate on the notice of
23- 6 lien form and shall notify the other interested parties.
23- 7 If the notice contesting the lien is given, or if ten days
23- 8 have elapsed without the lien being satisfied, the person
23- 9 holding the certificate of title shall forward the
23-10 certificate of title together with the notice of lien and
23-11 attachments thereto to the commissioner or the
23-12 commissioner's duly authorized county tag agent in order
23-13 that the commissioner or authorized county tag agent may
23-14 issue a new certificate of title and reflect on the new
23-15 certificate of title the lien on the vehicle. The owner
23-16 or the person who has custody of the current certificate
23-17 of title shall comply with the instructions contained in
23-18 the notice, and in the event ~~he~~ such owner or person
23-19 having custody of the current title cannot do so ~~he~~ such
23-20 owner or person having custody of the current title shall
23-21 notify the lien claimant. The commissioner or authorized
23-22 county tag agent, upon receipt of a properly executed
23-23 title application, notice, fee, and the current
23-24 certificate of title, shall enter the lien on ~~his~~ the
23-25 commissioner's or authorized county tag agent's records
23-26 and shall issue a new certificate of title reflecting the
23-27 lien and shall then deliver the certificate of title as
23-28 provided for in this chapter. The lien shall be perfected
23-29 at the time the lien notice, application for title, fee,
23-30 and current certificate of title are received by the
23-31 commissioner or authorized county tag agent.

23-32 (c) In the event that the person who has custody of the
23-33 current certificate of title fails, refuses, or neglects
23-34 to forward the title application, notice, fee, and current
23-35 certificate of title to the commissioner or the
23-36 commissioner's duly authorized county tag agent as
23-37 required in this Code section, the lien claimant may, if
23-38 ~~his~~ such lien claimant's lien has not been satisfied, on a
23-39 form prescribed by the commissioner, make direct
23-40 application to the commissioner or authorized county tag
23-41 agent. Such direct application to the commissioner or

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authorized county tag agent shall have attached to it the return registered or certified mail receipt showing the previous mailing of the title application, fee, and notice to the person who has custody of the current certificate

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of title. Upon receipt of such a direct application, the commissioner or authorized county tag agent shall order the person who has custody of the current certificate of title to forward the certificate of title to ~~him~~ the commissioner or authorized county tag agent for the purpose of having the lien entered and a new certificate of title reflecting the lien issued. If, after a direct application to the commissioner or authorized county tag agent and after the order of the commissioner or authorized county tag agent, the person who has custody of the current certificate of title continues to fail, refuse, or neglect to forward the certificate of title as provided in this Code section, the commissioner or authorized county tag agent may cancel the current certificate of title and issue a new certificate of title reflecting all security interests and liens, and this new certificate of title shall be delivered as provided for in this chapter. In the event a direct application is made, the lien shall be perfected as of the date the outstanding certificate of title is canceled.

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(d) No security interest holder or lienholder having custody of the certificate of title shall have the validity of ~~his~~ such security interest holder's or lienholder's security interest or lien affected by surrendering the certificate of title as provided by this Code section. The first security interest holder or lienholder shall have the responsibility to advise a prospective transferee or security interest holder, upon inquiry, that a notice of subsequent lien has been received. Upon the issuing of a new certificate of title, the commissioner or the commissioner's duly authorized county tag agent shall cancel the old certificate of title.

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(e) A lien perfected under this Code section shall be a lien only against the specific vehicle identified in the application for a new certificate.

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(f) A lien on a vehicle for which a certificate of title is required shall be perfected and shall be valid against subsequent transferees and holders of security ~~interest~~ interests and liens only by compliance with this Code section. The procedure contained in this chapter shall be

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the exclusive method for the perfection of liens on vehicles, and no lien shall be effective as to a vehicle unless so perfected."

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SECTION 22.

25- 2 Said title is further amended by striking in its entirety
25- 3 Code Section 40-3-55, relating to assignment of security
25- 4 interests and liens, and inserting in its place a new Code
25- 5 Section 40-3-55 to read as follows:

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"40-3-55.



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(a) The holder of any security interest in or lien on a vehicle may assign, absolutely or otherwise, ~~his~~ such holder's security interest or lien to a person other than the owner without affecting the interest of the owner or the validity of the security interest or lien, but any person without notice of the assignment is protected in dealing with the holder of the security interest or lien, and the holder of the security interest or lien remains liable for any obligations as such holder until the assignee is named as the holder of the security interest or lien on the certificate of title.

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(b) The assignee may, but need not to perfect the assignment, have the certificate of title endorsed or issued with the assignee named as holder of a security interest or lien, upon delivering to the commissioner or the commissioner's duly authorized county tag agent the certificate and assignment by the holder of a security interest or lien named in the certificate in the form the commissioner prescribes, provided that as an alternative to a handwritten signature, the commissioner may authorize use of a digital signature as long as appropriate security measures are implemented which assure security and verification of the digital signature process, in accordance with regulations promulgated by the commissioner. If the assignment refers to a security interest or lien which is reflected on the certificate of title and the certificate of title is in the possession of the first security interest holder or lienholder as provided by this chapter, the assignee may, but need not to perfect the assignment, have the certificate of title endorsed, or a new certificate of title issued, by complying with Code Section 40-3-27."

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SECTION 23.

25-40 Said title is further amended by striking in its entirety
25-41 Code Section 40-3-56, relating to satisfaction of security
25-42 interests and liens, and inserting in its place a new Code
25-43 Section 40-3-56 to read as follows:

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"40-3-56.

26- 2 (a) (1) If any security interest or lien listed on a
26- 3 certificate of title is satisfied, the holder thereof
26- 4 shall, within ten days after demand, execute a release
26- 5 in the form the commissioner prescribes and mail or
26- 6 deliver the release to the owner, provided that as an
26- 7 alternative to a handwritten signature, the commissioner
26- 8 may authorize use of a digital signature as long as
26- 9 appropriate security measures are implemented which
26-10 assure security and verification of the digital
26-11 signature process, in accordance with regulations
26-12 promulgated by the commissioner. For the purposes of
26-13 the release of a security interest or lien the 'holder'
26-14 of the lien or security interest is the parent bank or
26-15 other lending institution and any branch or office of
26-16 the parent institution may execute such release.

26-17 (2) If the commissioner has entered into an agreement
26-18 with such a security interest holder or lienholder to
26-19 provide a means of delivery by secure electronic
26-20 measures of a notice of the recording of such security
26-21 interest or lien, at such time as the security interest
26-22 or lien is released, by secure electronic measures, the
26-23 certificate of title may be printed and mailed or
26-24 delivered to the next lienholder or security interest
26-25 holder or, if there is no other security interest holder
26-26 or lienholder, to the owner without payment of any fee
26-27 provided by Code Section 40-3-38.

26-28 (b) The owner may then forward the certificate of title,
26-29 the release, the properly executed title application, and
26-30 title application fee to the commissioner or the
26-31 commissioner's duly authorized county tag agent, and the
26-32 commissioner or authorized county tag agent shall release
26-33 the security interest or lien on the certificate or issue
26-34 a new certificate and mail or deliver the certificate to
26-35 the owner. If the satisfied security interest or lien is
26-36 one reflected on the certificate of title but the
26-37 certificate of title is in the custody of the first
26-38 security interest holder or lienholder as provided by this
26-39 chapter, the release may be handled as provided in Code
26-40 Section 40-3-27, and Code Section 40-3-26 shall otherwise

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be complied with. In the event that the lienholder or security interest holder is no longer in business, an individual shall not be required to submit a release to secure a new certificate of title. The owner shall be

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required to present to the commissioner or authorized county tag agent certification from the appropriate regulatory agency that such lienholder or security interest holder is no longer in business.

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(c) Except for liens and security interests listed on certificates of title for mobile homes, cranes, or vehicles which weigh more than 10,000 pounds gross vehicle weight, which shall be satisfied only in conformity with subsections (a) and (b) of this Code section, any lien or security interest shall be considered satisfied and release shall not be required after ten years from the date of issuance of a title on which such lien or security interest is listed. None of the provisions of this Code section shall preclude the perfection of a new lien or security agreement, or the perfection of an extension of a lien or security agreement beyond a period of ten years, by application for a new certificate of title on which such lien or security agreement is listed. In order to provide for the continuous perfection of a lien or security interest originally entered into for a period of more than ten years for a vehicle other than a mobile home, crane, or vehicle which weighs more than 10,000 pounds gross vehicle weight, an application for a second title on which the lien or security interest is listed must be submitted to the commissioner or the commissioner's duly authorized tag agent before ten years from the date of the original title on which such lien or security interest is listed. Otherwise the lien or security interest shall be perfected as of the date of receipt of the application by the commissioner or the commissioner's duly authorized county tag agent."

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SECTION 24.

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This Act shall become effective on July 1, 1997.

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SECTION 25.

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



*Clerk of the House
Robert E. Rivers, Jr., Clerk
Last Updated on 04/20/98*
