

By: Dearing

To: Finance

SENATE BILL NO. 2007

1 AN ACT TO AMEND SECTION 27-19-303, MISSISSIPPI CODE OF 1972,  
2 TO LOWER TO SIX THE NUMBER OF MOTOR VEHICLES THAT A BUSINESS MUST  
3 BUY, SELL OR EXCHANGE PER YEAR IN ORDER TO FALL WITHIN THE  
4 DEFINITION OF THE TERM "MOTOR VEHICLE DEALER" UNDER THE MOTOR  
5 VEHICLE DEALER TAG PERMIT LAW; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 SECTION 1. Section 27-19-303, Mississippi Code of 1972, is  
8 amended as follows:

9 27-19-303. The following words and phrases, when used in  
10 this article, shall for purposes thereof have the meaning  
11 respectively ascribed thereto as follows:

12 (1) "Motor vehicle" shall mean every vehicle intended  
13 primarily for use and operation on the public highways, which is  
14 self-propelled and every vehicle intended primarily for operation  
15 on the public highways, which is not driven or propelled by its  
16 own power, but which is designed either to be attached to and  
17 become a part of or to be drawn by a self-propelled vehicle, but  
18 not including farm tractors and other machines and tools used in  
19 production, harvesting and care of farm products.

20 (2) "Person" shall mean every natural person, firm,  
21 copartnership, association or corporation.

22 (3) "Motor vehicle dealer" shall mean any business engaged

23 in the selling or exchanging of new or new and used motor vehicles  
24 or used vehicles; and, which has an established place of business  
25 open for inspection at any time by any peace officer or the  
26 Chairman of the State Tax Commission or one of his authorized  
27 representatives during reasonable hours; and, which buys and sells  
28 or exchanges at least six (6) vehicles per year.

29 (4) "Dealer" shall mean such of the principal officers of a  
30 corporation registered as a motor vehicle dealer, and such of the  
31 partners of a copartnership registered as a motor vehicle dealer  
32 as are actively and principally engaged in the motor vehicle  
33 business. The term "dealer" shall not include:

34 (a) Directors, stockholders or inactive partners; or

35 (b) Receivers, trustees, administrators, executors,  
36 guardians, or other persons appointed by or acting under any  
37 judgment or order of any court, whether state or federal; or

38 (c) Public officers while performing their official  
39 duties; or

40 (d) Persons disposing of motor vehicles acquired for  
41 their own use and actually so used when the same shall have been  
42 used, so acquired in good faith, and not for the purpose of  
43 avoiding the provisions of this article; or

44 (e) Persons who shall sell motor vehicles as an  
45 incident to their principal business but who are not engaged  
46 primarily in selling motor vehicles. The foregoing shall include  
47 only finance companies or banks which sell repossessed motor  
48 vehicles, and insurance companies which sell motor vehicles which  
49 they have taken into their possession as an incident of payment  
50 made under policies of insurance, and which do not maintain a used  
51 car lot or building with one or more employed motor vehicle  
52 salesmen.

53 (5) "New motor vehicle dealer" shall mean a business dealing

54 in new motor vehicles, tractors, trailers or semitrailers, or new  
55 and used motor vehicles, tractors, trailers or semitrailers.

56 (6) "Used motor vehicle dealer" shall mean a business  
57 dealing in used motor vehicles, tractors, trailers or  
58 semitrailers. "Automobile dismantlers" shall also be classified  
59 as used motor vehicle dealers.

60 (7) "Established place of business" shall mean any place  
61 owned or leased and regularly occupied by any person for the  
62 primary and principal purpose of engaging in selling, buying,  
63 bartering, exchanging or dealing in motor vehicles, tractors,  
64 trailers or semitrailers, whether same may be displayed or offered  
65 for sale and where the books and records required of the conduct  
66 of such business are maintained and kept. Established places of  
67 business shall be open for inspection at any time by any peace  
68 officer or employee of the motor vehicle comptroller's office  
69 during reasonable hours. To constitute a place of business, it  
70 shall be apparent that there is a holding out to the general  
71 public that an establishment is offering motor vehicles, tractors,  
72 trailers and semitrailers for sale. There shall be an office  
73 separate from and not in conjunction with or related to any other  
74 business for the purpose of transacting the business of offering  
75 motor vehicles, tractors, trailers or semitrailers for sale, or in  
76 lieu of such office there shall be an adequate display of  
77 identification as a motor vehicle dealer as specified by the  
78 Chairman of the State Tax Commission.

79 (8) "Automobile dismantler" shall mean any person who  
80 maintains an established place of business and who is engaged in  
81 the business of buying, selling or exchanging used motor vehicles,

82 mobile homes or house trailers for the purpose of remodeling,  
83 taking apart or rebuilding same or buying and selling of parts of  
84 used motor vehicles and shall be classified as a used motor  
85 vehicle dealer.

86 (9) "Automobile auction" shall mean any person, firm,  
87 association, corporation or trust, resident or nonresident, acting  
88 as an agent for the purchaser or seller of motor vehicles.

89 (10) "Motor vehicle comptroller" shall mean the Chairman of  
90 the State Tax Commission, who shall be charged with the  
91 administration and enforcement of this article.

92 (11) "Department" or "commission" shall mean the Chairman of  
93 the State Tax Commission.

94 (12) "Limited motor vehicle dealer" or "limited dealer"  
95 shall mean any business engaged in the selling or exchanging of  
96 new or used motor vehicles, or both, which buys and sells or  
97 exchanges fewer than six (6) vehicles and is granted a limited  
98 license at the discretion of the Chairman of the State Tax  
99 Commission. Such limited dealer shall be awarded all privileges  
100 of a "motor vehicle dealer," except for the purchase and use of  
101 distinguishing number tags. A limited dealer shall abide by all  
102 provisions and requirements of this article associated with a  
103 "motor vehicle dealer."

104 (13) "Wholesale motor vehicle dealer" or "wholesale dealer"  
105 shall mean any business engaged in the selling or exchanging of  
106 new or used motor vehicles, or both, strictly on a wholesale basis  
107 with no inventory being maintained which is granted a wholesale  
108 license at the discretion of the Chairman of the State Tax  
109 Commission. Such wholesale dealer shall be awarded all privileges

110 of a "motor vehicle dealer," except for the purchase and use of  
111 distinguishing number tags. A wholesale dealer shall abide by all  
112 provisions and requirements of this article associated with a  
113 "motor vehicle dealer," except for the requirement of the  
114 "established place of business" and the requirement to buy, sell  
115 or exchange at least six (6) motor vehicles per year.

116 SECTION 2. This act shall take effect and be in force from  
117 and after July 1, 2000.