HOUSE BILL NO. 1195

AN ACT TO AMEND SECTION 27-19-40, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A MOTOR VEHICLE DEALER SHALL ISSUE A TEMPORARY LICENSE TAG TO PERSONS WHO PURCHASE A MOTOR VEHICLE FROM THE DEALER; TO PROVIDE THAT THE TEMPORARY LICENSE TAG SHALL BE VALID FOR A PERIOD OF SEVEN DAYS; TO AUTHORIZE A MOTOR VEHICLE DEALER TO CHARGE A FEE FOR THE ISSUANCE OF SUCH TEMPORARY LICENSE TAGS; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-19-40, Mississippi Code of 1972, is amended as follows:

27-19-40. (1) A motor vehicle dealer or automobile auction may apply to the State Tax Commission for special in-transit tags or plates, which when properly displayed shall authorize the motor vehicle dealer or automobile auction to operate a motor vehicle upon the highways of this state without paying the annual highway privilege tax upon such vehicle and without attaching any other license tag or plate to such vehicle, if:

(a) The movement of the motor vehicle is for the purpose of sale of such vehicle to another motor vehicle dealer or automobile auction;

(b) The motor vehicle is being moved from the place of business of one motor vehicle dealer or automobile auction to the place of business of another motor vehicle dealer or automobile auction; and

(c) The special in-transit tag or plate is displayed in plain view on the motor vehicle in the manner prescribed by the State Tax Commission.

(2) A motor vehicle dealer or automobile auction may apply for a temporary tag or plate to be used when a motor vehicle in
this state is sold by the motor vehicle dealer or automobile
auction to a nonresident of the State of Mississippi or when a
motor vehicle is sold by a motor vehicle dealer or automobile
auction to a Mississippi resident who may temporarily exit this
state before obtaining a Mississippi tag or plate. Such tag or
plate when properly displayed shall authorize the purchaser of
such a motor vehicle to operate the motor vehicle upon the
highways of this state. The temporary tag or plate shall be valid
for a period of seven (7) full working days, exclusive of the date
of purchase, after the date the motor vehicle is purchased.

(3) The State Tax Commission shall issue such tags or plates
to each motor vehicle dealer or automobile auction who applies for
them upon payment of a fee in an amount equal to Two Dollars
($2.00) for each in-transit tag or plate and Five Dollars ($5.00)
for each temporary tag or plate.

(4) The tags or plates authorized pursuant to this section
shall be designed by the State Tax Commission. The State Tax
Commission shall adopt rules and regulations necessary to
implement this section, including, but not limited to, rules and
regulations establishing procedures for issuing such tags or
plates and for the use and display of such tags or plates. Each
motor vehicle dealer or automobile auction who is issued tags or
plates pursuant to this section shall keep such records as may be
required by the State Tax Commission.

(5) Whenever a person purchases a motor vehicle from a motor
vehicle dealer, he shall be issued a temporary tag or plate by the
dealer. Each temporary tag or plate shall display the date of
delivery of the vehicle and shall have a number to distinguish it
from other such tags or plates. Application for such tags and
plates shall be made on forms prepared by the State Tax Commission
and provided to the dealer. Such tag or plate, when properly
displayed, authorizes the person to operate the motor vehicle upon
the highways of this state for a period of seven (7) full working
days, exclusive of the date of delivery, after the motor vehicle is purchased. Any dealer issuing a temporary tag or plate under this subsection may collect from the purchaser the cost of the temporary tag as determined by the State Tax Commission and a fee to cover the dealer's costs of complying with this subsection in an amount not to exceed Five Dollars ($5.00). The penalties established under Section 27-19-63, are not applicable until after the expiration of the seven-day period under this subsection. The State Tax Commission may adopt and promulgate such rules and regulations as may be necessary to implement the provisions of this section.

(6) Any motor vehicle dealer or automobile auction who uses a tag or plate issued pursuant to this section for a purpose that is not authorized by this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of One Thousand Dollars ($1,000.00) and the use of all tags or plates issued to such motor vehicle dealer or automobile auction pursuant to this section shall be suspended for a period of one (1) year.

(7) As used in this section, the terms "motor vehicle dealer" and "automobile auction" shall have the meanings ascribed to such terms in Section 27-19-303.

SECTION 2. This act shall take effect and be in force from and after July 1, 2002.