HOUSE BILL NO. 1232
(As Passed the House)

AN ACT TO AMEND SECTION 27-19-40, MISSISSIPPI CODE OF 1972,
TO PROVIDE THAT TEMPORARY TAGS OR PLATES ISSUED TO NONRESIDENTS
SHALL BE VALID FOR THE NUMBER OF DAYS WITHIN WHICH THE NONRESIDENT
IS REQUIRED TO OBTAIN A PERMANENT MOTOR VEHICLE LICENSE TAG OR
PLATE BY THE LAWS OF THE NONRESIDENT’S STATE OF RESIDENCE; TO
AUTHORIZE A MOTOR VEHICLE RENTAL COMPANY TO BE ISSUED A TEMPORARY
LICENSE TAG UPON THE PURCHASE OF A MOTOR VEHICLE FROM A DEALER; TO
PROVIDE THAT THE LICENSE TAG SHALL BE VALID FOR A PERIOD OF THIRTY
DAYS; TO AUTHORIZE A MOTOR VEHICLE DEALER TO CHARGE A FEE FOR THE
ISSUANCE OF SUCH LICENSE; 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; however, if the temporary tag or plate is issued to a nonresident of the State of Mississippi, the temporary tag or plate shall be valid for the number of days within which the nonresident is required to obtain a permanent motor vehicle license tag or plate by the laws of the nonresident's state of residence.

(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) Whenever a rental company acquires a vehicle from a dealer by sale or otherwise, the rental company may apply for a temporary tag or plate to be issued by the dealer. Such tag or plate, when properly displayed, authorizes the rental company to operate the motor vehicle upon the highways of this state. The temporary tag or plate is valid for a period of thirty (30) full working days, exclusive of the date of delivery. Any dealer issuing a temporary tag under this subsection may collect from the purchaser requesting the issuance of the temporary tag a fee of Five Dollars ($5.00). The penalties established under Section 27-19-63, are not applicable until after the expiration of the
thirty-day period under this subsection. For the purposes of this
subsection, the term "rental company" means any person or entity
in the business of providing primarily motor vehicles to the
public under a rental agreement for a rental period not to exceed
thirty (30) days.

(5) 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.

(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, Mississippi Code of 1972.

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