

By: Representative Wilkes

To: Insurance

HOUSE BILL NO. 785

1 AN ACT TO AMEND SECTION 63-17-75, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY THAT CERTAIN BLANKET LIABILITY INSURANCE REQUIREMENTS
3 FOR MOTOR VEHICLE DEALERS DO NOT APPLY WHEN THE MOTOR VEHICLE
4 DEALER'S INVENTORY DOES NOT HAVE A MOTOR; AND FOR RELATED
5 PURPOSES.

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

7 **SECTION 1.** Section 63-17-75, Mississippi Code of 1972, is
8 amended as follows:

9 63-17-75. Within ninety (90) days after July 1, 1970, all
10 persons who on July 1, 1970, are engaged in a business or
11 occupation for which a license is required under the Mississippi
12 Motor Vehicle Commission Law shall make application on forms
13 prescribed by the commission for their respective licenses. All
14 such persons shall be permitted, without a license, to continue to
15 engage in the business or occupation for which a license is
16 applied for until the license is either granted or, in case it is
17 denied, until the applicant has exhausted or has had an
18 opportunity to exhaust all of his remedies under Section 63-17-99.
19 No person not engaged in a business or occupation requiring such a



20 license on July 1, 1970, shall be permitted to engage in such
21 business or occupation until he shall have first obtained a
22 license to engage in such business or occupation.

23 Applications for licenses shall be verified by the oath or
24 affirmation of the applicants and shall be on forms prescribed by
25 the commission and furnished to such applicants. Applications
26 shall contain such information as the commission deems necessary
27 to enable it to fully determine the qualifications and eligibility
28 of the several applicants to receive the license or licenses
29 applied for. The commission shall require that there be set forth
30 in each application information relating to the applicant's
31 financial standing, the applicant's business integrity, whether
32 the applicant has an established place of business and is
33 primarily engaged in the pursuit, avocation or business for which
34 a license or licenses is applied for, and whether the applicant is
35 able to properly conduct the business for which a license or
36 licenses is applied for, and such other pertinent information
37 consistent with the safeguarding of the public interest and public
38 welfare. Applications for license as a motor vehicle dealer
39 shall, in addition to the foregoing, be accompanied by the filing
40 with the commission of a bona fide contract or franchise then in
41 effect between the applicant and a manufacturer, distributor or
42 wholesaler of the new motor vehicle or vehicles proposed to be
43 dealt in, unless such contract or franchise has already been filed
44 with the commission in connection with a previous application made



45 by such applicant, in which event the applicant shall, in lieu of
46 again filing the contract or franchise, identify the contract or
47 franchise by appropriate reference and file all revisions and
48 additions, if any, which have been made to said contract or
49 franchise. The applicant must furnish satisfactory evidence that
50 he or it maintains adequate space in the building or structure
51 wherein his or its established business is conducted for the
52 display of new motor vehicles, or he will have such facilities
53 within a reasonable time after receiving a license, and that he or
54 it has or will have adequate facilities in said building or
55 structure for the repair and servicing of motor vehicles and the
56 storage of new parts and accessories for same. However, the
57 failure to furnish the evidence called for in the preceding
58 sentence shall not constitute sufficient cause for denying a
59 license to any motor vehicle dealer who on July 1, 1970, was an
60 enfranchised new motor vehicle dealer in this state of a
61 manufacturer, distributor or wholesaler of new motor vehicles and
62 who continued to be such a dealer from such date until application
63 was made for a license as a motor vehicle dealer.

64 New applications for licenses as a new, used or wholesale
65 motor vehicle dealer shall, in addition to the foregoing, be
66 accompanied by the filing with the commission of a corporate
67 surety bond in the penal sum of Twenty-five Thousand Dollars
68 (\$25,000.00) on a bond form approved by the commission. However,
69 an applicant for licenses at multiple locations may choose to



70 provide a corporate surety bond in the penal sum of One Hundred
71 Thousand Dollars (\$100,000.00) covering all licensed locations of
72 the same capacity in lieu of separate bonds for each location.

73 The bond shall be in effect upon the applicant being licensed
74 and shall be conditioned upon his complying with the provisions of
75 the Mississippi Motor Vehicle Commission Law. The bond shall be
76 an indemnity for any loss sustained by any person by reason of the
77 acts of the person bonded when those acts constitute grounds for
78 the suspension or revocation of license. The bond shall be
79 executed in the name of the State of Mississippi for the benefit
80 of any aggrieved party. The aggregate liability of the surety for
81 any claimants, regardless of the number of years this bond is in
82 force or has been in effect, shall not exceed the amount of the
83 bond. The proceeds of the bond shall be paid upon receipt by the
84 commission of a final judgment from a Mississippi court of
85 competent jurisdiction against the principal and in favor of an
86 aggrieved party.

87 New, used and wholesale motor vehicle dealers shall be
88 required to maintain motor vehicle liability insurance providing
89 blanket coverage on vehicles operated on the public streets and
90 highways of this state, including vehicles in dealership inventory
91 unless the motor vehicle dealer's inventory does not have a motor.
92 Evidence of liability insurance for business and inventory
93 vehicles shall be filed with the application for license, and the
94 application for license shall be denied if proof of liability



95 insurance satisfactory to the Department of Revenue is not
96 provided.

97 **SECTION 2.** This act shall take effect and be in force from
98 and after July 1, 2019.

