

# Electric car stores will be restricted in Mississippi

March 15 2023, by Michael Goldberg

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Mississippi Republican Gov. Tate Reeves speaks during a news conference on Feb. 28, 2023, in Jackson, Miss. Reeves signed a bill Tuesday, March 14, 2023, that will restrict electric car manufacturers from opening dealerships in the state unless they work with a franchisee, defying calls to veto the legislation from some lawmakers in his party. Credit: AP Photo/Rogelio V. Solis, File

Mississippi Gov. Tate Reeves signed a bill Tuesday restricting electric car manufacturers from selling vehicles in person unless they open franchised dealerships.

Defying calls from some fellow Republicans in the Legislature to veto the measure, Reeves enacted into law House Bill 401, introduced by Republican Rep. Trey Lamar of Senatobia. The law will force electric car companies such as Tesla and Rivian to sell vehicles through franchises rather than company-owned stores, which is how they currently operate.

"Almost 200 [small businesses](#) in communities across our state are seeking assurances that big manufacturers can't just destroy their businesses. That's fair!" Reeves, a Republican, said in a statement posted to [social media](#). "I also recognize that innovation in this industry is inevitable. And with innovation comes new companies with new business models. I am committed to find long-term solutions—in an ever changing market."

The [bill](#) does not restrict the sale of electric cars, as people can buy them online. But if they want to buy an electric car in person, they would have to drive to the state's only Tesla store in Brandon, which will be allowed to remain open under the new law. Tesla or any other electric car company could not open a new brick-and-mortar location to sell cars unless they enter a franchise agreement.

Before the bill passed in a bipartisan 39-13 vote on March 3, it sparked an intraparty debate among GOP lawmakers. Opponents said it would interfere with the automobile market and stop electric carmakers from bringing new technology and jobs to the state. Proponents said the law would ensure all car manufacturers, regardless of their [business](#) model, play by the same rules.

Republican Sen. Brice Wiggins, a Republican from Pascagoula, had hoped Reeves would veto the legislation. Lawmakers were aiming to attract Tesla to Mississippi's Gulf Coast, an area Wiggins called the state's economic driver.

"In today's world, if you don't innovate, you lose out. We as a state cannot afford to lose out," Wiggins told The Associated Press on Tuesday. "My vote against the bill was a [vote](#) for capitalism, competition and innovation rather than for a policy of protectionism."

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