



January 13, 2022

HOUSE BILL No. 1073

DIGEST OF HB 1073 (Updated January 12, 2022 10:44 am - DI 139)

Citations Affected: IC 24-5.

Synopsis: Converted motor vehicle protection. Provides for protection for a buyer who purchases a converted motor vehicle for personal, noncommercial use, when the converted motor vehicle suffers from a nonconformity.

Effective: July 1, 2022.

Engleman, Clere, Fleming, Frye R

January 4, 2022, read first time and referred to Committee on Roads and Transportation.
January 13, 2022, amended, reported — Do Pass.

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January 13, 2022

Second Regular Session of the 122nd General Assembly (2022)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1073

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 24-5-13.1 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2022]:
4 **Chapter 13.1. Converted Motor Vehicle Protection.**
5 **Sec. 1. As used in this chapter, "buyer" means any person who,**
6 **for purposes of a personal, noncommercial use, enters into an**
7 **agreement or contract within Indiana for the purchase of a**
8 **converted motor vehicle covered under this chapter.**
9 **Sec. 2. As used in this chapter, "conversion" means a specially**
10 **engineered adaptation to a vehicle that is approved by the National**
11 **Highway Traffic Safety Administration (NHTSA) to make the**
12 **vehicle accessible for a person with a disability.**
13 **Sec. 3. As used in this chapter, "converted motor vehicle" means**
14 **a new motor vehicle that has a conversion.**
15 **Sec. 4. As used in this chapter, "dealer" has the meaning set**
16 **forth in IC 9-32-2-9.6.**
17 **Sec. 5. As used in this chapter, "manufacturer" means:**

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- 1 (1) any person who is engaged in the business of
 2 manufacturing motor vehicles, or, in the case of motor
 3 vehicles not manufactured in the United States, any person
 4 who is engaged in the business of importing motor vehicles; or
 5 (2) any person who is engaged in the business of
 6 manufacturing conversions for a converted motor vehicle.

7 Sec. 6. As used in this chapter, "nonconformity" means any
 8 specific or generic defect or condition or any concurrent
 9 combination of defects or conditions that:

- 10 (1) substantially impairs the use, market value, or safety of a
 11 converted motor vehicle; or
 12 (2) renders the converted motor vehicle nonconforming to the
 13 terms of the responsible manufacturer's warranty.

14 Sec. 7. As used in this chapter, "responsible manufacturer"
 15 means the manufacturer that is liable for the:

- 16 (1) repair of;
 17 (2) replacement of; or
 18 (3) reimbursement for;

19 a converted motor vehicle under section 9 of this chapter.

20 Sec. 8. As used in this chapter, "term of protection" means a
 21 period of time that:

- 22 (1) begins:
 23 (A) on the date of original delivery of a converted motor
 24 vehicle to a buyer; or
 25 (B) in the case of a replacement converted motor vehicle
 26 provided by a responsible manufacturer to a buyer under
 27 this chapter, on the date of delivery of the replacement
 28 converted motor vehicle to the buyer; and
 29 (2) ends the earlier of:
 30 (A) eighteen (18) months after the date identified under
 31 subdivision (1); or
 32 (B) the time the converted motor vehicle has been driven
 33 eighteen thousand (18,000) miles after the date identified
 34 under subdivision (1).

35 Sec. 9. (a) Except as provided in subsection (b), the
 36 manufacturer under section 5(2) of this chapter is the responsible
 37 manufacturer if:

- 38 (1) any part of the conversion results in the nonconformity; or
 39 (2) the nonconformity is connected to any part of the
 40 converted motor vehicle that is adapted by the conversion.

41 (b) The manufacturer under section 5(1) of this chapter is the
 42 responsible manufacturer if the part of the vehicle that results in



1 the nonconformity is not adapted by the conversion.

2 Sec. 10. If a converted motor vehicle suffers from a
3 nonconformity and the buyer reports the nonconformity within the
4 term of protection to the responsible manufacturer, its agent, or its
5 authorized dealer then the responsible manufacturer or the
6 responsible manufacturer's agent shall make the repairs that are
7 necessary to correct the nonconformity, even if the repairs are
8 made after the expiration of the term of protection.

9 Sec. 11. (a) A buyer must first notify the responsible
10 manufacturer of a claim under this chapter if the responsible
11 manufacturer has made the disclosure required by subsection (b).
12 However, if the responsible manufacturer has not made the
13 required disclosure, the buyer is not required to notify the
14 responsible manufacturer of a claim under this chapter.

15 (b) The responsible manufacturer shall clearly and
16 conspicuously disclose to the buyer, in the warranty or owner's
17 manual, that written notification of the nonconformity is required
18 before the buyer may be eligible for a refund or replacement of the
19 converted motor vehicle. The responsible manufacturer shall
20 include with the warranty or owner's manual the name and
21 address to which the buyer must send notification.

22 Sec. 12. If, after a reasonable number of attempts, the
23 responsible manufacturer, its agent, or authorized dealer is unable
24 to correct the nonconformity, the responsible manufacturer shall
25 accept the return of the converted motor vehicle from the buyer
26 and, at the buyer's option, either, within thirty (30) days, refund
27 the amount paid by the buyer or provide a replacement converted
28 motor vehicle of comparable value.

29 Sec. 13. (a) If a converted motor vehicle is replaced by a
30 responsible manufacturer under this chapter, the responsible
31 manufacturer shall reimburse the buyer for any fees for the
32 transfer of registration or any sales tax incurred by the buyer as a
33 result of replacement.

34 (b) If a replaced converted motor vehicle was financed by the
35 responsible manufacturer, its subsidiary, or agent, the responsible
36 manufacturer, subsidiary, or agent may not require the buyer to
37 enter into any refinancing agreement concerning a replacement
38 converted motor vehicle that would create any financial obligations
39 upon the buyer less favorable than those of the original financing
40 agreement.

41 Sec. 14. Whenever a converted motor vehicle is replaced or
42 refunded under this chapter, the responsible manufacturer shall



1 reimburse the buyer for necessary towing and rental costs actually
2 incurred as a direct result of the nonconformity.

3 **Sec. 15.** A buyer has the option of retaining the use of any
4 converted motor vehicle returned under this chapter until the time
5 that the buyer has been tendered a full refund or replacement
6 converted motor vehicle of comparable value. The use of any
7 converted motor vehicle retained by a buyer after its return to a
8 responsible manufacturer under this chapter must, in cases in
9 which a refund is tendered, be reflected in the reasonable
10 allowance for use required under this chapter.

11 **Sec. 16. (a)** A reasonable number of attempts is considered to
12 have been undertaken to correct a nonconformity if:

13 (1) the nonconformity has been subject to repair at least four
14 (4) times by the responsible manufacturer or its agents, but
15 the nonconformity continues to exist; or

16 (2) the converted motor vehicle is out of service by reason of
17 repair of any nonconformity for a cumulative total of at least
18 thirty (30) business days, and the nonconformity continues to
19 exist.

20 (b) The thirty (30) business day period in subsection (a)(2) shall
21 be extended by any period of time during which parts or repair
22 services are not available as a direct result of a strike, a period of
23 civil unrest, a fire, a natural disaster, a terrorist attack, an act of
24 God, or an act of war. The responsible manufacturer, its agent, or
25 an authorized dealer shall provide or make provision for the free
26 use of a converted motor vehicle to any buyer whose converted
27 motor vehicle is out of service by reason of repair during a strike,
28 a period of civil unrest, a fire, a natural disaster, a terrorist attack,
29 an act of God, or an act of war.

30 (c) The burden is on the responsible manufacturer to show that
31 the reason for an extension under subsection (b) was the direct
32 cause for the failure of the responsible manufacturer, its agent, or
33 authorized dealer to cure any nonconformity during the time of the
34 event.

35 **Sec. 17. (a)** A responsible manufacturer, its agent, or authorized
36 dealer may not refuse to diagnose or repair any vehicle for the
37 purpose of avoiding liability under this chapter.

38 (b) A responsible manufacturer, its agent, or authorized dealer
39 shall provide a buyer with a written repair order each time the
40 buyer's converted motor vehicle is brought in for examination or
41 repair. The repair order must indicate all work performed on the
42 converted motor vehicle including examination of the converted



1 motor vehicle, parts, and labor.

2 Sec. 18. It is an affirmative defense to any claim under this
3 chapter that:

4 (1) the nonconformity, defect, or condition does not
5 substantially impair the use, value, or safety of the converted
6 motor vehicle; or

7 (2) the nonconformity, defect, or condition is the result of
8 abuse, neglect, or unauthorized modification or alteration of
9 the converted motor vehicle by the buyer.

10 Sec. 19. This chapter does not apply to any buyer who has not
11 first resorted to an informal procedure established by a responsible
12 manufacturer or in which a responsible manufacturer participates
13 if:

14 (1) the procedure is certified by the attorney general as:

15 (A) complying in all respects with 16 CFR 703; and

16 (B) complying with any other rules concerning certification
17 adopted by the attorney general, including but not limited
18 to the requirement of oral hearings, pursuant to IC 4-22-2;
19 and

20 (2) the buyer has received adequate written notice from the
21 responsible manufacturer of the existence of the procedure.

22 Adequate written notice includes the incorporation of the informal
23 dispute settlement procedure into the terms of the written
24 warranty to which the converted motor vehicle does not conform.

25 Sec. 20. This chapter does not limit the rights or remedies that
26 are otherwise available to a buyer under any other applicable
27 provision of law.

28 Sec. 21. A buyer may bring a civil action to enforce this chapter
29 in any circuit or superior court.

30 Sec. 22. A buyer who prevails in any action brought under this
31 chapter is entitled to recover as part of the judgment a sum equal
32 to the aggregate amount of cost and expenses, including attorney's
33 fees based on actual time expended by the attorney, determined by
34 the court to have been reasonably incurred by the buyer for or in
35 connection with the commencement and prosecution of the action.

36 Sec. 23. (a) An action brought under this chapter must be
37 commenced within two (2) years following the date the buyer first
38 reports the nonconformity to the responsible manufacturer, its
39 agent, or authorized dealer.

40 (b) When the buyer has commenced an informal dispute
41 settlement procedure described in section 19 of this chapter, the
42 two (2) year period specified in subsection (a) is tolled during the



1 **time the informal dispute settlement procedure is being conducted.**
2 **Sec. 24. Nothing in this chapter imposes any liability on a dealer**
3 **or creates a cause of action by a consumer against a dealer, and a**
4 **responsible manufacturer may not, directly or indirectly, expose**
5 **any franchised dealer to liability under this chapter.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1073, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1073 as introduced.)

PRESSEL

Committee Vote: yeas 12, nays 0.

