

HOUSE BILL No. 1095

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-14-12-2; IC 9-17; IC 9-22-3; IC 9-32; IC 24-5-13.5-12.

Synopsis: Electronic titles. Defines "certificate of title" as a record that: (1) contains evidence of vehicle ownership; (2) contains information related to the vehicle as required under the law governing certificates of title; and (3) can be issued either in a physical document or an electronic document. Defines "transferring party" as a person that: (1) is listed on the certificate of title as an owner of the vehicle; or (2) is acting as an agent of the owner and holds power of attorney for the owner of the vehicle. Requires a person who has a lien or encumbrance that is notated on an electronic title to notify the bureau of motor vehicles (BMV) and the person listed on the certificate of title as the owner or the person acting as the owner's power of attorney that the lien or encumbrance has been satisfied or discharged. Requires the BMV to enter a notation recording the satisfaction or discharge of a lien or encumbrance when the BMV receives a notification from the lien holder for electronic titles. Moves the definition of "third party" from a chapter in which the term is not used to the chapter governing obtaining, expiration, replacement, and transfer of certificates of title. Makes conforming changes.

Effective: July 1, 2018.

Siegrist, Soliday, Sullivan, Harris

January 3, 2018, read first time and referred to Committee on Roads and Transportation.



Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1095

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

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

- 1 SECTION 1. IC 9-14-12-2, AS ADDED BY P.L.198-2016,
2 SECTION 192, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2018]: Sec. 2. The bureau shall maintain the
4 following records:
5 (1) All records related to or concerning certificates of title issued
6 by the bureau under IC 9-17 and IC 9-31, including the following:
7 (A) An original certificate of title and all assignments and
8 reissues of the certificate of title.
9 (B) All documents submitted in support of an application for
10 a certificate of title.
11 (C) Any notations ~~affixed to~~ **recorded on** a certificate of title.
12 (D) A listing of all reported buyback vehicles in accordance
13 with IC 9-17-3-3.5.
14 (E) Any inspection that is conducted:
15 (i) by an employee of the bureau or commission; and
16 (ii) with respect to a certificate of title issued by the bureau.
17 (2) All records related to or concerning registrations issued under



1 IC 9-18 (before its expiration), IC 9-18.1, or IC 9-31, including
2 the following:

3 (A) The distinctive registration number assigned to each
4 vehicle registered under IC 9-18 (before its expiration) or
5 IC 9-18.1 or each watercraft registered under IC 9-31.

6 (B) All documents submitted in support of applications for
7 registration.

8 (3) All records related to or concerning credentials issued by the
9 bureau under IC 9-24, including applications and information
10 submitted by applicants.

11 (4) All driving records maintained by the bureau under section 3
12 of this chapter.

13 (5) A record of each individual that acknowledges making an
14 anatomical gift as set forth in IC 9-24-17.

15 SECTION 2. IC 9-17-2-4, AS AMENDED BY P.L.198-2016,
16 SECTION 204, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) An application for a
18 certificate of title for a vehicle for which a certificate of title has been
19 issued previously must be accompanied by the previously issued
20 certificate of title.

21 (b) An application for a certificate of title for a vehicle for which a
22 certificate of title has not been issued previously must be accompanied
23 by the following:

24 (1) If the vehicle is in Indiana, a manufacturer's certificate of
25 origin as provided in IC 9-32-5-3.

26 (2) If the vehicle is brought into Indiana from another state, the
27 following:

28 (A) A sworn bill of sale or dealer's invoice fully describing the
29 vehicle.

30 (B) The most recent registration receipt issued for the vehicle.

31 (C) Any other information that the bureau requires to establish
32 ownership.

33 **(c) A certificate of title may be possessed either in printed form
34 or electronic form.**

35 SECTION 3. IC 9-17-2-14.5, AS AMENDED BY P.L.256-2017,
36 SECTION 102, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2018]: Sec. 14.5. (a) The bureau may:

38 (1) make investigations or require additional information; and

39 (2) reject an application or request;

40 if the bureau is not satisfied of the genuineness, regularity, or legality
41 of an application or the truth of a statement in an application, or for any
42 other reason.



1 (b) If the bureau is satisfied that the person applying for a certificate
 2 of title for a vehicle is the owner of the vehicle, the bureau shall issue
 3 a certificate of title for the vehicle after the person pays the applicable
 4 fee under subsection (c) or (d).

5 (c) The fee for a certificate of title for a vehicle other than a
 6 watercraft is fifteen dollars (\$15). Except as provided in subsection (e),
 7 the fee shall be distributed as follows:

8 (1) Fifty cents (\$0.50) to the state motor vehicle technology fund.

9 (2) To the motor vehicle highway account as follows:

10 (A) For a title issued before January 1, 2017, one dollar (\$1).

11 (B) For a title issued after December 31, 2016, three dollars
 12 and twenty-five cents (\$3.25).

13 (3) For a title issued before January 1, 2017, three dollars (\$3) to
 14 the highway, road and street fund.

15 (4) Five dollars (\$5) to the crossroads 2000 fund.

16 (5) One dollar and twenty-five cents (\$1.25) to the integrated
 17 public safety communications fund.

18 (6) To the commission fund as follows:

19 (A) For a title issued before January 1, 2017, four dollars and
 20 twenty-five cents (\$4.25).

21 (B) For a title issued after December 31, 2016, five dollars
 22 (\$5).

23 (d) The fee for a certificate of title for a watercraft is as follows:

24 (1) For a certificate of title issued before January 1, 2017, fifteen
 25 dollars and fifty cents (\$15.50). The fee shall be distributed as
 26 follows:

27 (A) Fifty cents (\$0.50) to the state motor vehicle technology
 28 fund.

29 (B) Two dollars (\$2) to the crossroads 2000 fund.

30 (C) One dollar and twenty-five cents (\$1.25) to the integrated
 31 public safety communications fund.

32 (D) Four dollars and seventy-five cents (\$4.75) to the
 33 commission fund.

34 (E) Seven dollars (\$7) to the department of natural resources.

35 (2) For a certificate of title issued after December 31, 2016,
 36 fifteen dollars (\$15). The fee shall be distributed as follows:

37 (A) Fifty cents (\$0.50) to the state motor vehicle technology
 38 fund.

39 (B) Three dollars and twenty-five cents (\$3.25) to the motor
 40 vehicle highway account.

41 (C) Five dollars (\$5) to the crossroads 2000 fund.

42 (D) One dollar and twenty-five cents (\$1.25) to the integrated



1 public safety communications fund.

2 (E) Five dollars (\$5) to the commission fund.

3 (e) Fees paid by dealers under this section shall be deposited in the
4 motor vehicle odometer fund.

5 (f) **Except as provided in subsection (g)**, the bureau shall deliver
6 a certificate of title:

7 (1) to the person that owns the vehicle for which the certificate of
8 title was issued, if no lien or encumbrance appears on the
9 certificate of title; or

10 (2) if a lien or an encumbrance appears on the certificate of title,
11 to the person that holds the lien or encumbrance as set forth in the
12 application for the certificate of title.

13 **(g) If a certificate of title is maintained electronically by the**
14 **bureau, the bureau is not required to physically deliver the**
15 **certificate of title but shall provide electronic notification:**

16 (1) **to the person who owns the vehicle for which the**
17 **certificate of title was issued, if no lien or encumbrance**
18 **appears on the certificate of title; or**

19 (2) **if a lien or an encumbrance appears on the certificate of**
20 **title, to the person that holds the lien or an encumbrance as**
21 **set forth in the application for the certificate of title.**

22 SECTION 4. IC 9-17-3-0.5 IS REPEALED [EFFECTIVE JULY 1,
23 2018]. Sec. 0.5. As used in this chapter, "third party" means a person
24 having possession of a certificate of title for a vehicle because the
25 person has a lien or an encumbrance indicated on the certificate of title.

26 SECTION 5. IC 9-17-3-0.6 IS ADDED TO THE INDIANA CODE
27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
28 1, 2018]: Sec. 0.6. As used in this chapter, "transferring party"
29 means a person that:

30 (1) **is listed on the certificate of title as the owner of the**
31 **vehicle; or**

32 (2) **is acting as an agent of the owner and holds power of**
33 **attorney for the owner of the vehicle.**

34 SECTION 6. IC 9-17-3-2, AS AMENDED BY P.L.256-2017,
35 SECTION 104, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2018]: Sec. 2. (a) If a certificate of title:

37 (1) is lost or stolen;

38 (2) is mutilated;

39 (3) is destroyed; or

40 (4) becomes illegible;

41 the person that owns the vehicle or the legal representative or legal
42 successor in interest of the person that owns the vehicle for which the



1 certificate of title was issued, as shown by the records of the bureau,
2 shall apply for and may obtain a duplicate certificate of title.

3 (b) To obtain a duplicate certificate of title under subsection (a), a
4 person must:

5 (1) furnish information satisfactory to the bureau concerning the
6 loss, theft, mutilation, destruction, or illegibility of the certificate
7 of title; and

8 (2) pay the applicable fee under subsection (e) or (f).

9 (c) The word "duplicate" shall be ~~printed or stamped in ink on the~~
10 **face of a notated on the** certificate of title issued under this section.

11 (d) When a duplicate certificate of title is issued, the previous
12 certificate of title becomes void.

13 (e) The fee for a duplicate certificate of title issued before January
14 1, 2017, for a vehicle other than a watercraft is eight dollars (\$8). The
15 fee shall be distributed as follows:

16 (1) One dollar (\$1) to the motor vehicle highway account.

17 (2) One dollar (\$1) to the highway, road and street fund.

18 (3) Six dollars (\$6) to the commission fund.

19 (f) The fee for a duplicate certificate of title issued before January
20 1, 2017, for a watercraft is fifteen dollars and fifty cents (\$15.50). The
21 fee shall be distributed as follows:

22 (1) Fifty cents (\$0.50) to the state motor vehicle technology fund.

23 (2) Two dollars (\$2) to the crossroads 2000 fund.

24 (3) One dollar and twenty-five cents (\$1.25) to the integrated
25 public safety communications fund.

26 (4) Four dollars and seventy-five cents (\$4.75) to the commission
27 fund.

28 (5) Seven dollars (\$7) to the department of natural resources.

29 (g) The fee for a duplicate certificate of title issued after December
30 31, 2016, is fifteen dollars (\$15). The fee shall be distributed as
31 follows:

32 (1) Fifty cents (\$0.50) to the state motor vehicle technology fund.

33 (2) One dollar and twenty-five cents (\$1.25) to the department of
34 natural resources.

35 (3) Three dollars and twenty-five cents (\$3.25) to the motor
36 vehicle highway account.

37 (4) Five dollars (\$5) to the crossroads 2000 fund.

38 (5) One dollar and twenty-five cents (\$1.25) to the integrated
39 public safety communications fund.

40 (6) Three dollars and seventy-five cents (\$3.75) to the
41 commission fund.

42 SECTION 7. IC 9-17-3-3.2, AS AMENDED BY P.L.198-2016,



1 SECTION 223, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2018]: Sec. 3.2. (a) When a certificate of title
 3 is available and a vehicle is sold or transferred to a person other than
 4 a dealer licensed under IC 9-32, the ~~seller or transferor~~ **transferring**
 5 **party** shall fill in all blanks on the certificate of title relating to buyer
 6 information, including the sale price.

7 (b) The failure of the ~~seller or transferor~~ **transferring party** to fill
 8 in all buyer information is a Class B infraction.

9 SECTION 8. IC 9-17-3-3.4, AS AMENDED BY P.L.3-2017,
 10 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2018]: Sec. 3.4. (a) If a vehicle for which a certificate of title
 12 has been issued is sold or if the ownership of the vehicle is transferred
 13 in any manner other than by a transfer on death conveyance under
 14 section 9 of this chapter, the ~~person who holds the certificate of title~~
 15 **transferring party** must do the following:

16 (1) Endorse ~~on~~ the certificate of title ~~an assignment of by~~
 17 **assigning** the certificate of title with warranty of title, in a ~~form~~
 18 **printed on the certificate of title form approved by the bureau**,
 19 with a statement describing all liens or encumbrances on the
 20 vehicle.

21 (2) Deliver ~~or transmit~~ the certificate of title to the purchaser or
 22 transferee at the time of the sale or delivery to the purchaser or
 23 transferee of the vehicle, if the purchaser or transferee has made
 24 all agreed upon initial payments for the vehicle, including
 25 delivery of a trade-in vehicle without hidden or undisclosed
 26 statutory liens.

27 (3) Unless the vehicle is being sold or transferred to a dealer
 28 licensed under IC 9-32, complete all information concerning the
 29 purchase on the certificate of title, including, but not limited to:

30 (A) the name and address of the purchaser; and

31 (B) the sale price of the vehicle.

32 (b) If a vehicle for which a certificate of title has been issued by
 33 another state is sold or delivered, the ~~person selling or delivering the~~
 34 **vehicle transferring party** must deliver ~~or transmit~~ to the purchaser
 35 or receiver of the vehicle a proper certificate of title with an assignment
 36 of the certificate of title in a form prescribed by the bureau.

37 (c) The original certificate of title and all assignments and
 38 subsequent reissues of the certificate of title shall be retained by the
 39 bureau and appropriately classified and indexed in the most convenient
 40 manner to trace title to the vehicle described in the certificate of title.

41 (d) A person who violates subsection (a)(1) or (a)(3) commits a
 42 Class B infraction.



1 (e) After a person delivers **or transmits** a certificate of title to a
 2 purchaser or transferee under subsection (a)(2), the person may deliver
 3 the certificate of registration of the vehicle to the bureau under
 4 IC 9-18.1-4-6 to have the transfer of ownership of the vehicle indicated
 5 in the records of the bureau.

6 SECTION 9. IC 9-17-3-3.5 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3.5. (a) This section
 8 applies to a vehicle for which a certificate of title is required to be
 9 obtained under IC 24-5-13.5-12.

10 (b) The bureau shall do the following:

11 (1) For a subsequent request for a new certificate of title for a
 12 buyback vehicle, whether titled in Indiana or any other state,
 13 cause the words "Manufacturer Buyback – Disclosure on File" to
 14 appear on ~~the face of~~ the new certificate of title.

15 (2) Maintain a listing of all reported buyback vehicles in
 16 accordance with this section, maintain a record of the disclosure
 17 document required by IC 24-5-13.5-10(3), and allow access to the
 18 listing and disclosure document upon written application.

19 SECTION 10. IC 9-17-3-9, AS AMENDED BY P.L.79-2017,
 20 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2018]: Sec. 9. (a) The owner or owners of a vehicle may
 22 create an interest in the vehicle that is transferrable on the death of the
 23 owner or owners by obtaining a certificate of title conveying the
 24 interest in the vehicle to one (1) or more persons as transfer on death
 25 beneficiaries.

26 (b) Subject to subsection (e), an interest in a vehicle transferred
 27 under this section vests upon the death of the owner or owners.

28 (c) A certificate of title that is:

29 (1) worded in substance as "A.B. transfers on death to C.D." or
 30 "A.B. and C.D. transfer on death to E.F."; and

31 (2) signed by the owner or owners;

32 is a good and sufficient conveyance on the death of the owner or
 33 owners to the transferee or transferees.

34 (d) A certificate of title obtained under this section is not required
 35 to be:

36 (1) supported by consideration; or

37 (2) delivered **or transmitted** to the named transfer on death
 38 beneficiary or beneficiaries;

39 to be effective.

40 (e) Upon the death of the owner or owners conveying an interest in
 41 a vehicle in a certificate of title obtained under this section, the interest
 42 in the vehicle is transferred to each beneficiary who is described by



1 either of the following:

2 (1) The beneficiary:

3 (A) is named in the certificate; and

4 (B) survives the transferor.

5 (2) The beneficiary:

6 (A) survives the transferor; and

7 (B) is entitled to an interest in the vehicle under

8 IC 32-17-14-22 following the death of a beneficiary who:

9 (i) is named in the certificate; and

10 (ii) did not survive the transferor.

11 (f) A certificate of title designating a transfer on death beneficiary
12 is not testamentary.

13 (g) In general, IC 32-17-14 applies to a certificate of title
14 designating a transfer on death beneficiary. However, a particular
15 provision of IC 32-17-14 does not apply if it is inconsistent with the
16 requirements of this section or IC 9-17-2-2(b).

17 SECTION 11. IC 9-17-4-4, AS AMENDED BY P.L.62-2017,
18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2018]: Sec. 4. A certificate of title issued under this chapter
20 must contain the following:

21 (1) A description and other evidence of identification of the
22 vehicle as required by the bureau.

23 (2) A statement of any liens or encumbrances that the application
24 shows to be on the certificate of title.

25 (3) The appropriate notation prominently recorded on ~~the front of~~
26 the title as follows:

27 (A) For a vehicle that is assembled using all new or used
28 vehicle parts (other than a specialty constructed vehicle
29 described in clause (C)), "RECONSTRUCTED VEHICLE".

30 (B) For a vehicle assembled using a salvage vehicle or parts,
31 "REBUILT".

32 (C) For a vehicle:

33 (i) with a body built to resemble and be a reproduction of
34 another vehicle of a given year that was manufactured at
35 least twenty-five (25) years in the past; and

36 (ii) that is assembled using all new or used parts;

37 "SPECIALTY CONSTRUCTED VEHICLE".

38 SECTION 12. IC 9-17-5-1, AS AMENDED BY P.L.198-2016,
39 SECTION 239, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2018]: Sec. 1. (a) **Except as provided in**
41 **subsection (b)**, a person having **physical** possession of a certificate of
42 title for a vehicle because the person has a lien or an encumbrance on



- 1 the vehicle must:
- 2 **(1) note the discharge on the certificate of title over the**
- 3 **signature of the holder of the lien or encumbrance; and**
- 4 **(2) deliver not more than ten (10) business days after receipt of**
- 5 **the final payment for the satisfaction or discharge of the lien or**
- 6 **encumbrance indicated upon the certificate of title to the person**
- 7 **that:**
- 8 **(1) (A) is listed on the certificate of title as owner of the**
- 9 **vehicle; or**
- 10 **(2) (B) is acting as an agent of the owner and that holds power**
- 11 **of attorney for the owner of the vehicle.**
- 12 **(b) A person having a lien or encumbrance on a vehicle for**
- 13 **which the certificate of title is electronically recorded shall notify:**
- 14 **(1) the bureau; and**
- 15 **(2) the person that:**
- 16 **(A) is listed on the certificate of title as owner of the**
- 17 **vehicle; or**
- 18 **(B) is acting as an agent of the owner and holds power of**
- 19 **attorney for the owner of the vehicle;**
- 20 **not more than ten (10) business days after receipt of the final**
- 21 **payment for the satisfaction or discharge of the lien or**
- 22 **encumbrance.**
- 23 **(c) A notice under subsection (b) must include:**
- 24 **(1) the date the satisfaction or discharge of the lien or**
- 25 **encumbrance occurred; and**
- 26 **(2) the name and address of the person that:**
- 27 **(A) is listed on the certificate of title as owner of the**
- 28 **vehicle; or**
- 29 **(B) is acting as an agent of the owner and holds power of**
- 30 **attorney for the owner of the vehicle.**
- 31 **(d) When the bureau receives notice under subsection (b), the**
- 32 **bureau shall remove the record of the lien or encumbrance from**
- 33 **the certificate of title.**
- 34 **(e) A person that:**
- 35 **(1) fails to remove a lien or encumbrance; or**
- 36 **(2) fails to deliver a certificate of title to the owner of a vehicle as**
- 37 **required under subsection (a); or**
- 38 **(3) fails to notify the bureau or owner of a vehicle as required**
- 39 **under subsection (b);**
- 40 **as required under subsection (a) commits a Class C infraction.**
- 41 SECTION 13. IC 9-17-5-5, AS ADDED BY P.L.125-2012,
- 42 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2018]: Sec. 5. (a) A security agreement covering a security
 2 interest in a vehicle that is not inventory held for sale can be perfected
 3 only if the bureau indicates the security interest on the certificate of
 4 title or duplicate. Except as otherwise provided in ~~subsections~~
 5 **subsection (b) and (c); and section 1 of this chapter**, IC 26-1-9.1
 6 applies to security interests in vehicles.

7 (b) The secured party, upon presentation to the bureau of a properly
 8 completed application for certificate of title together with the fee
 9 prescribed, may have a notation of the lien made on ~~the face of~~
 10 the certificate of title to be issued by the bureau. The bureau shall:

- 11 (1) enter the notation and the date of the notation; and
- 12 (2) note the lien and date of lien in the bureau's files.

13 ~~(c) Whenever a lien is discharged, the holder shall note the~~
 14 ~~discharge on the certificate of title over the signature of the holder.~~

15 SECTION 14. IC 9-22-3-5, AS AMENDED BY P.L.198-2016,
 16 SECTION 389, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2018]: Sec. 5. A certificate of salvage title
 18 issued under this chapter must contain the following information:

- 19 (1) The same vehicle information as a certificate of title issued by
 20 the bureau.
- 21 (2) The notation "SALVAGE TITLE" prominently recorded on
 22 ~~the front of~~ the title.
- 23 (3) If the motor vehicle is a flood damaged vehicle, the notation
 24 "FLOOD DAMAGED" prominently recorded on ~~the front of~~
 25 the title.

26 SECTION 15. IC 9-22-3-10, AS AMENDED BY P.L.198-2016,
 27 SECTION 394, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2018]: Sec. 10. (a) If a certificate of salvage
 29 title is lost, mutilated, or destroyed or becomes illegible, the person that
 30 owns the vehicle or the legal representative or legal successor in
 31 interest of the person that owns the vehicle for which the certificate of
 32 salvage title was issued, as shown by the records of the bureau, shall
 33 apply for a duplicate certificate of salvage title.

34 (b) A person described in subsection (a) may obtain a duplicate
 35 certificate of salvage title when the person furnishes information
 36 concerning the loss, mutilation, destruction, or illegibility satisfactory
 37 to the bureau and pays a salvage title fee of four dollars (\$4). The fee
 38 shall be deposited in the motor vehicle highway account.

39 (c) Upon the issuance of a duplicate certificate of salvage title, the
 40 most recent certificate of salvage title issued is considered void by the
 41 bureau.

42 (d) A certificate of salvage title issued under this section must have



1 prominently recorded upon on the title's front title the words
2 "DUPLICATE SALVAGE TITLE".

3 (e) If the lost, mutilated, destroyed, or illegible certificate of salvage
4 title contained the notation "FLOOD DAMAGED", the duplicate
5 certificate of salvage title must have prominently recorded upon on
6 the title's front title the words "FLOOD DAMAGED".

7 SECTION 16. IC 9-32-4-0.5 IS ADDED TO THE INDIANA CODE
8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
9 1, 2018]: Sec. 0.5. As used in this chapter, "third party" means a
10 person having possession of a certificate of title for a vehicle
11 because the person has a lien or an encumbrance indicated on the
12 certificate of title.

13 SECTION 17. IC 9-32-4-1, AS AMENDED BY P.L.179-2017,
14 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2018]: Sec. 1. (a) As used in this section, "transferring
16 party" has the meaning set forth in IC 9-17-3-0.6.

17 (a) (b) If a motor vehicle or watercraft for which a certificate of title
18 has been issued is sold or if the ownership of the motor vehicle or
19 watercraft is transferred in any manner other than by a transfer on death
20 conveyance under IC 9-17-3-9, in addition to complying with
21 IC 9-17-3-3.4, the person that holds the certificate of title transferring
22 party must do the following:

23 (1) In the case of a sale or transfer between dealers licensed by
24 this state or another state, deliver or transmit the certificate of
25 title within thirty-one (31) days after the date of the sale or
26 transfer.

27 (2) Deliver or transmit the certificate of title to the purchaser or
28 transferee within thirty-one (31) days after the date of sale or
29 transfer to the purchaser or transferee of the motor vehicle or
30 watercraft, if all the following conditions exist:

31 (A) The seller or transferor transferring party is a dealer
32 licensed by the state under this article.

33 (B) The dealer is not able to deliver or transmit the certificate
34 of title at the time of sale or transfer.

35 (C) The dealer provides the purchaser or transferee with an
36 affidavit under section 2 of this chapter.

37 (D) The purchaser or transferee has made all agreed upon
38 initial payments for the motor vehicle or watercraft, including
39 delivery of a trade-in motor vehicle or watercraft without
40 hidden or undisclosed statutory liens.

41 (3) Keep proof of delivery or transmission of the certificate of
42 title with the dealer records.



1 ~~(b)~~ **(c)** A dealer may offer for sale a motor vehicle or watercraft for
 2 which the dealer does not possess a certificate of title, if the dealer can
 3 comply with subsection ~~(a)(1)~~ **(b)(1)** or ~~(a)(2)~~ **(b)(2)** at the time of the
 4 sale.

5 ~~(c)~~ **(d)** A dealer that fails to deliver **or transmit** the certificate of
 6 title within the time specified under subsection ~~(a)~~ **(b)** is subject to the
 7 following civil penalties:

8 (1) One hundred dollars (\$100) for the first violation in a calendar
 9 year.

10 (2) Two hundred fifty dollars (\$250) for the second violation in a
 11 calendar year.

12 (3) Five hundred dollars (\$500) for all subsequent violations in a
 13 calendar year.

14 Payment shall be made to the secretary and deposited in the dealer
 15 enforcement account established under IC 9-32-7-2.

16 ~~(d)~~ **(e)** If a purchaser or transferee does not receive a valid
 17 certificate of title within the time specified by this section, the
 18 purchaser or transferee has the right to return the motor vehicle or
 19 watercraft to the dealer ten (10) days after giving the dealer written
 20 notice demanding delivery **or transmission** of a valid certificate of title
 21 and the dealer's failure to deliver **or transmit** a valid certificate of title
 22 within that ten (10) day period. Upon return of the motor vehicle or
 23 watercraft to the dealer in the same or similar condition as delivered to
 24 the purchaser or transferee under this section, the dealer shall pay to
 25 the purchaser or transferee the purchase price plus sales taxes, finance
 26 expenses, insurance expenses, and any other amount paid to the dealer
 27 by the purchaser or transferee. The relief referenced in this subsection
 28 is relief for the purchaser or transferee only and does not preclude the
 29 ability of the division to collect civil penalties under subsection ~~(e)~~: **(d)**.

30 ~~(e)~~ **(f)** For purposes of this subsection, "timely deliver", with respect
 31 to a third party, means to deliver **or transmit** to the purchaser or
 32 transferee with a postmark dated, **electronically dated**, or hand
 33 delivered not more than ten (10) business days after there is no
 34 obligation secured by the motor vehicle or watercraft. If the dealer's
 35 inability to timely deliver **or transmit** a valid certificate of title results
 36 from the acts or omissions of a third party that has failed to timely
 37 deliver **or transmit** a valid certificate of title to the dealer, the dealer
 38 is entitled to claim against the third party one hundred dollars (\$100).
 39 If:

40 (1) the dealer's inability to timely deliver **or transmit** a valid
 41 certificate of title results from the acts or omissions of a third
 42 party that has failed to timely deliver **or transmit** the certificate



1 of title in the third party's possession to the dealer; and
2 (2) the failure continues for ten (10) business days after the dealer
3 gives the third party written notice of the failure;
4 the dealer is entitled to claim against the third party all damages
5 sustained by the dealer in rescinding the dealer's sale with the
6 purchaser or transferee, including the dealer's reasonable attorney's
7 fees.

8 ~~(f)~~ (g) If a motor vehicle or watercraft for which a certificate of title
9 has been issued by another state is sold or delivered, the person selling
10 or delivering the motor vehicle or watercraft shall deliver **or transmit**
11 to the purchaser or receiver of the motor vehicle or watercraft a proper
12 certificate of title with an assignment of the certificate of title in a form
13 prescribed by the bureau.

14 ~~(g)~~ (h) A dealer shall make payment to a third party to satisfy any
15 obligation secured by the motor vehicle or watercraft within ten (10)
16 days after the date of sale.

17 ~~(h)~~ (i) Except as provided in subsection ~~(f)~~ (j), a person that violates
18 this section commits a Class C infraction.

19 ~~(i)~~ (j) A person that knowingly or intentionally violates subsection
20 ~~(a)(1); (a)(2); or (d) (b)(1), (b)(2), or (e)~~ commits a Class B
21 misdemeanor.

22 ~~(j)~~ (k) For purposes of this section, "deliver **or transmit** the
23 certificate of title" means to deliver **or transmit** the certificate of title
24 to the purchaser or transferee by postmark dated mail, certified mail
25 with return receipt, **electronic transmission through the bureau's file**
26 **system**, or hand delivery.

27 SECTION 18. IC 9-32-4-2, AS AMENDED BY P.L.179-2017,
28 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2018]: Sec. 2. The affidavit required by section ~~1(a)(2)(C)~~
30 **1(b)(2)(C)** of this chapter must be printed in the following form:

31 STATE OF INDIANA)
32) ss:
33 COUNTY OF _____)

34 I affirm under the penalties for perjury that all of the following are
35 true:

- 36 (1) That I am a dealer licensed under IC 9-32.
- 37 (2) That I cannot deliver **or transmit** a valid certificate of title to
38 the retail purchaser of the motor vehicle or watercraft described
39 in paragraph (3) at the time of sale of the motor vehicle or
40 watercraft to the retail purchaser. The identity of the previous
41 seller or transferor is _____. Payoff of lien was
42 made on (date) _____. I expect to deliver **or transmit** a valid



1 and transferable certificate of title not later than
2 (date)_____ from the State of (state)_____ to the
3 purchaser.
4 (3) That I will undertake reasonable commercial efforts to
5 produce the valid certificate of title. The vehicle identification
6 number or hull identification number is _____.

7 Signed _____, Dealer
8 By _____
9 Dated _____, _____

10 CUSTOMER ACKNOWLEDGES RECEIPT OF A COPY OF THIS
11 AFFIDAVIT.

12 _____
13 Customer Signature

14 NOTICE TO THE CUSTOMER

15 If you do not receive a valid certificate of title within thirty-one (31)
16 days after the date of sale, you have the right to return the motor
17 vehicle or watercraft to the dealer ten (10) days after giving the dealer
18 written notice demanding delivery **or transmit** of a valid
19 certificate of title and after the dealer's failure to deliver **or transmit**
20 a valid certificate of title within that ten (10) day period. Upon return
21 of the motor vehicle or watercraft to the dealer in the same or similar
22 condition as when it was delivered to you, the dealer shall pay you the
23 purchase price plus sales taxes, finance expenses, insurance expenses,
24 and any other amount that you paid to the dealer. If a lien is present on
25 the previous owner's certificate of title, it is the responsibility of the
26 third party lienholder to timely deliver **or transmit** the certificate of
27 title in the third party's possession to the dealer not more than ten (10)
28 business days after there is no obligation secured by the motor vehicle
29 or watercraft. If the dealer's inability to deliver **or transmit** a valid
30 certificate of title to you within the above-described ten (10) day period
31 results from the acts or omissions of a third party that has failed to
32 timely deliver **or transmit** the certificate of title in the third party's
33 possession to the dealer, the dealer may be entitled to claim against the
34 third party the damages allowed by law.

35 SECTION 19. IC 9-32-5-8, AS AMENDED BY P.L.151-2015,
36 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2018]: Sec. 8. A dealer shall deliver **or transmit** an assigned
38 certificate of title or certificate of origin to a person entitled to the
39 certificate of title or certificate of origin.

40 SECTION 20. IC 9-32-6-11, AS AMENDED BY P.L.198-2016,
41 SECTION 626, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2018]: Sec. 11. (a) The secretary may issue an



1 interim license plate to a dealer that is licensed and has been issued a
2 license plate under section 2 of this chapter.

3 (b) The secretary shall prescribe the form of an interim license plate
4 issued under this section. However, an interim license plate must bear
5 the assigned registration number and provide sufficient space for the
6 expiration date as provided in subsection (c).

7 (c) A dealer may provide a person with an interim license plate
8 issued by the secretary when the dealer:

9 (1) sells or leases a motor vehicle to the person; or

10 (2) allows a person that buys a motor vehicle to take delivery of
11 the motor vehicle before the sale of the motor vehicle is fully
12 funded.

13 The dealer shall, in the manner provided by the secretary, affix on the
14 plate in numerals and letters at least three (3) inches high the date on
15 which the interim license plate expires.

16 (d) An interim license plate authorizes a person to operate the motor
17 vehicle until the earlier of the following dates:

18 (1) Forty-five (45) days after the date of sale or lease of the motor
19 vehicle to the person.

20 (2) The date on which a regular license plate is issued.

21 A person that violates this subsection commits a Class A infraction.

22 (e) A motor vehicle that is required by law to display license plates
23 on the front and rear of the motor vehicle is required to display only a
24 single interim license plate.

25 (f) An interim license plate shall be displayed:

26 (1) in the same manner required in IC 9-18-2-26 (before its
27 expiration) or IC 9-18.1-4-3; or

28 (2) in a location on the left side of a window facing the rear of the
29 motor vehicle that is clearly visible and unobstructed. The plate
30 must be affixed to the window of the motor vehicle.

31 (g) The dealer must provide an ownership document to the person
32 at the time of issuance of the interim license plate that must be kept in
33 the motor vehicle during the period an interim license plate is used.

34 (h) All interim license plates not issued by the dealer must be
35 retained in the possession of the dealer at all times.

36 (i) The fee for an interim dealer license plate is three dollars (\$3).
37 The fee shall be distributed as follows:

38 (1) Forty percent (40%) to the crossroads 2000 fund established
39 by IC 8-14-10-9.

40 (2) Forty-nine percent (49%) to the dealer compliance account
41 established by IC 9-32-7-1.

42 (3) Eleven percent (11%) to the motor vehicle highway account



1 under IC 8-14-1.

2 (j) The secretary may issue an interim license plate to a person that
3 purchases a motor vehicle from a dealer if the dealer has not timely
4 delivered **or transmitted** the certificate of title for the motor vehicle
5 under IC 9-32-4-1.

6 (k) The secretary may design and issue to a dealer a motor driven
7 cycle decal to be used in conjunction with an interim license plate upon
8 the sale of a motor driven cycle.

9 (l) A new motor vehicle dealer may issue an interim license plate for
10 use on a motor vehicle that the new motor vehicle dealer delivers to a
11 purchaser under a written courtesy agreement between the new motor
12 vehicle dealer and another new motor vehicle dealer or manufacturer
13 with whom the new motor vehicle dealer has a franchise agreement. A
14 person that violates this subsection commits a Class C infraction.

15 (m) A person that fails to display an interim license plate as
16 prescribed in subsection (f)(1) or (f)(2) commits a Class C infraction.

17 SECTION 21. IC 9-32-7-2, AS ADDED BY P.L.92-2013,
18 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2018]: Sec. 2. (a) The dealer enforcement account is
20 established as a separate account to be administered by the secretary.

21 (b) The dealer enforcement account consists of money deposited
22 pursuant to:

- 23 (1) ~~IC 9-32-4-1(c)~~; **IC 9-32-4-1(d)**;
24 (2) IC 9-32-16-1(f);
25 (3) IC 9-32-16-13(d);
26 (4) IC 9-32-17-7; and
27 (5) IC 9-32-17-9.

28 The funds in the account shall be available, with the approval of the
29 budget agency, for use to augment and supplement the funds
30 appropriated for the administration of this article.

31 (c) The treasurer of state shall invest the money in the dealer
32 enforcement account not currently needed to meet the obligations of
33 the account in the same manner as other public money may be invested.
34 Interest that accrues from these investments shall be deposited into the
35 account.

36 (d) Money in the dealer enforcement account at the end of the state
37 fiscal year does not revert to the state general fund.

38 (e) Money in the dealer enforcement account is continuously
39 appropriated to the secretary for the purposes of the account.

40 SECTION 22. IC 9-32-17-7, AS ADDED BY P.L.262-2013,
41 SECTION 142, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2018]: Sec. 7. A person who fails to deliver **or**



1 **transmit** a certificate of origin or title under IC 9-32-5-2 or IC 9-32-5-8
 2 or fails to deliver **or transmit** timely a certificate of title under
 3 ~~IC 9-32-4-1(e)~~ **IC 9-32-4-1(d)** is subject to the following civil
 4 penalties:

5 (1) One hundred dollars (\$100) for the first violation in a calendar
 6 year.

7 (2) Two hundred fifty dollars (\$250) for the second violation in a
 8 calendar year.

9 (3) Five hundred dollars (\$500) for all subsequent violations in a
 10 calendar year.

11 Payment shall be made to the secretary and deposited in the dealer
 12 enforcement account established under IC 9-32-7-2.

13 SECTION 23. IC 24-5-13.5-12 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 12. A manufacturer
 15 who accepts return of a motor vehicle that is considered a buyback
 16 vehicle under this chapter shall do the following:

17 (1) Before transferring ownership of the buyback vehicle, ~~stamp~~
 18 ~~the words~~ **place the notation** "Manufacturer Buyback –
 19 Disclosure on File" on ~~the face of~~ the original certificate of title.

20 (2) Not more than thirty-one (31) days after receipt of the
 21 certificate of title, apply to the bureau for a certificate of title in
 22 the name of the manufacturer and provide to the bureau a copy of
 23 the disclosure document required by section 10(3) of this chapter.

