

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE ENROLLED ACT No. 1237

AN ACT to amend the Indiana Code concerning motor vehicles.

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

SECTION 1. IC 9-13-2-45.8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013 (RETROACTIVE)]: Sec. 45.8. "Document preparation fee" has the meaning set forth in IC 9-32-2-11.2.**

SECTION 2. IC 9-32-2-11.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013 (RETROACTIVE)]: Sec. 11.2. "Document preparation fee" means any fee charged by a dealership concerning the sale of a motor vehicle, regardless of designation, and that includes costs incurred by the dealership for the preparation of documents concerning the sale of motor vehicle. The term does not include a fee imposed by a financial institution for the purpose of extending credit for the purchase of a vehicle.**

SECTION 3. IC 9-32-11-20, AS AMENDED BY P.L.112-2018, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This section does not apply to:

- (1) a manufacturer of a trailer or semitrailer; or
- (2) a manufacturer that produces fewer than one thousand (1,000) units per year.

(b) Except as provided in subsection (c), a manufacturer or distributor may not engage in sales directly to the general public in Indiana.

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(c) A manufacturer or distributor may engage in sales directly to the general public in Indiana only if:

- (1) the manufacturer or distributor was granted an initial license to sell new motor vehicles before July 1, 2015; and
- (2) the manufacturer or distributor establishes at least one (1) physical location in Indiana that is a warranty repair service center before January 1, 2018.

(d) A manufacturer or distributor described in subsection (c) must stop engaging in sales directly to the general public in Indiana if the manufacturer or distributor sells, transfers, or conveys a majority interest in the manufacturer or distributor to another person that is required to be licensed under this chapter.

(e) For purposes of this subsection, "~~vehicle right of use~~ "subscription program" means a subscription service that, for a recurring fee and for a limited period of time, allows a participating person exclusive use of a motor vehicle owned by an entity that controls or contracts with the subscription service. The term does not include leases, short term motor vehicle rentals, or services that allow short term sharing of a motor vehicle. ~~Vehicle right of use~~ Subscription programs are prohibited in Indiana. This subsection expires on May 1, ~~2019~~: **2020**.

SECTION 4. IC 9-32-13-7, AS ADDED BY P.L.92-2013, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013 (RETROACTIVE)]: Sec. 7. **(a) Except as provided in subsection (b), it is an unfair practice for a dealer to require a purchaser of a motor vehicle as a condition of the sale and delivery of the motor vehicle to pay a document preparation fee, unless the fee: charge a document preparation fee in excess of two hundred dollars (\$200). A document preparation fee under this section must be:**

- ~~(1) reflects expenses actually incurred for the preparation of documents;~~
- ~~(2) was affirmatively disclosed by the dealer;~~
- ~~(3) was negotiated by the dealer and the purchaser;~~
- ~~(4) is not for the preparation, handling, or service of documents that are incidental to the extension of credit; and~~
- ~~(5) is set forth on a buyer's order or similar agreement by a means other than preprinting.~~
- (1) included in the advertised sale price of a vehicle; and**
- (2) affirmatively disclosed:**
 - (A) in writing by the dealer during negotiations for the sale of a vehicle to a potential purchaser that states the dollar**



**amount of the document preparation fee to be charged;
and**

**(B) as a separate line item on the purchaser's bill of sale or
other purchase contract.**

**(b) A document preparation fee under this section may be
adjusted annually by a percentage equal to the annual percentage
change in the Consumer Price Index, as published by the United
States Bureau of Labor Statistics.**

SECTION 5. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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