

HOUSE BILL No. 1396

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-13-2; IC 9-29-17; IC 9-32; IC 24-5-16.5.

Synopsis: Dealer services division of the secretary of state. Makes various changes concerning the dealer services division (division) within the office of the secretary of state. Repeals and relocates language concerning disclosures required in motor vehicle leases from the division to the office of the attorney general. Makes corresponding changes.

Effective: July 1, 2015.

Soliday

January 14, 2015, read first time and referred to Committee on Roads and Transportation.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1396

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 IC 9-13-2-1.3 IS REPEALED [EFFECTIVE JULY 1,
2 2015]. ~~Sec. 1.3. "Adjusted or net capitalized cost"; for purposes of~~
3 ~~IC 9-32; has the meaning set forth in IC 9-32-2-2.~~
- 4 SECTION 2. IC 9-13-2-10 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 10. "Automotive
6 salvage recycler" means a business that:
7 (1) acquires damaged, inoperative, discarded, abandoned, or
8 salvage motor vehicles, or their remains, as stock-in-trade;
9 (2) dismantles and processes such vehicles or remains for the
10 reclamation and sale of reusable components and parts; ~~and~~
11 (3) disposes of recyclable materials to a scrap metal processor or
12 other appropriate facility; ~~or~~
13 (4) **performs any combination of these actions.**
14 **For purposes of this title, a disposal facility, a used parts dealer,**
15 **and an automotive salvage rebuilder are all considered as an**



1 **automotive salvage recycler.**

2 SECTION 3. IC 9-13-2-18.6 IS REPEALED [EFFECTIVE JULY
3 1, 2015]. Sec. 18.6: "~~Capitalized cost~~", for purposes of IC 9-32, has the
4 meaning set forth in IC 9-32-2-7.

5 SECTION 4. IC 9-13-2-18.7 IS REPEALED [EFFECTIVE JULY
6 1, 2015]. Sec. 18.7: "~~Capitalized cost reduction~~", for purposes of
7 IC 9-32, has the meaning set forth in IC 9-32-2-8.

8 SECTION 5. IC 9-13-2-42, AS AMENDED BY P.L.62-2014,
9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2015]: Sec. 42. (a) "Dealer" means, except as otherwise
11 provided in this section, a person who sells to the general public,
12 including a person who sells directly by the Internet or other computer
13 network, at least twelve (12) vehicles each year. The term includes a
14 person who sells off-road vehicles and, after December 31, 2013, a
15 person who sells snowmobiles. A dealer must have an established place
16 of business that meets the minimum standards prescribed by the
17 secretary of state under rules adopted under IC 4-22-2.

18 (b) The term does not include the following:

- 19 (1) A receiver, trustee, or other person appointed by or acting
20 under the judgment or order of a court.
21 (2) A public officer while performing official duties.
22 (3) An automotive mobility dealer.

23 (c) "Dealer", for purposes of IC 9-31, means a person that sells to
24 the general public at least six (6):

- 25 (1) boats; or
26 (2) trailers:
27 (A) designed and used exclusively for the transportation of
28 watercraft; and
29 (B) sold in general association with the sale of watercraft;
30 per year.

31 (d) "Dealer", for purposes of IC 9-32, and unless otherwise
32 provided, means:

- 33 (1) an automobile auctioneer;
34 (2) an automotive mobility dealer;
35 (3) a converter manufacturer;
36 (4) a dealer;
37 (5) a distributor;
38 (6) a distributor representative;
39 (7) a factory or manufacturer representative;
40 (8) (6) a manufacturer;
41 (9) (7) a salvage dealer;
42 (10) (8) a transfer dealer;



- 1 (†) (9) a watercraft dealer; or
 2 (†2) (10) before July 1, 2015, a wholesale dealer.
- 3 SECTION 6. IC 9-13-2-44, AS AMENDED BY P.L.92-2013,
 4 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2015]: Sec. 44. (a) "Disposal facility" means a person, firm,
 6 limited liability company, corporation, or other legal entity that, in the
 7 course of business, engages in the acquisition and dismantling or
 8 demolition of vehicles, motorcycles, semitrailers, or recreational
 9 vehicles or their remains for the benefit of reusable components and
 10 parts or recyclable materials.
- 11 (b) The term includes the following enterprises:
 12 (1) An automotive salvage recycler.
 13 (2) A hulk crusher.
 14 (3) A scrap metal processor **that processes at least five (5)**
 15 **vehicles during a twelve (12) month period.**
- 16 SECTION 7. IC 9-13-2-45 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 45. "Distributor" means
 18 a person, other than a manufacturer or wholesale dealer, who is
 19 engaged in the business of selling motor vehicles to dealers located in
 20 Indiana. The term includes a distributor's branch office. ~~or the~~
 21 ~~distributor's representative.~~ The term does not include a recreational
 22 vehicle manufacturer.
- 23 SECTION 8. IC 9-13-2-45.2 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2015]: **Sec. 45.2. "Distributor representative", for purposes of**
 26 **IC 9-32-11, has the meaning set forth in IC 9-32-2-10.5.**
- 27 SECTION 9. IC 9-13-2-92.5 IS REPEALED [EFFECTIVE JULY
 28 1, 2015]. ~~Sec. 92.5. "Lease agreement", for purposes of IC 9-32, has the~~
 29 ~~meaning set forth in IC 9-32-2-17.~~
- 30 SECTION 10. IC 9-13-2-92.7 IS REPEALED [EFFECTIVE JULY
 31 1, 2015]. ~~Sec. 92.7. "Lease transaction", for purposes of IC 9-32, has~~
 32 ~~the meaning set forth in IC 9-32-2-18.~~
- 33 SECTION 11. IC 9-13-2-97, AS AMENDED BY P.L.147-2009,
 34 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2015]: Sec. 97. (a) "Manufacturer" means, except as provided
 36 in subsection (b), a person engaged in the business of constructing or
 37 assembling vehicles, of a type required to be registered under IC 9-18,
 38 at an established place of business. The term does not include a
 39 converter manufacturer, an automotive mobility dealer, or a
 40 recreational vehicle manufacturer.
- 41 (b) "Manufacturer", for purposes of ~~IC 9-23~~, **IC 9-32**, means a
 42 person who is engaged in the business of manufacturing or assembling



1 new motor vehicles or major component parts of motor vehicles, or
 2 both, and sells new motor vehicles to dealers, wholesale dealers,
 3 distributors, or the general public. The term includes the following:

4 (1) A factory branch office of the manufacturer.

5 ~~(2) An authorized representative of the manufacturer.~~

6 ~~(3)~~ (2) A partnership, a firm, an association, a joint venture, a
 7 limited liability company, a corporation, or a trust, resident or
 8 nonresident, that is controlled by the manufacturer.

9 The term does not include a converter manufacturer, an automotive
 10 mobility dealer, or a recreational vehicle manufacturer.

11 SECTION 12. IC 9-13-2-97.6 IS ADDED TO THE INDIANA
 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2015]: **Sec. 97.6. "Manufacturer**
 14 **representative", for purposes of IC 9-32-11, has the meaning set**
 15 **forth in IC 9-32-2-18.5.**

16 SECTION 13. IC 9-13-2-124 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 124. (a) "Person"
 18 means, except as otherwise provided in this section, an individual, a
 19 firm, a partnership, an association, a fiduciary, an executor or
 20 administrator, a governmental entity, a limited liability company, or a
 21 corporation.

22 (b) "Person", for purposes of IC 9-14-3.5, does not include the state
 23 or an agency of the state.

24 (c) "Person", for purposes of IC 9-20-14, IC 9-20-15, and
 25 IC 9-20-18-13(b), means a mobile home or sectionalized building
 26 transport company, mobile home or sectionalized building
 27 manufacturer, mobile home or sectionalized building dealer, or mobile
 28 home or sectionalized building owner.

29 (d) "Person", for purposes of ~~IC 9-23~~, **IC 9-32**, means an individual,
 30 a corporation, a limited liability company, an association, a partnership,
 31 a trust, or other entity. The term does not include the state, an agency
 32 of the state, or a municipal corporation.

33 SECTION 14. IC 9-13-2-154.5 IS REPEALED [EFFECTIVE JULY
 34 1, 2015]. ~~Sec. 154.5. "Retail lessee", for purposes of IC 9-32, has the~~
 35 ~~meaning set forth in IC 9-32-2-21.~~

36 SECTION 15. IC 9-13-2-154.6 IS REPEALED [EFFECTIVE JULY
 37 1, 2015]. ~~Sec. 154.6. "Retail lessor", for purposes of IC 9-32, has the~~
 38 ~~meaning set forth in IC 9-32-2-22.~~

39 SECTION 16. IC 9-13-2-192 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 192. "Unit", for
 41 purposes of IC 9-21-18, **IC 9-32-9-3, IC 9-32-11-2, IC 9-32-11-6, and**
 42 **IC 9-32-11-11.5**, has the meaning set forth in IC 9-21-18-3.



1 SECTION 17. IC 9-29-17-4, AS AMENDED BY P.L.216-2014,
 2 SECTION 152, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) The fee for the issuance of an
 4 interim dealer license plate under IC 9-32-6-11 is three dollars (\$3).
 5 ~~There is an additional service charge of two dollars (\$2):~~

6 (b) Fees collected under subsection (a) shall be deposited as set
 7 forth in section 14(c) of this chapter.

8 ~~(c) Service charges collected under this section shall be deposited~~
 9 ~~in the crossroads 2000 fund.~~

10 SECTION 18. IC 9-29-17-10, AS AMENDED BY P.L.62-2014,
 11 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2015]: Sec. 10. The fee for a ~~manufacturer representative, a~~
 13 ~~distributor representative,~~ a wholesale dealer, a transfer dealer, a
 14 converter manufacturer, or an automotive mobility dealer under
 15 IC 9-32-11-1, **or a manufacturer representative or distributor**
 16 **representative under IC 9-32-11-7,** is twenty dollars (\$20). The fee
 17 for an automotive mobility dealer who:

18 (1) buys or sells vehicles, or both;

19 (2) sells, installs, or services, offers to sell, install, or service, or
 20 solicits or advertises the sale, installation, or servicing of
 21 equipment or modifications specifically designed to facilitate use
 22 or operation of a vehicle by an individual who is disabled or aged;
 23 or

24 (3) performs acts described in both subdivisions (1) and (2);

25 is twenty dollars (\$20). The fees collected shall be deposited as set
 26 forth in IC 9-32-7-3.

27 SECTION 19. IC 9-29-17-12, AS ADDED BY P.L.92-2013,
 28 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2015]: Sec. 12. The license fee for each offsite sales ~~license~~
 30 **permit** issued under IC 9-32-11-11 is twenty-five dollars (\$25). The
 31 fees collected shall be deposited as set forth in IC 9-32-7-3.

32 SECTION 20. IC 9-29-17-17 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2015]: **Sec. 17. (a) The permit fee for an**
 35 **out-of-state dealer special event auction permit under**
 36 **IC 9-32-11-11.5 is five hundred dollars (\$500).**

37 **(b) The secretary retains the fees collected under subsection (a).**

38 SECTION 21. IC 9-32-2-2 IS REPEALED [EFFECTIVE JULY 1,
 39 2015]. ~~Sec. 2. "Adjusted or net capitalized cost" means the capitalized~~
 40 ~~cost, less any capitalized cost reduction payments made by a retail~~
 41 ~~lessee at the inception of a lease agreement. The adjusted or net~~
 42 ~~capitalized cost is the basis for calculating the amount of a retail~~



1 lessee's periodic payment under a lease agreement.

2 SECTION 22. IC 9-32-2-7 IS REPEALED [EFFECTIVE JULY 1,
3 2015]. Sec. 7: (a) "Capitalized cost" means the amount that, after
4 deducting any capitalized cost reduction, serves as the basis for
5 determining the base lease payment; which is the part of the periodic
6 lease payment that is the sum of:

7 (1) the average periodic lease charge; and

8 (2) the average periodic depreciation.

9 (b) For a single payment lease, the base lease payment is the sum of:

10 (1) the average periodic lease charge multiplied by the number of
11 months in the term of the lease; and

12 (2) the average periodic depreciation multiplied by the number of
13 months in the term of the lease.

14 (c) The capitalized cost may include any of the following:

15 (1) Taxes:

16 (2) Registration fees.

17 (3) License fees.

18 (4) Insurance charges.

19 (5) Charges for guaranteed auto protection or GAP coverage.

20 (6) Charges for service contracts and extended warranties.

21 (7) Fees and charges for accessories and for installing accessories.

22 (8) Charges for delivery, service, and repair.

23 (9) Administrative fees, acquisition fees, and all fees or charges
24 for providing services incidental to the lease agreement.

25 (10) The unpaid balance of an amount financed under an
26 outstanding motor vehicle loan agreement or motor vehicle retail
27 installment contract with respect to a motor vehicle used as a
28 trade-in vehicle.

29 (11) The unpaid part of the early termination obligation under an
30 outstanding lease agreement.

31 (12) The first periodic payment due at the inception of the lease
32 agreement, if not otherwise paid by the retail lessee.

33 SECTION 23. IC 9-32-2-8 IS REPEALED [EFFECTIVE JULY 1,
34 2015]. Sec. 8: "Capitalized cost reduction" means a payment made by
35 cash, check, credit card, debit card, net vehicle trade-in, rebate, or other
36 similar means in the nature of a down payment or credit, made by a
37 retail lessee at the inception of a lease agreement, for the purpose of
38 reducing the capitalized cost and does not include any periodic
39 payments received by the retail lessor at the inception of the lease
40 agreement.

41 SECTION 24. IC 9-32-2-10.5 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2015]: **Sec. 10.5. "Distributor**
 2 **representative" means a person that is certified by the secretary to**
 3 **be an agent of a licensed distributor to act on behalf of a**
 4 **distributor licensed under this article.**

5 SECTION 25. IC 9-32-2-17 IS REPEALED [EFFECTIVE JULY 1,
 6 2015]. Sec. 17: "Lease agreement" means a written agreement entered
 7 into in Indiana for the transfer from a retail lessor to a retail lessee of
 8 the right to possess and use a motor vehicle in exchange for
 9 consideration for a scheduled term exceeding four (4) months, whether
 10 or not the retail lessee has the option to purchase or otherwise become
 11 the owner of the motor vehicle upon expiration of the agreement. The
 12 term does not include an agreement that covers an absolute sale, a sale
 13 pending approval, or a retail installment sale.

14 SECTION 26. IC 9-32-2-18 IS REPEALED [EFFECTIVE JULY 1,
 15 2015]. Sec. 18: "Lease transaction" means a presentation made to a
 16 retail lessee concerning a motor vehicle, including a sales presentation
 17 or a document presented to the retail lessee, resulting in the execution
 18 of a lease agreement.

19 SECTION 27. IC 9-32-2-18.5 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2015]: **Sec. 18.5. "Manufacturer**
 22 **representative" means a person that is certified by the secretary to**
 23 **be an agent of a licensed manufacturer to act on behalf of a**
 24 **manufacturer licensed under this article.**

25 SECTION 28. IC 9-32-2-21 IS REPEALED [EFFECTIVE JULY 1,
 26 2015]. Sec. 21: "Retail lessee" means an individual who executes a
 27 lease agreement for a motor vehicle from a retail lessor primarily for
 28 personal, family, or household purposes.

29 SECTION 29. IC 9-32-2-22 IS REPEALED [EFFECTIVE JULY 1,
 30 2015]. Sec. 22: "Retail lessor" means a person who regularly engages
 31 in the business of selling or leasing motor vehicles and who offers or
 32 arranges a lease agreement for a motor vehicle. The term includes an
 33 agent or affiliate who acts on behalf of the retail lessor and excludes
 34 any assignee of the lease agreement.

35 SECTION 30. IC 9-32-4-1, AS AMENDED BY P.L.217-2014,
 36 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) If a vehicle for which a
 38 certificate of title has been issued is sold or if the ownership of the
 39 vehicle is transferred in any manner other than by a transfer on death
 40 conveyance under IC 9-17-3-9, in addition to complying with
 41 IC 9-17-3-3.4, the person who holds the certificate of title must do the
 42 following:



1 (1) In the case of a sale or transfer between vehicle dealers
 2 licensed by this state or another state, deliver the certificate of
 3 title within twenty-one (21) days after the date of the sale or
 4 transfer.

5 (2) Deliver the certificate of title to the purchaser or transferee
 6 within twenty-one (21) days after the date of sale or transfer to the
 7 purchaser or transferee of the vehicle, if all the following
 8 conditions exist:

9 (A) The seller or transferor is a vehicle dealer licensed by the
 10 state under this article.

11 (B) The vehicle dealer is not able to deliver the certificate of
 12 title at the time of sale or transfer.

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

15 (D) The purchaser or transferee has made all agreed upon
 16 initial payments for the vehicle, including delivery of a
 17 trade-in vehicle without hidden or undisclosed statutory liens.

18 **(3) Keep proof of delivery of the certificate of title with the**
 19 **dealer records.**

20 (b) A licensed dealer may offer for sale a vehicle for which the
 21 dealer does not possess a certificate of title, if the dealer can comply
 22 with subsection (a)(1) or (a)(2) at the time of the sale.

23 (c) A vehicle dealer who fails to deliver a ~~the~~ certificate of title
 24 within the time specified under ~~this section~~ **subsection (a)** is subject to
 25 the following civil penalties:

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

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

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

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

34 (d) If a purchaser or transferee does not receive a valid certificate of
 35 title within the time specified by this section, the purchaser or
 36 transferee has the right to return the vehicle to the vehicle dealer ten
 37 (10) days after giving the vehicle dealer written notice demanding
 38 delivery of a valid certificate of title and the dealer's failure to deliver
 39 a valid certificate of title within that ten (10) day period. Upon return
 40 of the vehicle to the dealer in the same or similar condition as delivered
 41 to the purchaser or transferee under this section, the vehicle dealer
 42 shall pay to the purchaser or transferee the purchase price plus sales



1 taxes, finance expenses, insurance expenses, and any other amount
 2 paid to the dealer by the purchaser or transferee. **The relief referenced**
 3 **in this subsection is relief for the purchaser or transferee only and**
 4 **does not preclude the ability of the division to collect civil penalties**
 5 **under subsection (c).**

6 (e) For purposes of this subsection, "timely deliver", with respect to
 7 a third party, means to deliver to the purchaser or transferee with a
 8 postmark dated or hand delivered not more than ten (10) business days
 9 after there is no obligation secured by the vehicle. If the dealer's
 10 inability to timely deliver a valid certificate of title results from the acts
 11 or omissions of a third party who has failed to timely deliver a valid
 12 certificate of title to the dealer, the dealer is entitled to claim against
 13 the third party one hundred dollars (\$100). If:

14 (1) the dealer's inability to timely deliver a valid certificate of title
 15 results from the acts or omissions of a third party who has failed
 16 to timely deliver the certificate of title in the third party's
 17 possession to the dealer; and

18 (2) the failure continues for ten (10) business days after the dealer
 19 gives the third party written notice of the failure;

20 the dealer is entitled to claim against the third party all damages
 21 sustained by the dealer in rescinding the dealer's sale with the
 22 purchaser or transferee, including the dealer's reasonable attorney's
 23 fees.

24 (f) If a vehicle for which a certificate of title has been issued by
 25 another state is sold or delivered, the person selling or delivering the
 26 vehicle shall deliver to the purchaser or receiver of the vehicle a proper
 27 certificate of title with an assignment of the certificate of title in a form
 28 prescribed by the bureau.

29 (g) A dealer shall make payment to a third party to satisfy any
 30 obligation secured by the vehicle within ten (10) days after the date of
 31 sale.

32 (h) Except as provided in subsection (i), a person who violates this
 33 section commits a Class C infraction.

34 (i) A person who knowingly or intentionally violates subsection
 35 (a)(1), (a)(2), or (d) commits a Class B misdemeanor.

36 **(j) For purposes of this section, "deliver the certificate of title"**
 37 **means to deliver the certificate of title to the purchaser or**
 38 **transferee by postmark dated mail, certified mail with return**
 39 **receipt, or hand delivery.**

40 SECTION 31. IC 9-32-5-2, AS ADDED BY P.L.92-2013,
 41 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2015]: Sec. 2. A ~~manufacturer; a converter manufacturer; an~~



1 ~~automotive mobility dealer~~; a dealer ~~or other person~~ may not sell or
 2 otherwise dispose of a new motor vehicle to another person, to be used
 3 by the ~~other~~ person for purposes of display or resale, without delivering
 4 to the ~~other~~ person a manufacturer's certificate of origin under this
 5 chapter that indicates the assignments of the certificate of origin
 6 necessary to show the ownership of the title to a person who purchases
 7 the motor vehicle.

8 SECTION 32. IC 9-32-5-5, AS ADDED BY P.L.92-2013,
 9 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2015]: Sec. 5. A ~~manufacturer; a converter manufacturer; an~~
 11 ~~automotive mobility dealer; or a dealer~~ must have:

- 12 (1) a certificate of title;
- 13 (2) an assigned certificate of title;
- 14 (3) a manufacturer's certificate of origin;
- 15 (4) an assigned manufacturer's certificate of origin; or
- 16 (5) other proof of ownership or evidence of right of possession as
 17 determined by the secretary;

18 for a motor vehicle, semitrailer, or recreational vehicle in the
 19 ~~manufacturer's; converter manufacturer's; automotive mobility dealer's;~~
 20 ~~or dealer's~~ possession.

21 SECTION 33. IC 9-32-5-8, AS ADDED BY P.L.92-2013,
 22 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2015]: Sec. 8. A ~~manufacturer; a converter manufacturer; an~~
 24 ~~automotive mobility dealer; or a dealer~~ shall deliver an assigned
 25 certificate of title or certificate of origin to a person entitled to the
 26 certificate of title or certificate of origin.

27 SECTION 34. IC 9-32-5-9, AS ADDED BY P.L.92-2013,
 28 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2015]: Sec. 9. (a) In order to obtain or maintain a
 30 ~~manufacturer's; a converter manufacturer's; an automotive mobility~~
 31 ~~dealer's; or a dealer's~~ license from the secretary, a person must agree to
 32 allow a police officer or an authorized representative of the secretary
 33 to inspect:

- 34 (1) certificates of origin, certificates of title, assignments of
 35 certificates of origin and certificates of title, or other proof of
 36 ownership or evidence of right of possession as determined by the
 37 secretary; and
- 38 (2) motor vehicles, semitrailers, or recreational vehicles that are
 39 held for resale by the ~~manufacturer; converter manufacturer;~~
 40 ~~automotive mobility dealer; or dealer;~~

41 in the ~~manufacturer's; converter manufacturer's; automotive mobility~~
 42 ~~dealer's; or dealer's~~ place of business during reasonable business hours.



1 (b) A certificate of title, a certificate of origin, and any other proof
2 of ownership described under subsection (a):

3 (1) must be readily available for inspection by or delivery to the
4 proper persons; and

5 (2) may not be removed from Indiana.

6 SECTION 35. IC 9-32-6-1, AS AMENDED BY P.L.62-2014,
7 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2015]: Sec. 1. A person licensed under IC 9-32-11 may apply
9 for a dealer license plate. The application must include any information
10 the secretary reasonably requires. Upon application, ~~a distinctive~~
11 ~~registration number shall be assigned to each applicant.~~ two (2)
12 certificates of registration and two (2) metal license plates ~~bearing the~~
13 ~~registration number of the applicant~~ shall then be issued to the
14 applicant. A dealer may apply for and receive additional dealer plates
15 as set forth in section 5 of this chapter.

16 SECTION 36. IC 9-32-6-2, AS AMENDED BY P.L.62-2014,
17 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2015]: Sec. 2. (a) The secretary shall issue dealer license
19 plates under this chapter according to the following classifications:

20 (1) Dealer-new.

21 (2) Dealer-used.

22 (3) Manufacturer.

23 (4) Dealer-wholesale.

24 The secretary may not issue a license plate described in subdivision (4)
25 after June 30, 2015.

26 (b) The secretary may adopt rules under IC 4-22-2 to establish
27 additional classifications of dealer license plates, and may prescribe the
28 general conditions for usage of an additional classification. The
29 secretary shall establish the ~~classifications of antique car museum~~
30 ~~dealer license plates and classification of~~ dealer promotional license
31 plates.

32 SECTION 37. IC 9-32-6-7, AS AMENDED BY THE TECHNICAL
33 CORRECTIONS BILL OF THE 2015 GENERAL ASSEMBLY, IS
34 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:
35 Sec. 7. (a) Except as provided in ~~sections section 8 and 9~~ of this
36 chapter, dealer-new, dealer-used, manufacturer, and ~~wholesale~~
37 ~~dealer-wholesale~~ license plates may be used only on motor vehicles in
38 the:

39 (1) dealer's inventory being held for sale;

40 (2) usual operation of the manufacturer's or dealer's business;

41 (3) movement of the manufacturer's or dealer's inventory; or

42 (4) inventory of a manufacturer or dealer that is unattended by the



1 manufacturer or dealer or the dealer's agent for a maximum of ten
2 (10) days by a prospective buyer or a service customer.

3 (b) The license plates referenced in subsection (a) must be:

4 (1) primarily used or stored at an address within Indiana; or

5 (2) displayed on a vehicle being transported for purposes of sale
6 by a licensed Indiana dealer.

7 (c) *A person who violates this section commits a Class A infraction.*

8 ~~(c)~~ (d) *This subsection expires January 1, 2016. A dealer-wholesale*
9 *license plate may not be issued or displayed after June 30, 2015.*

10 SECTION 38. IC 9-32-6-8, AS AMENDED BY P.L.62-2014,
11 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2015]: Sec. 8. Dealer-new, dealer-used, manufacturer, and
13 dealer-wholesale license plates may be used ~~without restriction~~ by a
14 manufacturer, a dealer, or an employee of a manufacturer or a dealer
15 **without restriction if the use is** in compliance with **section 7 of this**
16 **chapter and** rules adopted by the secretary to prohibit use of the plates
17 solely to avoid payment of applicable taxes. However, a
18 dealer-wholesale license plate may not be used or displayed after June
19 30, 2015.

20 SECTION 39. IC 9-32-6-9 IS REPEALED [EFFECTIVE JULY 1,
21 2015]. ~~Sec. 9: Dealer-new, dealer-used, manufacturer, and~~
22 ~~dealer-wholesale license plates may be used without restriction by a~~
23 ~~designee of a dealer or a designee of a manufacturer under rules~~
24 ~~adopted by the secretary. The rules must provide the following:~~

25 ~~(1) The dealer or manufacturer is to be assessed and pay the~~
26 ~~motor vehicle excise tax under IC 6-6-5 attributable to that part of~~
27 ~~the total year that the designee operates the motor vehicle.~~

28 ~~(2) The dealer or manufacturer shall report to the secretary the~~
29 ~~date of assignment to a designee, the designee's name and~~
30 ~~address, and the date of termination of the assignment within ten~~
31 ~~(10) days after the assignment or termination.~~

32 ~~(3) The tax calculated in subdivision (1) shall be paid within~~
33 ~~thirty (30) days after the termination of the assignment to the~~
34 ~~designee or at the time the dealer or manufacturer purchases~~
35 ~~license plates under this chapter.~~

36 ~~However, a dealer-wholesale license plate may not be used or~~
37 ~~displayed after June 30, 2015.~~

38 SECTION 40. IC 9-32-6-12, AS AMENDED BY P.L. 217-2014,
39 SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 12. (a) A dealer ~~that may not~~
40 ~~knowingly or intentionally: issues~~

41 (1) **issue** an altered interim license plate or an interim license
42



1 plate with false or fictitious information; or
 2 **(2) alter a dealer-new, dealer-used, or manufacturer license**
 3 **plate or use a dealer-new, dealer-used, or manufacturer**
 4 **license plate that is false or fictitious.**

5 **(b) A dealer that violates this section** commits a Class A
 6 infraction.

7 SECTION 41. IC 9-32-8-2, AS ADDED BY P.L.92-2013,
 8 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2015]: Sec. 2. A person **that sells to the general public at**
 10 **least six (6):**

11 **(1) boats;**

12 **(2) trailers that are:**

13 **(A) designed and used exclusively for the transportation of**
 14 **watercraft; and**

15 **(B) sold in general association with the sale of watercraft;**
 16 **or**

17 **(3) items set forth in both subdivisions (1) and (2);**

18 **each year** must be licensed under this chapter before the person may
 19 engage in the business of selling boats **or trailers.**

20 SECTION 42. IC 9-32-8-4, AS ADDED BY P.L.92-2013,
 21 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2015]: Sec. 4. A license issued to a boat dealer must specify
 23 the location of ~~each~~ **the established** place of business and shall be
 24 conspicuously displayed at ~~each~~ **the established place of business.**
 25 ~~location.~~ If a business name or location is changed, the licensee shall
 26 notify the secretary within ten (10) days and remit the fee specified
 27 under IC 9-29-17-6(a). The secretary shall endorse that change on the
 28 boat dealer license if it is determined that the change is not subject to
 29 other provisions of this chapter.

30 SECTION 43. IC 9-32-9-2, AS AMENDED BY P.L.217-2014,
 31 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) A disposal facility, a used
 33 parts dealer, or an automotive salvage rebuilder licensed in Indiana
 34 must have a ~~principal~~ **an established** place of business in Indiana
 35 conducting the business that is the basis for the license. ~~A~~ **An**
 36 **established** place of business that performs only ministerial tasks is not
 37 considered to be conducting business.

38 (b) A disposal facility, a used parts dealer, or an automotive salvage
 39 rebuilder who violates this section commits a Class A infraction.

40 SECTION 44. IC 9-32-9-3, AS ADDED BY P.L.92-2013,
 41 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2015]: Sec. 3. To apply for a license under this chapter, a



1 disposal facility, a used parts dealer, or an automotive salvage ~~rebuilder~~
2 ~~recycler~~ must submit the following **an application** to the secretary.

3 ~~(1) A completed An application which must be verified for a~~
4 **license under this chapter must:**

5 **(1) be on a form prescribed** by the secretary;

6 **(2) contain the licensing information the secretary considers**
7 **necessary to enable the secretary to determine fully:**

8 **(A) the qualifications and eligibility of the applicant to**
9 **receive the license; and**

10 **(B) the ability of the applicant to properly conduct the**
11 **business for which the application is submitted; and**

12 **(3) be accompanied by the following:**

13 **(A) Evidence of a bond required under IC 9-32-11-2.**

14 **(B) Payment of the applicable fee under IC 9-29-17-7.**

15 **(C) An affidavit from:**

16 **(i) the person charged with enforcing a zoning ordinance,**
17 **if the person exists; or**

18 **(ii) the zoning enforcement officer under IC 36-7-4, if a**
19 **zoning enforcement officer exists;**

20 **who has jurisdiction over the real property where the**
21 **applicant wants to operate as an automotive salvage**
22 **recycler.**

23 **If there is no person or officer that has jurisdiction over the real**
24 **property as described in subdivision (3)(C), the application must**
25 **be accompanied by a statement to that effect from the executive of**
26 **the unit in which the real property is located. The affidavit must**
27 **state that the proposed location is zoned for the operation of an**
28 **establishment of an automotive salvage recycler. The applicant**
29 **may file the affidavit at any time after the filing of the application.**
30 **However, the secretary may not issue a license until the applicant**
31 **files the affidavit or the statement.**

32 SECTION 45. IC 9-32-9-3.5 IS ADDED TO THE INDIANA CODE
33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
34 1, 2015]: **Sec. 3.5. An automotive salvage recycler licensed under**
35 **this chapter that buys vehicles must:**

36 **(1) report to the National Motor Vehicle Title Information**
37 **System when a vehicle has been purchased; and**

38 **(2) provide to the seller a valid National Motor Vehicle Title**
39 **Information System report identification number.**

40 SECTION 46. IC 9-32-9-4 IS REPEALED [EFFECTIVE JULY 1,
41 2015]. **Sec. 4. The secretary shall prescribe an application form to be**
42 **used by persons applying for a license under this chapter. The**



1 application must include the following information:

2 (1) The applicant's name.

3 (2) The applicant's type of business organization and the
4 following as appropriate:

5 (A) If the applicant is a corporation, the name and address of
6 each officer and director of the corporation:

7 (B) If the applicant is a sole proprietorship, the name and
8 address of the sole proprietor:

9 (C) If the applicant is a partnership, the name and address of
10 each partner:

11 (D) If the applicant is an unincorporated association or similar
12 form of business organization, the name and address of each
13 member, trustee, or manager:

14 (3) The applicant's principal place of business.

15 (4) The types of activities specified in section † of this chapter
16 that the applicant proposes to conduct.

17 SECTION 47. IC 9-32-9-5 IS REPEALED [EFFECTIVE JULY 1,
18 2015]. Sec. 5: Each license under this chapter, except an initial license,
19 shall be issued based on the business name as set forth in
20 IC 9-32-11-12 or IC 9-32-11-12.5:

21 SECTION 48. IC 9-32-9-6 IS REPEALED [EFFECTIVE JULY 1,
22 2015]. Sec. 6: Within a reasonable time, the secretary shall do the
23 following:

24 (1) Review all license applications submitted under this chapter.

25 (2) Approve a submitted license application unless any of the
26 following apply:

27 (A) The application does not conform with this chapter.

28 (B) The applicant has made a material fact misrepresentation
29 on the application:

30 (C) The applicant has been convicted of committing a
31 fraudulent act in connection with one (†) of the activities
32 specified in section † of this chapter:

33 SECTION 49. IC 9-32-9-7 IS REPEALED [EFFECTIVE JULY 1,
34 2015]. Sec. 7: A person denied a license under section 6 of this chapter
35 is entitled to a hearing under IC 9-32-16:

36 SECTION 50. IC 9-32-9-8 IS REPEALED [EFFECTIVE JULY 1,
37 2015]. Sec. 8: If the secretary approves a license application under this
38 chapter, the secretary shall grant the applicant a license for the
39 applicant's principal place of business:

40 SECTION 51. IC 9-32-9-9 IS REPEALED [EFFECTIVE JULY 1,
41 2015]. Sec. 9: The secretary shall prescribe the form of the licenses
42 granted under section 8 of this chapter. A license granted under section



1 8 of this chapter must include the following information:

2 (1) The licensee's name:

3 (2) The licensee's type of business organization and the following
4 as appropriate:

5 (A) If a corporation, the name and address of each officer:

6 (B) If a sole proprietorship, the name and address of the
7 proprietor:

8 (C) If a partnership, the name and address of each managing
9 partner:

10 (D) If an unincorporated association or similar form of
11 business organization, the name and address of the manager or
12 other chief administrative official:

13 (3) The licensee's principal place of business:

14 (4) A listing of the types of business activities specified in section
15 † of this chapter that the licensee may conduct:

16 (5) The date the license expires:

17 SECTION 52. IC 9-32-9-10, AS AMENDED BY P.L.217-2014,
18 SECTION 171, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2015]: Sec. 10. (a) A licensee shall post a
20 license granted to the licensee under this chapter in a conspicuous
21 place at the ~~licensed~~ **established** place of business.

22 (b) A licensee that violates this section commits a Class A
23 infraction.

24 SECTION 53. IC 9-32-11-1, AS AMENDED BY P.L.62-2014,
25 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2015]: Sec. 1. (a) The following persons must be licensed
27 under this article to engage in the business of buying or selling motor
28 vehicles or semitrailers:

29 (1) An automobile auctioneer.

30 (2) A converter manufacturer.

31 (3) A dealer.

32 (4) A distributor.

33 (5) A ~~distributor representative.~~ **salvage dealer.**

34 **(6) A watercraft dealer.**

35 ~~(6) (7) A manufacturer.~~

36 ~~(7) A manufacturer representative.~~

37 (8) A transfer dealer.

38 (9) Before July 1, 2015, a wholesale dealer.

39 (10) An automotive mobility dealer.

40 (b) An automotive mobility dealer who engages in the business of:

41 (1) selling, installing, or servicing;

42 (2) offering to sell, install, or service; or



1 (3) soliciting or advertising the sale, installation, or servicing of;
 2 equipment or modifications specifically designed to facilitate use or
 3 operation of a vehicle by an individual who is disabled or aged must be
 4 licensed under this article.

5 (c) An automotive mobility dealer that fails to be licensed under this
 6 article and engages in the businesses described in subsection (b)
 7 commits a Class A infraction.

8 SECTION 54. IC 9-32-11-2, AS AMENDED BY P.L.62-2014,
 9 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2015]: Sec. 2. (a) An application for a license under this
 11 chapter must:

12 (1) be accompanied by payment of the applicable fee required
 13 under IC 9-29-17;

14 (2) be on a form prescribed by the secretary;

15 (3) contain the information the secretary considers necessary to
 16 enable the secretary to determine fully:

17 (A) the qualifications and eligibility of the applicant to receive
 18 the license;

19 ~~(B) the location of each of the applicant's places of business in~~
 20 ~~Indiana; and~~

21 ~~(C)~~ (B) the ability of the applicant to conduct properly the
 22 business for which the application is submitted; and

23 (4) contain evidence of a bond required in subsection (e).

24 An application for a wholesale dealer license must contain the
 25 additional information required in section 3 of this chapter. The
 26 secretary of state may not accept an application for a wholesale dealer
 27 license after June 30, 2015.

28 (b) An application for a license as a dealer must show whether the
 29 applicant proposes to sell new or used motor vehicles, or both.

30 (c) An applicant who proposes to use the Internet or another
 31 computer network to facilitate the sale of motor vehicles to consumers
 32 in Indiana shall ~~if the applicant's activities may result in the creation of~~
 33 ~~business maintain all~~ records ~~outside at the established place of~~
 34 ~~business in~~ Indiana. ~~provide the division with the name, address, and~~
 35 ~~telephone number of the person who has control of those business~~
 36 ~~records. The secretary may not issue a license to a dealer who transacts~~
 37 ~~business in this manner and does not have an established place of~~
 38 ~~business in Indiana, except as proved under section 11(h) of this~~
 39 ~~chapter.~~

40 (d) The application must include an affidavit from:

41 (1) the person charged with enforcing a zoning ordinance, if one
 42 exists; or



1 (2) the zoning enforcement officer under IC 36-7-4, if one exists;
 2 who has jurisdiction over the real property where the applicant wants
 3 to operate as a dealer. **If there is no person or officer that has**
 4 **jurisdiction over the real property, the application must be**
 5 **accompanied by a statement to that effect from the executive of the**
 6 **unit in which the real property is located.** The affidavit must state
 7 that the proposed location is zoned for the operation of a dealer's
 8 establishment. The applicant may file the affidavit at any time after the
 9 filing of the application. However, the secretary may not issue a license
 10 until the applicant files the affidavit **or the statement.**

11 (e) Except as provided in subsection (g), a licensee shall maintain
 12 a bond satisfactory to the secretary in the amount of twenty-five
 13 thousand dollars (\$25,000). The bond must:

14 (1) be in favor of the state; ~~and~~

15 (2) secure payment of fines, penalties, costs, and fees assessed by
 16 the secretary after:

17 (A) notice;

18 (B) opportunity for a hearing; and

19 (C) opportunity for judicial review; **and**

20 ~~in addition to securing~~ **(3) secure** the payment of damages to a
 21 person aggrieved by a violation of this article by the licensee after
 22 a judgment has been issued.

23 (f) Service under this chapter shall be made in accordance with the
 24 Indiana Rules of Trial Procedure.

25 (g) Instead of meeting the requirement in subsection (e), a licensee
 26 may submit to the secretary evidence that the licensee is a member of
 27 a risk retention group that is regulated by the Indiana department of
 28 insurance.

29 SECTION 55. IC 9-32-11-5, AS AMENDED BY P.L.62-2014,
 30 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2015]: Sec. 5. A ~~manufacturer, distributor, or~~ dealer proposing
 32 to sell new motor vehicles shall file and maintain with the secretary:

33 (1) a current copy of each franchise to which the ~~person~~ **dealer** is
 34 a party; or

35 (2) if the ~~person~~ **dealer** is a party to multiple franchises that are
 36 identical except for stated items, a copy of the franchise form with
 37 supplemental schedules of variations from the form.

38 SECTION 56. IC 9-32-11-6, AS AMENDED BY P.L.62-2014,
 39 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2015]: Sec. 6. (a) The license issued to a dealer under this
 41 chapter:

42 (1) must specify the ~~location of~~ **each established** place of



1 business; and
 2 (2) shall be conspicuously displayed at ~~each~~ **the established**
 3 **place of business.** ~~location.~~
 4 (b) If a licensee's business name or location is changed, the licensee
 5 shall notify the secretary not later than ten (10) days after the change
 6 and remit the fee required under IC 9-29-17. The secretary shall
 7 endorse the change on the license if the secretary determines that the
 8 change is not subject to other provisions of this article.
 9 (c) A dealer who uses the Internet or another computer network to
 10 facilitate the sale of motor vehicles as set forth in section 2(c) of this
 11 chapter shall notify the secretary not later than ten (10) days after any
 12 change in a name, address, or telephone number documented in
 13 business records located outside Indiana that have been created in
 14 transactions made in Indiana by the dealer. A report made under this
 15 subsection is not subject to the fee required under IC 9-29-17.
 16 (d) A dealer who wants to change a location must submit to the
 17 secretary an application for approval of the change. The application
 18 must be accompanied by an affidavit from:
 19 (1) the person charged with enforcing a zoning ordinance
 20 described in this subsection; or
 21 (2) the zoning enforcement officer under IC 36-7-4, if one exists;
 22 who has jurisdiction over the real property where the applicant wants
 23 to operate as a dealer. **If there is no person or officer that has**
 24 **jurisdiction over the real property, the application must be**
 25 **accompanied by a statement to that effect from the executive of the**
 26 **unit in which the real property is located.** The affidavit must state
 27 that the proposed location is zoned for the operation of a dealer's
 28 establishment. The secretary may not approve a change of location or
 29 endorse a change of location on the dealer's license until the dealer
 30 provides the affidavit **or the statement.**
 31 (e) For the purpose of this section, an offsite sales license issued
 32 under section 11 of this chapter does not constitute a change of
 33 location.
 34 SECTION 57. IC 9-32-11-7, AS AMENDED BY P.L.62-2014,
 35 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2015]: Sec. 7. (a) A license issued to a distributor
 37 representative ~~must state the name of the representative's employer.~~
 38 ~~Within ten (10) days after a change of employer, the licensee shall mail~~
 39 ~~the license to the~~ **and a manufacturer representative become**
 40 **certified by:**
 41 (1) **the licensed distributor or licensed manufacturer**
 42 **completing an application with the secretary and indicate the**



1 name and address of the licensee's new employer: **to add the**
 2 **distributor representative or manufacturer representative to**
 3 **the license; and**

4 **(2) paying the applicable fee required under IC 9-29-17.**

5 **(b) Any change to the certification of the distributor**
 6 **representative or manufacturer representative must be submitted**
 7 **to the secretary not later than ten (10) days after the change.** The
 8 secretary shall endorse the change on the license and return the license
 9 to the licensee in care of the new employer of the licensee:
 10 **certification.** A representative or, before July 1, 2015, wholesale
 11 **dealer** must have a **license certification** when engaged in business and
 12 shall display the **license certification** upon request. A temporary
 13 license for a representative may be issued for a period of not more than
 14 one hundred twenty (120) days pending investigation by the secretary
 15 of the representative's qualification for a license.

16 SECTION 58. IC 9-32-11-10, AS AMENDED BY P.L.62-2014,
 17 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2015]: Sec. 10. This section does not apply to sales made at
 19 a motor vehicle industry sponsored trade show. A dealer who sells to
 20 the general public may not sell or offer to sell a vehicle at a location
 21 away from the dealer's established place of business without obtaining
 22 an offsite sales **license permit** under section 11 of this chapter.

23 SECTION 59. IC 9-32-11-11, AS ADDED BY P.L.92-2013,
 24 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2015]: Sec. 11. (a) Except as provided in subsections (b)
 26 through (g), the secretary shall issue an offsite sales **license permit** to
 27 a dealer licensed under this chapter who submits an application for the
 28 **license permit** not later than ten (10) business days or two (2) calendar
 29 weeks before the offsite sale date. ~~License Permit~~ applications under
 30 this section shall be made public upon the request of any person.

31 (b) The secretary may not issue an offsite sales **license permit** to a
 32 dealer who does not have an established place of business within
 33 Indiana.

34 ~~(c) This subsection does not apply to:~~ **The secretary may not issue**
 35 **an offsite sales permit to a licensed dealer proposing to conduct a**
 36 **sale outside a radius of twenty (20) miles for the established place**
 37 **of business of the licensed dealer. The following may conduct an**
 38 **offsite sale with an offsite sales permit outside a radius of twenty**
 39 **(20) miles from the established place of business of the licensed**
 40 **dealer:**

- 41 (1) New manufactured housing dealers.
 42 (2) Recreational vehicle dealers.



1 (3) A rental company that is a dealer conducting a sale at a site
2 within twenty (20) miles of any of its company owned affiliates.

3 (4) Off-road vehicle dealers. ~~or~~

4 (5) Dealers of vehicles classified as classic, collector, or antique
5 under rules adopted under section 18(a)(2)(B) of this chapter.

6 ~~The secretary may not issue an offsite sales license to a licensed dealer
7 proposing to conduct a sale outside a radius of twenty (20) miles from
8 the established place of business of the licensed dealer.~~

9 (d) A vehicle display is not considered an offsite sale if it is
10 conducted by a new vehicle franchised dealer in an open area where no
11 sales personnel and no sales material are present.

12 (e) The secretary may not issue an offsite sales ~~license~~ **permit** to a
13 licensed dealer proposing to conduct an offsite sale for more than ten
14 (10) calendar days.

15 (f) As used in this subsection, "executive" has the meaning set forth
16 in IC 36-1-2-5. The secretary may not issue an offsite sales ~~license~~
17 **permit** to a licensed dealer if the dealer does not have certification that
18 the offsite sale would be in compliance with local zoning ordinances or
19 other local ordinances. Authorization under this subsection may be
20 obtained only from the following:

21 (1) If the offsite sale would be located within the corporate
22 boundaries of a city or town, the executive of the city or town.

23 (2) If the offsite sale would be located outside the corporate
24 boundaries of a city or town:

25 (A) except as provided in clause (B), the executive of the
26 county; or

27 (B) if the city or town exercises zoning jurisdiction under
28 IC 36-7-4-205(b) over the area where the offsite sale would be
29 located, the executive of the city or town.

30 (g) The secretary may not issue an offsite sales ~~license~~ **permit** to a
31 licensed dealer who has held more than three (3) nonconsecutive
32 offsite sales in the year ending on the date of the offsite sale for which
33 the ~~license~~ **permit** application is being submitted.

34 (h) Section 2(c) of this chapter does not apply to the application or
35 issuance of an offsite sales ~~license~~ **permit** under this section.

36 SECTION 60. IC 9-32-11-11.5 IS ADDED TO THE INDIANA
37 CODE AS A NEW SECTION TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 2015]: **Sec. 11.5. (a) A person that is a
39 licensed dealer in a state other than Indiana may apply for an
40 out-of-state dealer special event permit from the secretary for a
41 special event auction if the following conditions are met:**

42 (1) **The event is a vehicle auction conducted by an auctioneer**



- 1 licensed under IC 25-6.1-3.
- 2 (2) The vehicles to be auctioned are:
- 3 (A) at least fifteen (15) years old; or
- 4 (B) classified as classic, collector, or antique vehicles under
- 5 rules adopted by the secretary.
- 6 (3) At least two hundred (200) vehicles will be auctioned
- 7 during the special event.
- 8 (4) The person submits an application for a special event
- 9 permit to the secretary not later than thirty (30) days prior to
- 10 the beginning date of the special event auction.
- 11 (5) The application for the special event permit includes the
- 12 following:
- 13 (A) Copies of licenses for all auctioneers for the special
- 14 event auction.
- 15 (B) A copy of a valid dealer's license from the other state.
- 16 (C) An affidavit from:
- 17 (i) the person charged with enforcing a zoning ordinance,
- 18 if the person exists; or
- 19 (ii) the zoning enforcement officer under IC 36-7-4, if a
- 20 zoning enforcement officer exists;
- 21 who has jurisdiction over the real property where the
- 22 applicant wants to operate the special event auction. If
- 23 there is no person or officer that has jurisdiction over the
- 24 real property as described in this clause, the application
- 25 must be accompanied by a statement to that effect from the
- 26 executive of the unit in which the real property is located.
- 27 The affidavit must state that the proposed location is zoned
- 28 for the operation of a special event auction. The applicant
- 29 may file the affidavit at any time after the filing of the
- 30 application. However, the secretary may not issue a special
- 31 event auction permit until the applicant files the affidavit
- 32 or the statement.
- 33 (b) Not more than one (1) special event auction permit may be
- 34 issued by the secretary to the same applicant within a twelve (12)
- 35 month period.
- 36 (c) If the application for the special event permit is approved,
- 37 the dealer must submit the permit fee required by IC 9-29-17-17.
- 38 SECTION 61. IC 9-32-11-15, AS ADDED BY P.L.92-2013,
- 39 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 40 JULY 1, 2015]: Sec. 15. (a) A person who ceases a business activity for
- 41 which a license was issued under this chapter shall do the following:
- 42 (1) Notify the secretary of the date that the business activity will



- 1 cease.
- 2 (2) Deliver to the secretary all permanent dealer license plates ~~and~~
- 3 ~~interim license plates~~ issued to the person not later than ten (10)
- 4 days after the date the business activity will cease.
- 5 (b) A dealer may not transfer or sell the:
- 6 (1) dealer's license; or
- 7 (2) use of the dealer's license.
- 8 (c) A dealer that changes its form of organization or state of
- 9 incorporation may continue the dealer's licensure by filing an
- 10 amendment to the registration if the change does not involve a material
- 11 fact in the financial condition or management of the dealer. The
- 12 amendment becomes effective when filed or on the date designated by
- 13 the registrant in its filing. The new organization is a successor to the
- 14 original registrant for the purposes of this article.
- 15 (d) If there is a change in the dealer's ownership, the successive
- 16 owner shall file a new application for a license under this chapter.
- 17 SECTION 62. IC 9-32-12 IS REPEALED [EFFECTIVE JULY 1,
- 18 2015]. (Disclosures Required in Motor Vehicle Leases).
- 19 SECTION 63. IC 9-32-13-18, AS ADDED BY P.L.152-2013,
- 20 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 21 JULY 1, 2015]: Sec. 18. (a) It is an unfair practice for a ~~manufacturer~~
- 22 ~~or~~ distributor to sell a motor vehicle for resale to a person not licensed
- 23 under this article.
- 24 (b) This subsection applies if a dealer sells or leases a motor vehicle
- 25 to a customer that resells the motor vehicle or exports the motor vehicle
- 26 to a foreign country. A manufacturer or distributor may not take or
- 27 threaten to take adverse action or otherwise discriminate against the
- 28 dealer unless the dealer knew or reasonably should have known before
- 29 the dealer sold or leased the motor vehicle to the customer that the
- 30 customer intended to resell or export the motor vehicle. Titling and
- 31 registering a motor vehicle in any state in the name of the customer to
- 32 whom the dealer sold or leased the motor vehicle establishes a
- 33 rebuttable presumption that the dealer did not know or should not
- 34 reasonably have known that the customer intended to resell or export
- 35 the motor vehicle.
- 36 (c) For purposes of subsection (b), adverse actions by a
- 37 manufacturer or distributor include the following conduct by a
- 38 manufacturer or distributor, whether actual or threatened:
- 39 (1) Failing or refusing to allocate, sell, or deliver a motor vehicle
- 40 to the dealer.
- 41 (2) Discriminating against the dealer in the allocation of motor
- 42 vehicles.



1 (3) Charging back or withholding payments or other consideration
 2 for which a dealer is eligible under a warranty reimbursement,
 3 sales promotion, incentive program, or contest.

4 (4) Disqualifying a dealer from participating in a sales promotion,
 5 incentive program, or contest.

6 (5) Terminating a franchise.

7 SECTION 64. IC 9-32-13-20, AS ADDED BY P.L.92-2013,
 8 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2015]: Sec. 20. It is an unfair practice for ~~an automobile~~
 10 ~~auctioneer, a wholesale dealer, or a transfer dealer, any person~~
 11 **required to be licensed under this article**, in connection with the
 12 ~~auctioneer's or dealer's~~ **person's** business, to use false, deceptive, or
 13 misleading advertising or to engage in deceptive acts or practices.

14 SECTION 65. IC 9-32-16-2, AS AMENDED BY P.L.62-2014,
 15 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2015]: Sec. 2. (a) An order issued under this article may deny
 17 a dealer license application for registration if the secretary finds that
 18 the order is in the public interest and subsection (c) authorizes the
 19 action. An order may condition or limit the license of an applicant to
 20 be a dealer and, if the applicant for a dealer license is a partner, officer,
 21 director, or person having similar status or performing similar
 22 functions, or a person directly or indirectly in control of the dealership,
 23 the order may condition or limit the license.

24 (b) If the secretary finds that an order is in the public interest and
 25 subsection (c) authorizes the action, an order issued under this article
 26 may deny, revoke, suspend, condition, limit, or permanently bar the
 27 granting of a license to or an application for a license from a dealer, or
 28 a partner, an officer, a director, or a person having a similar status or
 29 performing similar functions as a dealer, or a person directly or
 30 indirectly in control of the dealer. However, the secretary may not:

31 (1) institute a revocation or suspension proceeding under this
 32 subsection based on an order issued under the law of another state
 33 that is reported to the secretary or a designee of the secretary more
 34 than one (1) year after the date of the order on which it is based;
 35 or

36 (2) issue an order on the basis of an order issued under the dealer
 37 services laws of another state unless the other order was based on
 38 conduct for which subsection (c) would authorize the action had
 39 the conduct occurred in Indiana.

40 (c) A person may be disciplined under this section if the person:

41 (1) has filed an application for a dealer license in Indiana under
 42 this article, or its predecessor, within the previous ten (10) years,



1 which, as of the effective date of license or registration or as of
 2 any date after filing in the case of an order denying effectiveness,
 3 was incomplete as to a material fact or contained a statement that,
 4 in light of the circumstances under which it was made, was false
 5 or misleading with respect to a material fact;

6 (2) knowingly violated or knowingly failed to comply with this
 7 article, or its predecessor, within the previous ten (10) years;

8 (3) has been convicted of a:

9 (A) felony within the previous ten (10) years;

10 (B) felony or misdemeanor involving theft or fraud; or

11 (C) felony or misdemeanor concerning an aspect of business
 12 involving the offer, sale, financing, repair, modification, or
 13 manufacture of a vehicle;

14 (4) is enjoined or restrained by a court with jurisdiction in a
 15 action instituted by a state or the United States from engaging in
 16 or continuing an act, practice, or course of business involving an
 17 aspect of a business involving the offer, barter, sale, purchase,
 18 transfer, financing, repair, or manufacture of a vehicle;

19 (5) refuses to allow or otherwise impedes the secretary from
 20 conducting an audit or inspection;

21 (6) has engaged in dishonest or unethical practices in a business
 22 involving the offer, barter, sale, purchase, transfer, financing,
 23 repair, or manufacture of a vehicle within the previous ten (10)
 24 years;

25 (7) is engaging in unfair practices as set forth in this article;

26 (8) is on the most recent tax warrant list supplied to the secretary
 27 by the department of state revenue;

28 (9) violates IC 23-2-2.7;

29 (10) violates IC 9-19-9;

30 (11) willfully violates federal or state law relating to the sale,
 31 distribution, financing, or insuring of motor vehicles; or

32 (12) is not compliant with local, state, or federal laws and
 33 regulations regarding a dealer license or dealer business.

34 (d) The secretary may **revoke**, suspend, or deny an application,
 35 impose fines and costs, restrict, condition, limit, bar, suspend, or
 36 rescind a dealer license, or order restitution, or do any combination of
 37 these actions before final determination of an administrative
 38 proceeding. Upon the issuance of an order, the secretary shall promptly
 39 notify each person subject to the order:

40 (1) that the order has been issued;

41 (2) the reasons for the action; and

42 (3) that within fifteen (15) days after the receipt of a request in a



1 record from the person the matter will be scheduled for a hearing.
 2 If a hearing is not requested and no hearing is ordered by the secretary
 3 within thirty (30) days after the date of service of the order, the order
 4 becomes final by operation of law. If a hearing is requested or ordered,
 5 the secretary, after notice of and opportunity for hearing to each person
 6 subject to the order, may modify or vacate the order or extend the order
 7 until final determination.

8 (e) After a hearing, the secretary may suspend or deny an
 9 application, impose fines and costs, restrict, condition, limit, bar,
 10 suspend, or rescind a dealer license, or order restitution, or do any
 11 combination of these actions.

12 (f) Revocation or suspension of a license of a manufacturer, a
 13 distributor, a dealer, or an automobile auctioneer may be limited to one
 14 (1) or more locations, to one (1) or more defined areas, or only to
 15 certain aspects of the business.

16 (g) Except as provided in subsection (d), an order may not be issued
 17 under this section without:

- 18 (1) appropriate notice to the applicant or registrant;
- 19 (2) an opportunity for a hearing; and
- 20 (3) reasons for the action.

21 (h) A person that controls, directly or indirectly, a person not in
 22 compliance with this section may be disciplined by order of the
 23 secretary under subsections (a) and (b) to the same extent as the
 24 noncomplying person, unless the controlling person did not know, and
 25 in the exercise of reasonable care could not have known, of the
 26 existence of conduct that is a ground for discipline under this section.

27 (i) A person subject to this chapter that has not been issued a license
 28 is subject to the same disciplinary fines, costs, and penalties as if a
 29 license had been issued.

30 SECTION 66. IC 9-32-17-1, AS ADDED BY P.L.92-2013,
 31 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2015]: Sec. 1. ~~Except as provided in section 8 of this chapter,~~
 33 A person who violates this article, a rule established under this article,
 34 or an order issued by the secretary under this article is subject to a civil
 35 penalty of up to ten thousand dollars (\$10,000) for each act of
 36 violation. Civil penalties recovered under this section shall be paid to
 37 the state and deposited into the dealer enforcement account established
 38 by IC 9-32-7-2.

39 SECTION 67. IC 9-32-17-8 IS REPEALED [EFFECTIVE JULY 1,
 40 2015]. Sec. 8: ~~A retail lessor who fails to comply with IC 9-32-12,~~ as
 41 ~~set forth in IC 9-32-12-4, is liable to the retail lessee for:~~

- 42 (†) actual damages sustained;



- 1 (2) a civil penalty of not more than one thousand dollars (\$1,000)
 2 per lease transaction; and
 3 (3) reasonable attorney's fees and costs:

4 SECTION 68. IC 24-5-16.5 IS ADDED TO THE INDIANA CODE
 5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2015]:

7 **Chapter 16.5. Disclosures Required in Motor Vehicle Leases**

8 **Sec. 1. As used in this chapter, "adjusted or net capitalized cost"**
 9 **means the capitalized cost, less any capitalized cost reduction**
 10 **payments made by a retail lessee at the inception of a lease**
 11 **agreement. The adjusted or net capitalized cost is the basis for**
 12 **calculating the amount of a retail lessee's periodic payment under**
 13 **a lease agreement.**

14 **Sec. 2. (a) As used in this chapter, "capitalized cost" means the**
 15 **amount that, after deducting any capitalized cost reduction, serves**
 16 **as the basis for determining the base lease payment, which is the**
 17 **part of the periodic lease payment that is the sum of:**

- 18 (1) the average periodic lease charge; plus
 19 (2) the average periodic depreciation.

20 **(b) For a single payment lease, the base lease payment is the sum**
 21 **of:**

- 22 (1) the average periodic lease charge multiplied by the
 23 number of months in the term of the lease; plus
 24 (2) the average periodic depreciation multiplied by the
 25 number of months in the term of the lease.

26 **(c) The capitalized cost may include any of the following:**

- 27 (1) Taxes.
 28 (2) Registration fees.
 29 (3) License fees.
 30 (4) Insurance charges.
 31 (5) Charges for guaranteed auto protection or GAP coverage.
 32 (6) Charges for service contracts and extended warranties.
 33 (7) Fees and charges for accessories and for installing
 34 accessories.
 35 (8) Charges for delivery, service, and repair.
 36 (9) Administrative fees, acquisition fees, and all fees or
 37 charges for providing services incidental to the lease
 38 agreement.
 39 (10) The unpaid balance of an amount financed under an
 40 outstanding motor vehicle loan agreement or motor vehicle
 41 retail installment contract with respect to a motor vehicle
 42 used as a trade-in vehicle.



- 1 (11) The unpaid part of the early termination obligation
2 under an outstanding lease agreement.
- 3 (12) The first periodic payment due at the inception of the
4 lease agreement, if not otherwise paid by the retail lessee.
- 5 Sec. 3. As used in this chapter, "capitalized cost reduction"
6 means a payment made by cash, check, credit card, debit card, net
7 vehicle trade-in, rebate, or other similar means in the nature of a
8 down payment or credit, made by a retail lessee at the inception of
9 a lease agreement, for the purpose of reducing the capitalized cost
10 and does not include any periodic payments received by the retail
11 lessor at the inception of the lease agreement.
- 12 Sec. 4. As used in this chapter, "lease agreement" means a
13 written agreement entered into in Indiana for the transfer from a
14 retail lessor to a retail lessee of the right to possess and use a motor
15 vehicle in exchange for consideration for a scheduled term
16 exceeding four (4) months, whether or not the retail lessee has the
17 option to purchase or otherwise become the owner of the motor
18 vehicle upon expiration of the agreement. The term does not
19 include an agreement that covers an absolute sale, a sale pending
20 approval, or a retail installment sale.
- 21 Sec. 5. As used in this chapter, "lease transaction" means a
22 presentation made to a retail lessee concerning a motor vehicle,
23 including a sales presentation or a document presented to the retail
24 lessee, resulting in the execution of a lease agreement.
- 25 Sec. 6. As used in this chapter, "retail lessee" means an
26 individual who executes a lease agreement for a motor vehicle from
27 a retail lessor primarily for personal, family, or household
28 purposes.
- 29 Sec. 7. As used in this chapter, "retail lessor" means a person
30 who regularly engages in the business of selling or leasing motor
31 vehicles and who offers or arranges a lease agreement for a motor
32 vehicle. The term includes an agent or affiliate who acts on behalf
33 of the retail lessor and excludes any assignee of the lease
34 agreement.
- 35 Sec. 8. As used in this chapter, "vehicle" has the meaning set
36 forth in IC 9-13-2-196.
- 37 Sec. 9. A retail lessor shall do the following:
- 38 (1) Comply with the requirements of Regulation M (12 CFR
39 213) for disclosure of gross capitalized cost, capitalized cost
40 reduction, and adjusted capitalized cost adopted under the
41 federal Truth in Lending Act (15 U.S.C. 1601 et seq.).
42 (2) Disclose to a retail lessee in a separate blocked section in



1 a lease agreement, in capital letters in at least 10 point bold
2 type the following:

3 THIS IS A LEASE AGREEMENT. THIS IS NOT A
4 PURCHASE AGREEMENT. PLEASE REVIEW THESE
5 MATTERS CAREFULLY AND SEEK INDEPENDENT
6 PROFESSIONAL ADVICE IF YOU HAVE ANY
7 QUESTIONS CONCERNING THIS TRANSACTION.
8 YOU ARE ENTITLED TO AN EXACT COPY OF THE
9 AGREEMENT YOU SIGN.

10 (3) Provide the retail lessee with a copy of each document
11 signed by the retail lessee during the course of the lease
12 transaction.

13 Sec. 10. A trade-in vehicle used, in whole or in part, to pay
14 amounts due at lease signing or delivery of a leased vehicle must be
15 identified:

- 16 (1) as a trade-in vehicle in the lease agreement; and
- 17 (2) by year, make, and model.

18 The lease agreement must state the net credit of the trade-in
19 vehicle used to pay amounts due at lease signing or delivery of the
20 leased vehicle.

21 Sec. 11. A bona fide printing error identified on the face of the
22 lease agreement does not constitute a violation of this chapter.

23 Sec. 12. (a) A retail lessor who fails to comply with the
24 requirements of this chapter is liable to the retail lessee for:

- 25 (1) actual damages sustained;
- 26 (2) a civil penalty of not more than one thousand dollars
27 (\$1,000) per lease transaction; and
- 28 (3) reasonable attorney's fees and costs.

29 (b) In addition to any other remedies provided by law, a retail
30 lessee may bring an action in circuit court to recover the damages,
31 penalties, and fees described in subsection (a).

32 (c) The total recovery of damages, penalties, and fees in a class
33 action civil suit brought under this section may not exceed one
34 hundred thousand dollars (\$100,000).

35 Sec. 13. A civil suit described under section 12 of this chapter
36 may be brought on behalf of a consumer by the attorney general.

37 Sec. 14. An action authorized by sections 12 and 13 of this
38 chapter must be brought not later than three (3) years after the
39 date the lease agreement is signed.

