

HOUSE BILL No. 1396

DIGEST OF HB 1396 (Updated January 28, 2015 1:05 pm - DI 96)

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

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. January 29, 2015, amended, reported — Do Pass.



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 IC 9-13-2-1.3 IS REPEALED [EFFECTIVE JULY 1,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
0	reclamation and sale of reusable components and parts; and
1	(3) disposes of recyclable materials to a scrap metal processor or
2	other appropriate facility; or
3	(4) performs any combination of these actions.
4	For purposes of this title, a disposal facility, a used parts dealer
5	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	(11) (9) a watercraft dealer; or
2	(12) (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 o
8	demolition of vehicles, motorcycles, semitrailers, or recreationa
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" mean
18	a person, other than a manufacturer or wholesale dealer, who i
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 recreationa
22	vehicle manufacturer.
23	SECTION 8. IC 9-13-2-45.2 IS ADDED TO THE INDIANA CODI
24	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25	1, 2015]: Sec. 45.2. "Distributor representative", for purposes o
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 o
37	assembling vehicles, of a type required to be registered under IC 9-18

(b) "Manufacturer", for purposes of IC 9-23, IC 9-32, means a person who is engaged in the business of manufacturing or assembling

at an established place of business. The term does not include a

converter manufacturer, an automotive mobility dealer, or a



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41 42 recreational vehicle manufacturer.

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

- (1) A factory branch office of the manufacturer.
- (2) An authorized representative of the manufacturer.
- (3) (2) A partnership, a firm, an association, a joint venture, a limited liability company, a corporation, or a trust, resident or nonresident, that is controlled by the manufacturer.

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

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

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

- (b) "Person", for purposes of IC 9-14-3.5, does not include the state or an agency of the state.
- (c) "Person", for purposes of IC 9-20-14, IC 9-20-15, and IC 9-20-18-13(b), means a mobile home or sectionalized building transport company, mobile home or sectionalized building manufacturer, mobile home or sectionalized building dealer, or mobile home or sectionalized building owner.
- (d) "Person", for purposes of IC 9-23, IC 9-32, means an individual, a corporation, a limited liability company, an association, a partnership, a trust, or other entity. The term does not include the state, an agency of the state, or a municipal corporation.

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

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

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

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	SECT	ON	J 17.	IC 9	9-29-17-4,	, AS	AME	NDED I	3Y P.	L.216-2	014
SE	CTION	1	152,	IS	AMEND	ED	TO	READ	AS	FOLLC)WS
[El	FFECT	IVI	E JUL	Y 1	, 2015]: Se	ec. 4. ((a) Th	e fee for	the is	suance o	of an
int	erim d	eale	er lice	ense	plate und	er IC	9-32-	-6-11 is	three	dollars ((\$3).
Th	ere is a	n a	dditic	onal	service cl	arge (of two	o dollars	(\$2).		

- (b) Fees collected under subsection (a) shall be deposited as set forth in section 14(c) of this chapter.
- (c) Service charges collected under this section shall be deposited in the crossroads 2000 fund.

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

- (1) buys or sells vehicles, or both;
- (2) sells, installs, or services, offers to sell, install, or service, or solicits or advertises the sale, installation, or servicing of equipment or modifications specifically designed to facilitate use or operation of a vehicle by an individual who is disabled or aged; or
- (3) performs acts described in both subdivisions (1) and (2); is twenty dollars (\$20). The fees collected shall be deposited as set forth in IC 9-32-7-3.

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

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

(b) The secretary retains the fees collected under subsection (a). SECTION 21. IC 9-32-2-2 IS REPEALED [EFFECTIVE JULY 1, 2015]. Sec. 2. "Adjusted or net capitalized cost" means the capitalized cost, less any capitalized cost reduction payments made by a retail lessee at the inception of a lease agreement. The adjusted or net 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	eash, check, credit eard, debit eard, 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

CODE AS A **NEW** SECTION TO READ AS FOLLOWS



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

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

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

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

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

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

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

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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

shall pay to the purchaser or transferee the purchase price plus sales



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

- (e) For purposes of this subsection, "timely deliver", with respect to a third party, means to deliver to the purchaser or transferee with a postmark dated or hand delivered not more than ten (10) business days after there is no obligation secured by the vehicle. If the dealer's inability to timely deliver a valid certificate of title results from the acts or omissions of a third party who has failed to timely deliver a valid certificate of title to the dealer, the dealer is entitled to claim against the third party one hundred dollars (\$100). If:
 - (1) the dealer's inability to timely deliver a valid certificate of title results from the acts or omissions of a third party who has failed to timely deliver the certificate of title in the third party's possession to the dealer; and
 - (2) the failure continues for ten (10) business days after the dealer gives the third party written notice of the failure;

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

- (f) If a vehicle for which a certificate of title has been issued by another state is sold or delivered, the person selling or delivering the vehicle shall deliver to the purchaser or receiver of the vehicle a proper certificate of title with an assignment of the certificate of title in a form prescribed by the bureau.
- (g) A dealer shall make payment to a third party to satisfy any obligation secured by the vehicle within ten (10) days after the date of sale.
- (h) Except as provided in subsection (i), a person who violates this section commits a Class C infraction.
- (i) A person who knowingly or intentionally violates subsection (a)(1), (a)(2), or (d) commits a Class B misdemeanor.
- (j) For purposes of this section, "deliver the certificate of title" means to deliver the certificate of title to the purchaser or transferee by postmark dated mail, certified mail with return receipt, or hand delivery.

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



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

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

(1) a certificate of title;

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

for a motor vehicle, semitrailer, or recreational vehicle in the manufacturer's, converter manufacturer's, automotive mobility dealer's, or dealer's possession.

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

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

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

in the manufacturer's, converter manufacturer's, automotive mobility dealer's, or dealer's place of business during reasonable business hours.



- 11 (b) A certificate of title, a certificate of origin, and any other proof 1 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) certificates of registration and two (2) metal license plates bearing the 12 13 registration number of the applicant shall then be issued to the applicant. A dealer may apply for and receive additional dealer plates 14 15 as set forth in section 5 of this chapter. SECTION 36. IC 9-32-6-2, AS AMENDED BY P.L.62-2014, 16 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.

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

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

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

- (1) dealer's inventory being held for sale;
- (2) usual operation of the manufacturer's or dealer's business;
- (3) movement of the manufacturer's or dealer's inventory; or
- 42 (4) inventory of a manufacturer or dealer that is unattended by the



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lealer or the dealer's agent for a maximum of ten ospective buyer or a service customer. es referenced in subsection (a) must be: d or stored at an address within Indiana; or a vehicle being transported for purposes of sale tana dealer. Indiates this section commits a Class A infraction. In the indiates this section commits a Class A infraction. In the indiates and in the indiates the issued or displayed after June 30, 2015. 19-32-6-8, AS AMENDED BY P.L.62-2014, NDED TO READ AS FOLLOWS [EFFECTIVE B. Dealer-new, dealer-used, manufacturer, and se plates may be used without restriction by a
es referenced in subsection (a) must be: d or stored at an address within Indiana; or a vehicle being transported for purposes of sale fana dealer. blates this section commits a Class A infraction. on expires January 1, 2016. A dealer-wholesale be issued or displayed after June 30, 2015. 9-32-6-8, AS AMENDED BY P.L.62-2014, NDED TO READ AS FOLLOWS [EFFECTIVE B. Dealer-new, dealer-used, manufacturer, and
d or stored at an address within Indiana; or a vehicle being transported for purposes of sale tana dealer. blates this section commits a Class A infraction. on expires January 1, 2016. A dealer-wholesale is issued or displayed after June 30, 2015. 9-32-6-8, AS AMENDED BY P.L.62-2014, NDED TO READ AS FOLLOWS [EFFECTIVE B. Dealer-new, dealer-used, manufacturer, and
a vehicle being transported for purposes of sale ana dealer. blates this section commits a Class A infraction. on expires January 1, 2016. A dealer-wholesale be issued or displayed after June 30, 2015. 9-32-6-8, AS AMENDED BY P.L.62-2014, NDED TO READ AS FOLLOWS [EFFECTIVE B. Dealer-new, dealer-used, manufacturer, and
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3. Dealer-new, dealer-used, manufacturer, and
se plates may be used without restriction by a
se places may be used without restriction by a
, or an employee of a manufacturer or a dealer
the use is in compliance with section 7 of this
oted by the secretary to prohibit use of the plates
yment of applicable taxes. However, a
se plate may not be used or displayed after June
-32-6-9 IS REPEALED [EFFECTIVE JULY 1,
aler-new, dealer-used, manufacturer, and
se plates may be used without restriction by a
or a designee of a manufacturer under rules
ry. The rules must provide the following:
r manufacturer is to be assessed and pay the
ise tax under IC 6-6-5 attributable to that part of
the designee operates the motor vehicle.
manufacturer shall report to the secretary the
ent to a designee, the designee's name and
late of termination of the assignment within ten
e assignment or termination.
alated in subdivision (1) shall be paid within
after the termination of the assignment to the
te time the dealer or manufacturer purchases
ler this chapter.
holesale license plate may not be used or
), 2015.
2-32-6-12, AS AMENDED BY P.L 217-2014,
AMENDED TO READ AS FOLLOWS
, 2015]: Sec. 12. (a) A dealer that may not
ally: issues

(1) issue an altered interim license plate or an interim license



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 1 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]. See. 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 (1) of the activities
32	specified in section 1 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]. See: 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
l 1	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	1 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. An automotive salvage
34	recycler.
35	(6) A watercraft dealer.
36	(6) (7) A manufacturer.
37	(7) A manufacturer representative.
38	(8) A transfer dealer.
39	(9) Before July 1, 2015, a wholesale dealer.
10	(10) An automotive mobility dealer.
11	(b) An automotive mobility dealer who engages in the business of:
12	(1) selling, installing, or servicing;



1	(2) offering to sell, install, or service; or
2	(3) soliciting or advertising the sale, installation, or servicing of
3	equipment or modifications specifically designed to facilitate use or
4	operation of a vehicle by an individual who is disabled or aged must be
5	licensed under this article.
6	(c) An automotive mobility dealer that fails to be licensed under this
7	article and engages in the businesses described in subsection (b)
8	commits a Class A infraction.
9	SECTION 54. IC 9-32-11-2, AS AMENDED BY P.L.62-2014,
10	SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11	JULY 1, 2015]: Sec. 2. (a) An application for a license under this
12	chapter must:
13	(1) be accompanied by payment of the applicable fee required
14	under IC 9-29-17;
15	(2) be on a form prescribed by the secretary;
16	(3) contain the information the secretary considers necessary to
17	enable the secretary to determine fully:
18	(A) the qualifications and eligibility of the applicant to receive
19	the license;
20	(B) the location of each of the applicant's places of business in
21	Indiana; and
22	(C) (B) the ability of the applicant to conduct properly the
23	business for which the application is submitted; and
24	(4) contain evidence of a bond required in subsection (e).
25	An application for a wholesale dealer license must contain the
26	additional information required in section 3 of this chapter. The
27	secretary of state may not accept an application for a wholesale dealer
28	license after June 30, 2015.
29	(b) An application for a license as a dealer must show whether the
30	applicant proposes to sell new or used motor vehicles, or both.
31	(c) An applicant who proposes to use the Internet or another
32	computer network to facilitate the sale of motor vehicles to consumers
33	in Indiana shall if the applicant's activities may result in the creation of
34	business maintain all records outside at the established place of
35	business in Indiana. provide the division with the name, address, and
36	telephone number of the person who has control of those business
37	records. The secretary may not issue a license to a dealer who transacts
38	business in this manner and does not have an established place of
39	business in Indiana, except as proved under section 11(h) of this
40	chapter.

(d) The application must include an affidavit from:

(1) the person charged with enforcing a zoning ordinance, if one



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1	exists; or
2	(2) the zoning enforcement officer under IC 36-7-4, if one exists;
3	who has jurisdiction over the real property where the applicant wants
4	to operate as a dealer. If there is no person or officer that has
5	jurisdiction over the real property, the application must be
6	accompanied by a statement to that effect from the executive of the
7	unit in which the real property is located. The affidavit must state
8	that the proposed location is zoned for the operation of a dealer's
9	establishment. The applicant may file the affidavit at any time after the
10	filing of the application. However, the secretary may not issue a license
11	until the applicant files the affidavit or the statement.
12	(e) Except as provided in subsection (g), a licensee shall maintain
13	a bond satisfactory to the secretary in the amount of twenty-five
14	thousand dollars (\$25,000). The bond must:
15	(1) be in favor of the state; and
16	(2) secure payment of fines, penalties, costs, and fees assessed by
17	the secretary after:
18	(A) notice;
19	(B) opportunity for a hearing; and
20	(C) opportunity for judicial review; and
21	in addition to securing (3) secure the payment of damages to a
22	person aggrieved by a violation of this article by the licensee after
23	a judgment has been issued.
24	(f) Service under this chapter shall be made in accordance with the
25	Indiana Rules of Trial Procedure.
26	(g) Instead of meeting the requirement in subsection (e), a licensee
27	may submit to the secretary evidence that the licensee is a member of
28	a risk retention group that is regulated by the Indiana department of
29	insurance.
30	SECTION 55. IC 9-32-11-5, AS AMENDED BY P.L.62-2014,
31	SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32	JULY 1, 2015]: Sec. 5. A manufacturer, distributor, or dealer proposing
33	to sell new motor vehicles shall file and maintain with the secretary:
34	(1) a current copy of each franchise to which the person dealer is
35	a party; or
36	(2) if the person dealer is a party to multiple franchises that are
37	identical except for stated items, a copy of the franchise form with
38	supplemental schedules of variations from the form.
39	SECTION 56. IC 9-32-11-6, AS AMENDED BY P.L.62-2014,
40	SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41	JULY 1, 2015]: Sec. 6. (a) The license issued to a dealer under this



chapter:

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



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completing an application with the secretary and indicate the name and address of the licensee's new employer: to add the distributor representative or manufacturer representative to the license; and

- (2) paying the applicable fee required under IC 9-29-17.
- (b) Any change to the certification of the distributor representative or manufacturer representative must be submitted to the secretary not later than ten (10) days after the change. The secretary shall endorse the change on the license and return the license to the licensee in care of the new employer of the licensee. certification. A representative or, before July 1, 2015, wholesale dealer must have a license certification when engaged in business and shall display the license certification upon request. A temporary license for a representative may be issued for a period of not more than one hundred twenty (120) days pending investigation by the secretary of the representative's qualification for a license.

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

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

- (b) The secretary may not issue an offsite sales license **permit** to a dealer who does not have an established place of business within Indiana.
- (c) This subsection does not apply to: The secretary may not issue an offsite sales permit to a licensed dealer proposing to conduct a sale outside a radius of twenty (20) miles from the established place of business of the licensed dealer. The following may conduct an offsite sale with an offsite sales permit outside a radius of twenty (20) miles from the established place of business of the licensed dealer:
 - (1) New manufactured housing dealers.



1	(2) Recreational vehicle dealers.
2	(3) A rental company that is a dealer conducting a sale at a site
3	within twenty (20) miles of any of its company owned affiliates.
4	(4) Off-road vehicle dealers. or
5	(5) Dealers of vehicles classified as classic, collector, or antique
6	under rules adopted under section 18(a)(2)(B) of this chapter.
7	The secretary may not issue an offsite sales license to a licensed dealer
8	proposing to conduct a sale outside a radius of twenty (20) miles from
9	the established place of business of the licensed dealer.
10	(d) A vehicle display is not considered an offsite sale if it is
11	conducted by a new vehicle franchised dealer in an open area where no
12	sales personnel and no sales material are present.
13	(e) The secretary may not issue an offsite sales license permit to a
14	licensed dealer proposing to conduct an offsite sale for more than ten
15	(10) calendar days.
16	(f) As used in this subsection, "executive" has the meaning set forth
17	in IC 36-1-2-5. The secretary may not issue an offsite sales license
18	permit to a licensed dealer if the dealer does not have certification that
19	the offsite sale would be in compliance with local zoning ordinances or
20	other local ordinances. Authorization under this subsection may be
21	obtained only from the following:
22	(1) If the offsite sale would be located within the corporate
23	boundaries of a city or town, the executive of the city or town.
24	(2) If the offsite sale would be located outside the corporate
25	boundaries of a city or town:
26	(A) except as provided in clause (B), the executive of the
27	county; or
28	(B) if the city or town exercises zoning jurisdiction under
29	IC 36-7-4-205(b) over the area where the offsite sale would be
30	located, the executive of the city or town.
31	(g) The secretary may not issue an offsite sales license permit to a
32	licensed dealer who has held more than three (3) nonconsecutive
33	offsite sales in the year ending on the date of the offsite sale for which
34	the license permit application is being submitted.
35	(h) Section 2(c) of this chapter does not apply to the application or
36	issuance of an offsite sales license permit under this section.
37	SECTION 60. IC 9-32-11-11.5 IS ADDED TO THE INDIANA
38	CODE AS A NEW SECTION TO READ AS FOLLOWS
39	[EFFECTIVE JULY 1, 2015]: Sec. 11.5. (a) A person that is a
40	licensed dealer in a state other than Indiana may apply for an
41	out-of-state dealer special event permit from the secretary for a

special event auction if the following conditions are met:



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



(1) Notify the secretary of the date that the business activity will

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

(2) Discriminating against the dealer in the allocation of motor



1	vehicles.
2	(3) Charging back or withholding payments or other consideration
3	for which a dealer is eligible under a warranty reimbursement,
4	sales promotion, incentive program, or contest.
5	(4) Disqualifying a dealer from participating in a sales promotion,
6	incentive program, or contest.
7	(5) Terminating a franchise.
8	SECTION 64. IC 9-32-13-20, AS ADDED BY P.L.92-2013,
9	SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10	JULY 1, 2015]: Sec. 20. It is an unfair practice for an automobile
11	auctioneer, a wholesale dealer, or a transfer dealer, any person
12	required to be licensed under this article, in connection with the
13	auctioneer's or dealer's person's business, to use false, deceptive, or
14	misleading advertising or to engage in deceptive acts or practices.
15	SECTION 65. IC 9-32-16-2, AS AMENDED BY P.L.62-2014,
16	SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17	JULY 1, 2015]: Sec. 2. (a) An order issued under this article may deny
18	a dealer license application for registration if the secretary finds that
19	the order is in the public interest and subsection (c) authorizes the
20	action. An order may condition or limit the license of an applicant to
21	be a dealer and, if the applicant for a dealer license is a partner, officer,
22	director, or person having similar status or performing similar
23	functions, or a person directly or indirectly in control of the dealership,
24	the order may condition or limit the license.
25	(b) If the secretary finds that an order is in the public interest and
26	subsection (c) authorizes the action, an order issued under this article
27	may deny, revoke, suspend, condition, limit, or permanently bar the
28	granting of a license to or an application for a license from a dealer, or
29	a partner, an officer, a director, or a person having a similar status or
30	performing similar functions as a dealer, or a person directly or
31	indirectly in control of the dealer. However, the secretary may not:
32	(1) institute a revocation or suspension proceeding under this
33	subsection based on an order issued under the law of another state
34	that is reported to the secretary or a designee of the secretary more
35	than one (1) year after the date of the order on which it is based;
36	or
37	(2) issue an order on the basis of an order issued under the dealer
38	services laws of another state unless the other order was based on
39	conduct for which subsection (c) would authorize the action had
40	the conduct occurred in Indiana.

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

(1) has filed an application for a dealer license in Indiana under



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1	this article, or its predecessor, within the previous ten (10) years,
2	which, as of the effective date of license or registration or as of
3	any date after filing in the case of an order denying effectiveness,
4	was incomplete as to a material fact or contained a statement that,
5	in light of the circumstances under which it was made, was false
6	or misleading with respect to a material fact;
7	(2) knowingly violated or knowingly failed to comply with this
8	article, or its predecessor, within the previous ten (10) years;
9	(3) has been convicted of a:
10	(A) felony within the previous ten (10) years;
11	(B) felony or misdemeanor involving theft or fraud; or
12	(C) felony or misdemeanor concerning an aspect of business
13	involving the offer, sale, financing, repair, modification, or
14	manufacture of a vehicle;
15	(4) is enjoined or restrained by a court with jurisdiction in an
16	action instituted by a state or the United States from engaging in
17	or continuing an act, practice, or course of business involving an
18	aspect of a business involving the offer, barter, sale, purchase,
19	transfer, financing, repair, or manufacture of a vehicle;
20	(5) refuses to allow or otherwise impedes the secretary from
21	conducting an audit or inspection;
22	(6) has engaged in dishonest or unethical practices in a business
23	involving the offer, barter, sale, purchase, transfer, financing,
24	repair, or manufacture of a vehicle within the previous ten (10)
25	years;
26	(7) is engaging in unfair practices as set forth in this article;
27	(8) is on the most recent tax warrant list supplied to the secretary
28	by the department of state revenue;
29	(9) violates IC 23-2-2.7;
30	(10) violates IC 9-19-9;
31	(11) willfully violates federal or state law relating to the sale,
32	distribution, financing, or insuring of motor vehicles; or
33	(12) is not compliant with local, state, or federal laws and
34	regulations regarding a dealer license or dealer business.
35	(d) The secretary may revoke , suspend, or deny an application
36	impose fines and costs, restrict, condition, limit, bar, suspend, or
37	rescind a dealer license, or order restitution, or do any combination of
38	these actions before final determination of an administrative
39	proceeding. Upon the issuance of an order, the secretary shall promptly
40	notify each person subject to the order:
41	(1) that the order has been issued;



(2) the reasons for the action; and

(3) that within fifteen (15) days after the receipt of a request in a
record from the person the matter will be scheduled for a hearing
If a hearing is not requested and no hearing is ordered by the secretary
within thirty (30) days after the date of service of the order, the order
becomes final by operation of law. If a hearing is requested or ordered
the secretary, after notice of and opportunity for hearing to each person
subject to the order, may modify or vacate the order or extend the order
until final determination.
(e) After a hearing, the secretary may suspend or deny ar
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- (e) After a hearing, the secretary may suspend or deny an application, impose fines and costs, restrict, condition, limit, bar, suspend, or rescind a dealer license, or order restitution, or do any combination of these actions.
- (f) Revocation or suspension of a license of a manufacturer, a distributor, a dealer, or an automobile auctioneer may be limited to one (1) or more locations, to one (1) or more defined areas, or only to certain aspects of the business.
- (g) Except as provided in subsection (d), an order may not be issued under this section without:
 - (1) appropriate notice to the applicant or registrant;
 - (2) an opportunity for a hearing; and
 - (3) reasons for the action.
- (h) A person that controls, directly or indirectly, a person not in compliance with this section may be disciplined by order of the secretary under subsections (a) and (b) to the same extent as the noncomplying person, unless the controlling person did not know, and in the exercise of reasonable care could not have known, of the existence of conduct that is a ground for discipline under this section.
- (i) A person subject to this chapter that has not been issued a license is subject to the same disciplinary fines, costs, and penalties as if a license had been issued.

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

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



1	(1) actual damages sustained;
2	(2) a civil penalty of not more than one thousand dollars (\$1,000)
3	per lease transaction; and
4	(3) reasonable attorney's fees and costs.
5	SECTION 68. IC 24-5-16.5 IS ADDED TO THE INDIANA CODE
6	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
7	JULY 1, 2015]:
8	Chapter 16.5. Disclosures Required in Motor Vehicle Leases
9	Sec. 1. As used in this chapter, "adjusted or net capitalized cost"
0	means the capitalized cost, less any capitalized cost reduction
1	payments made by a retail lessee at the inception of a lease
2	agreement. The adjusted or net capitalized cost is the basis for
3	calculating the amount of a retail lessee's periodic payment under
4	a lease agreement.
5	Sec. 2. (a) As used in this chapter, "capitalized cost" means the
6	amount that, after deducting any capitalized cost reduction, serves
7	as the basis for determining the base lease payment, which is the
8	part of the periodic lease payment that is the sum of:
9	(1) the average periodic lease charge; plus
20	(2) the average periodic depreciation.
1	(b) For a single payment lease, the base lease payment is the sum
22	of:
23 24	(1) the average periodic lease charge multiplied by the
	number of months in the term of the lease; plus
25	(2) the average periodic depreciation multiplied by the
.6	number of months in the term of the lease.
27	(c) The capitalized cost may include any of the following:
28	(1) Taxes.
9	(2) Registration fees.
0	(3) License fees.
1	(4) Insurance charges.
2	(5) Charges for guaranteed auto protection or GAP coverage.
3	(6) Charges for service contracts and extended warranties.
4	(7) Fees and charges for accessories and for installing
5	accessories.
6	(8) Charges for delivery, service, and repair.
7	(9) Administrative fees, acquisition fees, and all fees or
8	charges for providing services incidental to the lease
9	agreement.
0	(10) The unpaid balance of an amount financed under an
1	outstanding motor vehicle loan agreement or motor vehicle
. /	reigii installment contract with respect to a motor vahiolo



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

reduction, and adjusted capitalized cost adopted under the

federal Truth in Lending Act (15 U.S.C. 1601 et seq.).



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1	(2) Disclose to a retail lessee in a separate blocked section in
2	a lease agreement, in capital letters in at least 10 point bold
3	type the following:
4	THIS IS A LEASE AGREEMENT. THIS IS NOT A
5	PURCHASE AGREEMENT. PLEASE REVIEW THESE
6	MATTERS CAREFULLY AND SEEK INDEPENDENT
7	PROFESSIONAL ADVICE IF YOU HAVE ANY
8	QUESTIONS CONCERNING THIS TRANSACTION.
9	YOU ARE ENTITLED TO AN EXACT COPY OF THE
10	AGREEMENT YOU SIGN.
11	(3) Provide the retail lessee with a copy of each document
12	signed by the retail lessee during the course of the lease
13	transaction.
14	Sec. 10. A trade-in vehicle used, in whole or in part, to pay
15	amounts due at lease signing or delivery of a leased vehicle must be
16	identified:
17	(1) as a trade-in vehicle in the lease agreement; and
18	(2) by year, make, and model.
19	The lease agreement must state the net credit of the trade-in
20	vehicle used to pay amounts due at lease signing or delivery of the
21	leased vehicle.
22	Sec. 11. A bona fide printing error identified on the face of the
23	lease agreement does not constitute a violation of this chapter.
24	Sec. 12. (a) A retail lessor who fails to comply with the
25	requirements of this chapter is liable to the retail lessee for:
26	(1) actual damages sustained;
27	(2) a civil penalty of not more than one thousand dollars
28	(\$1,000) per lease transaction; and
29	(3) reasonable attorney's fees and costs.
30	(b) In addition to any other remedies provided by law, a retail
31	lessee may bring an action in circuit court to recover the damages,
32	penalties, and fees described in subsection (a).
33	(c) The total recovery of damages, penalties, and fees in a class
34	action civil suit brought under this section may not exceed one
35	hundred thousand dollars (\$100,000).
36	Sec. 13. A civil suit described under section 12 of this chapter
37	may be brought on behalf of a consumer by the attorney general.
38	Sec. 14. An action authorized by sections 12 and 13 of this
39	chapter must be brought not later than three (3) years after the
40	date the lease agreement is signed.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1396, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, line 29, after "The" strike "license" and insert "permit".

Page 16, line 33, strike "A".

Page 16, line 33, after "representative." insert "An automotive".

Page 16, line 33, delete "dealer." and insert "recycler.".

Page 20, line 36, delete "for" and insert "from".

and when so amended that said bill do pass.

(Reference is to HB 1396 as introduced.)

SOLIDAY

Committee Vote: yeas 10, nays 0.

