

SENATE BILL No. 30

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-32.

Synopsis: Certificates of title and motor vehicle dealers. Provides that a vehicle dealer that fails to deliver a certificate of title to the purchaser or transferee within 21 days after the date of sale or transfer is subject to the following civil penalties: (1) \$1,000 for the first violation in a calendar year. (2) \$1,500 for the second violation in a calendar year. (3) \$2,000 for all subsequent violations in a calendar year. (Current law provides for civil penalties of \$100, \$250, and \$500.)

Effective: July 1, 2015.

Kruse

January 6, 2015, read first time and referred to Committee on Civil Law.



First Regular Session 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.

SENATE BILL No. 30



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 9-32-4-1, AS AMENDED BY P.L.217-2014,
2 SECTION 163, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) If a vehicle for which a
4 certificate of title has been issued is sold or if the ownership of the
5 vehicle is transferred in any manner other than by a transfer on death
6 conveyance under IC 9-17-3-9, in addition to complying with
7 IC 9-17-3-3.4, the person who holds the certificate of title must do the
8 following:
9 (1) In the case of a sale or transfer between vehicle dealers
10 licensed by this state or another state, deliver the certificate of
11 title within twenty-one (21) days after the date of the sale or
12 transfer.
13 (2) Deliver the certificate of title to the purchaser or transferee
14 within twenty-one (21) days after the date of sale or transfer to the
15 purchaser or transferee of the vehicle, if all the following
16 conditions exist:



- 1 (A) The seller or transferor is a vehicle dealer licensed by the
 2 state under this article.
- 3 (B) The vehicle dealer is not able to deliver the certificate of
 4 title at the time of sale or transfer.
- 5 (C) The vehicle dealer provides the purchaser or transferee
 6 with an affidavit under section 2 of this chapter.
- 7 (D) The purchaser or transferee has made all agreed upon
 8 initial payments for the vehicle, including delivery of a
 9 trade-in vehicle without hidden or undisclosed statutory liens.
- 10 (b) A licensed dealer may offer for sale a vehicle for which the
 11 dealer does not possess a certificate of title, if the dealer can comply
 12 with subsection (a)(1) or (a)(2) at the time of the sale.
- 13 (c) A vehicle dealer who fails to deliver a certificate of title within
 14 the time specified under this section is subject to the following civil
 15 penalties:
- 16 (1) One ~~hundred thousand~~ **hundred thousand** dollars ~~(\$100)~~ **(\$1,000)** for the first
 17 violation in a calendar year.
- 18 (2) ~~Two hundred fifty~~ **One thousand five hundred** dollars ~~(\$250)~~
 19 **(\$1,500)** for the second violation in a calendar year.
- 20 (3) ~~Five hundred~~ **Two thousand** dollars ~~(\$500)~~ **(\$2,000)** for all
 21 subsequent violations in a calendar year.
- 22 Payment shall be made to the secretary of state and deposited in the
 23 dealer enforcement account established under IC 9-32-7-2.
- 24 (d) If a purchaser or transferee does not receive a valid certificate of
 25 title within the time specified by this section, the purchaser or
 26 transferee has the right to return the vehicle to the vehicle dealer ten
 27 (10) days after giving the vehicle dealer written notice demanding
 28 delivery of a valid certificate of title and the dealer's failure to deliver
 29 a valid certificate of title within that ten (10) day period. Upon return
 30 of the vehicle to the dealer in the same or similar condition as delivered
 31 to the purchaser or transferee under this section, the vehicle dealer
 32 shall pay to the purchaser or transferee the purchase price plus sales
 33 taxes, finance expenses, insurance expenses, and any other amount
 34 paid to the dealer by the purchaser or transferee.
- 35 (e) For purposes of this subsection, "timely deliver", with respect to
 36 a third party, means to deliver to the purchaser or transferee with a
 37 postmark dated or hand delivered not more than ten (10) business days
 38 after there is no obligation secured by the vehicle. If the dealer's
 39 inability to timely deliver a valid certificate of title results from the acts
 40 or omissions of a third party who has failed to timely deliver a valid
 41 certificate of title to the dealer, the dealer is entitled to claim against
 42 the third party one hundred dollars (\$100). If:



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

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

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

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

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

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

23 SECTION 2. IC 9-32-17-7, AS ADDED BY P.L.262-2013,
 24 SECTION 142, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2015]: Sec. 7. A person who fails to deliver a
 26 certificate of origin or title under IC 9-32-5-2 or IC 9-32-5-8 or fails to
 27 deliver timely a certificate of title under IC 9-32-4-1(c) is subject to the
 28 following civil penalties:

29 (1) One ~~hundred thousand~~ **dollars (\$100) (\$1,000)** for the first
 30 violation in a calendar year.

31 (2) ~~Two hundred fifty~~ **One thousand five hundred** dollars (~~\$250~~)
 32 **(\$1,500)** for the second violation in a calendar year.

33 (3) ~~Five hundred~~ **Two thousand** dollars (~~\$500~~) **(\$2,000)** for all
 34 subsequent violations in a calendar year.

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

