

# SENATE BILL No. 110

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 9-25.

**Synopsis:** Impoundment of uninsured driver's vehicle. Authorizes law enforcement to impound a motor vehicle of a person who operates or permits the operation of a motor vehicle on a public highway without proof of financial responsibility. Requires the owner or lessee of the motor vehicle (or the owner's or lessee's authorized agent) to pay civil penalties and fees and show proof of financial responsibility to recover possession of the motor vehicle.

**Effective:** July 1, 2017.

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## Kruse

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January 4, 2017, read first time and referred to Committee on Insurance and Financial Institutions.

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First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## SENATE BILL No. 110

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 9-25-6.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2017]:

4 **Chapter 6.5. Impoundment of Motor Vehicle During Lawful**  
5 **Traffic Stop**

6 **Sec. 1. During a lawful traffic stop of a motor vehicle by a law**  
7 **enforcement officer on a public highway, the law enforcement**  
8 **officer may request the owner, lessee, or operator of the motor**  
9 **vehicle to provide proof of financial responsibility for the motor**  
10 **vehicle. If the owner, lessee, or operator of the motor vehicle fails**  
11 **or refuses to provide proof of financial responsibility upon request**  
12 **of the law enforcement officer, the law enforcement officer:**

13 (1) **may immediately impound the motor vehicle; and**  
14 (2) **shall inform the owner, lessee, or operator of the motor**  
15 **vehicle of the procedure for regaining possession of the**  
16 **impounded motor vehicle, as set forth in this chapter.**

17 **Sec. 2. (a) To regain possession of a motor vehicle impounded**



1 under this chapter, the owner or lessee of the motor vehicle (or the  
 2 owner's or lessee's authorized agent) must present to the bureau  
 3 proof that financial responsibility, in one (1) of the forms required  
 4 under IC 9-25-4 and in an amount sufficient to satisfy the  
 5 requirements of IC 9-25-4, is in effect with respect to the motor  
 6 vehicle. The proof may be presented in one (1) of the following  
 7 forms:

8 (1) Proof that a policy or policies of operator or motor vehicle  
 9 liability insurance, as applicable, have been obtained and are  
 10 in full force and effect. A certificate of compliance executed by  
 11 an officer or agent of the insurer, in accordance with  
 12 IC 9-25-5-5 and IC 9-25-5-6, is sufficient to satisfy this  
 13 requirement.

14 (2) Proof that a bond in compliance with IC 9-25-4-9 has been  
 15 executed. A certificate of compliance executed by an officer or  
 16 agent of the bond company or surety, in accordance with  
 17 IC 9-25-5-6, is sufficient to satisfy this requirement.

18 (3) Proof that deposit has been made of money or securities  
 19 with the state treasurer. A receipt from the state treasurer, in  
 20 accordance with IC 9-25-4-10, is sufficient to satisfy this  
 21 requirement.

22 (b) Upon presentation to the bureau of proof that financial  
 23 responsibility is in effect with respect to the motor vehicle as  
 24 provided in subsection (a), the bureau shall issue to the owner or  
 25 lessee of the motor vehicle a release from impoundment order.

26 (c) To obtain the release of the motor vehicle from  
 27 impoundment, the owner or lessee of the motor vehicle (or the  
 28 owner's or lessee's authorized agent), within five (5) business days  
 29 after obtaining a release from impoundment order from the  
 30 bureau under subsection (b), must:

31 (1) present the release from impoundment order to a  
 32 designated official at the impound lot where the motor vehicle  
 33 is impounded; and

34 (2) pay to a designated official at the impound lot where the  
 35 motor vehicle is impounded:

36 (A) an uninsured motorist civil penalty of two hundred  
 37 dollars (\$200), which the designated official at the impound  
 38 lot shall forward to the bureau of motor vehicles for  
 39 deposit in the financial responsibility compliance  
 40 verification fund under IC 9-25-9-7; and

41 (B) a storage fee of fifteen dollars (\$15) for every day the  
 42 motor vehicle remains in the impound lot, as compensation



- 1                   to the owner of the impound lot for storage expenses  
2                   incurred.
- 3           **Sec. 3. (a) The bureau shall establish a system for the issuance**  
4 **of release from impoundment orders under the conditions set forth**  
5 **in section 2 of this chapter.**
- 6           **(b) A release from impoundment order issued by the bureau**  
7 **under section 2 of this chapter:**
- 8                   **(1) must be dated; and**  
9                   **(2) expires on the fifth business day after the date of issuance**  
10 **by the bureau.**
- 11           **Sec. 4. The civil penalties and fees imposed under this chapter**  
12 **are in addition to any other penalty imposed for a violation of this**  
13 **article.**
- 14           SECTION 2. IC 9-25-9-7, AS AMENDED BY P.L.198-2016,  
15 SECTION 549, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) The financial responsibility  
17 compliance verification fund is established to defray expenses incurred  
18 by the bureau in verifying compliance with financial responsibility  
19 requirements under this chapter.
- 20           (b) The expenses of administering the fund shall be paid from  
21 money in the fund.
- 22           (c) The sources of money for the fund are as follows:
- 23                   (1) The portion of the driving license reinstatement fee that is to  
24                   be deposited in the fund under IC 9-25-6-15.  
25                   (2) Accrued interest and other investment earnings of the fund.  
26                   (3) Appropriations made by the general assembly.  
27                   (4) Gifts and donations from any person to the fund.  
28                   **(5) Deposits from the uninsured motorist civil penalty under**  
29 **IC 9-25-6.5.**
- 30           (d) The treasurer of state shall invest the money in the fund not  
31 currently needed to meet the obligations of the fund in the same  
32 manner as other public funds may be invested.
- 33           (e) Money in the fund at the end of a state fiscal year does not revert  
34 to the state general fund.

