



January 24, 2024

SENATE BILL No. 222

DIGEST OF SB 222 (Updated January 23, 2024 10:44 am - DI 151)

Citations Affected: IC 9-32.

Synopsis: Automobile dealers. Requires a purchaser, customer, or transferee of a rebuilt or salvage vehicle to sign a written acknowledgment of receipt of the disclosure for a rebuilt or salvage vehicle. Requires the dealer services division of the secretary to prescribe the form of the written disclosure for a rebuilt or salvage vehicle. Establishes a required training course that an applicant for a used motor vehicle dealer license must complete in order to obtain a used motor vehicle dealer license. Requires dealers to be able to provide to the secretary dealer records in an electronic format. Requires any item that is not a part of the base price of a motor vehicle to be a separate line item on the bill of sale. Provides that a dealer has 14 days to produce dealer records after an investigating or auditing employee of the secretary of state requests the records.

Effective: July 1, 2024; July 1, 2025.

Messmer

January 9, 2024, read first time and referred to Committee on Homeland Security and Transportation.
January 23, 2024, amended, reported favorably — Do Pass.

SB 222—LS 6477/DI 154



January 24, 2024

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

SENATE BILL No. 222

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 9-32-11-2, AS AMENDED BY P.L.20-2022,
2 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 2. (a) An application for a license under this
4 article must:
- 5 (1) be accompanied by payment of the applicable fee required
6 under this section;
 - 7 (2) be on a form prescribed by the secretary;
 - 8 (3) contain the information the secretary considers necessary to
9 enable the secretary to determine fully:
 - 10 (A) the qualifications and eligibility of the applicant to receive
11 the license; and
 - 12 (B) the ability of the applicant to conduct properly the business
13 for which the application is submitted;
 - 14 (4) contain evidence of a bond required in subsection (e);
 - 15 (5) contain evidence of liability coverage required by section 14
16 of this chapter;
 - 17 (6) contain the federal tax identification number issued to the

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- 1 dealer; and
2 (7) contain the registered retail merchant's certificate issued to the
3 dealer under IC 6-2.5-8.
- 4 (b) An application for a license as a dealer must show whether the
5 applicant proposes to sell new or used motor vehicles, or both.
- 6 (c) An applicant who proposes to use the Internet or another
7 computer network to facilitate the sale of motor vehicles shall maintain
8 all records at the established place of business in Indiana.
- 9 (d) Except as provided in subsection (e), the application must
10 include an affidavit from:
- 11 (1) the person charged with enforcing a zoning ordinance, if one
12 exists; or
13 (2) the zoning enforcement officer under IC 36-7-4;
14 who has jurisdiction over the real property where the applicant wants
15 to operate as a dealer. The affidavit must state that the proposed
16 location is zoned for the operation of a dealer's establishment.
- 17 (e) If there is no person or officer under subsection (d)(1) or (d)(2),
18 the application must be accompanied by a statement to that effect from
19 the executive (as defined in IC 36-1-2-5) of the unit in which the real
20 property is located.
- 21 (f) The applicant may file the zoning affidavit under subsection (d)
22 or statement under subsection (e) with the application at any time after
23 the filing of the application. However, the secretary may not issue a
24 license until the applicant files the affidavit or the statement.
- 25 (g) The zoning affidavit under subsection (d) or statement under
26 subsection (e) may not be signed by a person described in subsection
27 (d)(1) or (d)(2) or the executive of the unit more than ninety (90) days
28 before the affidavit or statement is submitted to the secretary as part of
29 an application for a license under this article.
- 30 (h) A licensee shall maintain a bond satisfactory to the secretary in
31 the amount of twenty-five thousand dollars (\$25,000). The bond must:
- 32 (1) be in favor of the state;
33 (2) secure payment of fines, penalties, costs, and fees assessed by
34 the secretary after:
35 (A) notice;
36 (B) opportunity for a hearing; and
37 (C) opportunity for judicial review; and
38 (3) secure the payment of damages to a person aggrieved by a
39 violation of this article by the licensee after a judgment has been
40 issued.
- 41 (i) Service under this chapter shall be made in accordance with the
42 Indiana Rules of Trial Procedure.



1 (j) The fee for a license for a manufacturer or a distributor is
2 thirty-five dollars (\$35).

3 (k) The fee for a license for a used motor vehicle dealer, new motor
4 vehicle dealer, or automobile auction company is thirty dollars (\$30).

5 (l) The fee for a transfer dealer or a converter manufacturer is
6 twenty dollars (\$20).

7 (m) The fees collected under this section are nonrefundable and
8 shall be deposited as set forth in IC 9-32-7-3.

9 **(n) An application for a used motor vehicle license must include**
10 **a certificate of completion of the training course described in**
11 **IC 9-32-16-1.3, issued by the Independent Automobile Dealers**
12 **Association domiciled in Indiana.**

13 SECTION 2. IC 9-32-13-6, AS AMENDED BY P.L.20-2022,
14 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2024]: Sec. 6. (a) For purposes of this section, "salvage
16 vehicle" has the meaning set forth in IC 9-13-2-160(2).

17 (b) It is an unfair practice for a dealer to sell, exchange, or transfer
18 a rebuilt or salvage vehicle without disclosing in writing to the
19 purchaser, customer, or transferee the fact that the motor vehicle is a
20 rebuilt or salvage vehicle if the dealer knows or should reasonably
21 know before consummating the sale, exchange, or transfer that the
22 motor vehicle is a rebuilt or salvage vehicle.

23 **(c) The purchaser, customer, or transferee must sign a written**
24 **acknowledgment of receipt of the written disclosure described in**
25 **subsection (b).**

26 **(d) The division shall prescribe the form of the written**
27 **disclosure described in subsection (b).**

28 SECTION 3. IC 9-32-16-1, AS AMENDED BY P.L.108-2019,
29 SECTION 189, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2024]: Sec. 1. (a) This chapter shall be
31 administered by the secretary.

32 (b) The secretary:

33 (1) shall employ employees, including a director, investigators, or
34 attorneys, necessary for the administration of this article; and

35 (2) shall fix the compensation of the employees with the approval
36 of the budget agency.

37 (c) It is unlawful for the director or an officer, employee, or
38 designee of the secretary to use for personal benefit or the benefit of
39 others records or other information obtained by or filed with the dealer
40 services division under this article that are confidential. This article
41 does not authorize the director or an officer, employee, or designee of
42 the secretary to disclose the record or information, except in



- 1 accordance with this chapter.
- 2 (d) This article does not create or diminish a privilege or exemption
3 that exists at common law, by statute or rule, or otherwise.
- 4 (e) The secretary may develop and implement dealer's and motor
5 vehicle purchaser's education initiatives to inform dealers and the
6 public about the offer or sale of motor vehicles, with particular
7 emphasis on the prevention and detection of fraud involving motor
8 vehicle sales. In developing and implementing these initiatives, the
9 secretary may collaborate with public and nonprofit organizations with
10 an interest in consumer education. The secretary may accept a grant or
11 donation from a person that is not affiliated with the dealer industry or
12 from a nonprofit organization, regardless of whether the organization
13 is affiliated with the dealer industry, to develop and implement
14 consumer education initiatives. ~~This subsection does not authorize the
15 secretary to require participation or monetary contributions of a
16 registrant in an education program.~~
- 17 (f) Fees and funds accruing from the administration of this article:
18 (1) described in IC 9-32-7-1(d) shall be accounted for by the
19 secretary and shall be deposited with the treasurer of state to be
20 deposited in the dealer compliance account established by
21 IC 9-32-7-1(a);
22 (2) described in IC 9-32-7-2(b) shall be accounted for by the
23 secretary and shall be deposited with the treasurer of state to be
24 deposited in the dealer enforcement account established by
25 IC 9-32-7-2(a);
26 (3) that are designated for deposit in the motor vehicle highway
27 account shall be accounted for by the secretary and shall be
28 deposited with the treasurer of state to be deposited in the motor
29 vehicle highway account under IC 8-14-1;
30 (4) described in IC 9-32-7-3(3) shall be accounted for by the
31 secretary and shall be deposited with the treasurer of state to be
32 deposited with the state police department, and these fees and
33 funds are continuously appropriated to the department for its use
34 in enforcing odometer laws;
35 (5) described in IC 9-32-7-3(4) shall be accounted for by the
36 secretary and shall be deposited with the treasurer of state to be
37 deposited with the attorney general, and these fees and funds are
38 continuously appropriated to the attorney general for use in
39 enforcing odometer laws; and
40 (6) that are designated for deposit in the state construction fund
41 shall be accounted for by the secretary and shall be deposited with
42 the treasurer of state to be deposited in the state construction



1 fund.
 2 Expenses incurred in the administration of this article shall be paid
 3 from the state general fund upon appropriation being made for the
 4 expenses in the manner provided by law for the making of those
 5 appropriations. However, grants and donations under subsection (e),
 6 costs of investigations, and civil penalties recovered under this chapter
 7 shall be deposited by the treasurer of state in the dealer enforcement
 8 account established by IC 9-32-7-2. The funds in the dealer compliance
 9 account established by IC 9-32-7-1 must be available, with the
 10 approval of the budget agency, to augment and supplement the funds
 11 appropriated for the enforcement and administration of this article.

12 (g) In connection with the administration and enforcement of this
 13 article, the attorney general shall render all necessary assistance to the
 14 director upon the request of the director. To that end, the attorney
 15 general shall employ legal and other professional services as are
 16 necessary to adequately and fully perform the service under the
 17 direction of the director as the demands of the division require.
 18 Expenses incurred by the attorney general for the purposes stated under
 19 this subsection are chargeable against and shall be paid out of funds
 20 appropriated to the attorney general for the administration of the
 21 attorney general's office. The attorney general may authorize the
 22 director and the director's designee to represent the director and the
 23 division in any proceeding involving enforcement or defense of this
 24 article.

25 (h) The secretary, director, and employees of the division are not
 26 liable in an individual capacity, except to the state, for an act done or
 27 omitted in connection with the performance of their duties under this
 28 article.

29 (i) The director and each attorney or investigator designated by the
 30 secretary:

- 31 (1) are police officers of the state;
 32 (2) have all the powers and duties of police officers in conducting
 33 investigations for violations of this article, or in serving any
 34 process, notice, or order issued by an officer, authority, or court
 35 in connection with the enforcement of this article; and
 36 (3) comprise the enforcement department of the division.

37 The division is a criminal justice agency for purposes of IC 5-2-4 and
 38 IC 10-13-3.

39 (j) The provisions of this article delegating and granting power to
 40 the secretary, division, and director shall be liberally construed to the
 41 end that:

- 42 (1) the practice or commission of fraud may be prohibited and



1 prevented; and

2 (2) disclosure of sufficient and reliable information in order to
3 afford reasonable opportunity for the exercise of independent
4 judgment of the persons involved may be assured.

5 (k) Copies of any statements and documents filed in the office of the
6 secretary and of any records of the secretary certified by the director
7 are admissible in any prosecution, action, suit, or proceeding based on,
8 arising out of, or under this article to the same effect as the original of
9 the statement, document, or record would be if actually produced.

10 SECTION 4. IC 9-32-16-1.3 IS ADDED TO THE INDIANA CODE
11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
12 1, 2024]: **Sec. 1.3. (a) The secretary in consultation with the
13 Independent Automobile Dealers Association domiciled in Indiana
14 and the division shall develop a required training course that an
15 applicant for a used motor vehicle dealer license must complete in
16 order to obtain a used motor vehicle dealer license. The training
17 course must provide the used motor vehicle dealer information on:**

18 (1) licensing requirements;

19 (2) laws; and

20 (3) rules.

21 (b) The training course under this section must be offered and
22 certified by the Independent Automobile Dealers Association
23 domiciled in Indiana.

24 (c) The training course under this section must be offered
25 online.

26 (d) Upon completion of the training course:

27 (1) the Independent Automobile Dealers Association
28 domiciled in Indiana shall issue a certificate of completion to
29 each used motor vehicle dealer who successfully completes the
30 training course; and

31 (2) the used motor vehicle dealer is not required to retake the
32 training course.

33 (e) The applicant for a used motor vehicle dealer license must
34 submit the certificate of completion issued by the Independent
35 Automobile Dealers Association domiciled in Indiana in subsection
36 (d)(1) with the applicant's application for a used motor vehicle
37 dealer license.

38 (f) The cost for the training course under this section shall:

39 (1) not exceed three hundred dollars (\$300);

40 (2) be payable to the Independent Automobile Dealers
41 Association domiciled in Indiana.

42 (g) A used motor vehicle dealer is not required to participate in



1 **the training course under this section if the dealer:**

2 **(1) is renewing the used motor vehicle dealer's license; or**

3 **(2) has:**

4 **(A) more than one (1) used motor vehicle dealership**
5 **location; and**

6 **(B) previously completed the training course under this**
7 **section to obtain a used motor vehicle dealer license for**
8 **one (1) of the dealer's used motor vehicle dealership**
9 **locations.**

10 SECTION 5. IC 9-32-16-6, AS AMENDED BY P.L.120-2020,
11 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2024]: Sec. 6. (a) A dealer licensed or required to be licensed
13 under this article shall make and maintain the records, accounts,
14 correspondence, memoranda, papers, books, and other records required
15 under this article.

16 (b) Dealer records required to be maintained under this article may
17 be maintained in any form of data storage acceptable to the secretary
18 so long as the records are readily accessible, ~~and available to copy by~~
19 **in an electronic format, to an investigating or auditing employee of**
20 **the secretary. upon demand at the place of business of the dealer;**
21 **electronically, or by mail.**

22 **(c) If an investigating or auditing employee of the secretary**
23 **requests dealer records required to be maintained under this**
24 **article, the dealer must provide the dealer records to the**
25 **investigating or auditing employee of the secretary not more than**
26 **fourteen (14) days after the investigating or auditing employee of**
27 **the secretary requests the dealer records.**

28 ~~(c)~~ **(d)** Dealer records required to be maintained under this article
29 must be maintained at the place of business of a dealer for a period of
30 two (2) years. Following the two (2) year period, records may be moved
31 offsite but must be maintained for a period of five (5) years.

32 SECTION 6. IC 9-32-16-6.3 IS ADDED TO THE INDIANA CODE
33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
34 1, 2025]: **Sec. 6.3. An item, including a fee or add-on, that is not**
35 **included in the base price of a motor vehicle shall be a separate line**
36 **item on the bill of sale.**



COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security and Transportation, to which was referred Senate Bill No. 222, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 31, reset in roman "twenty-five thousand dollars (\$25,000).".

Page 2, line 31, delete "fifty thousand".

Page 2, line 32, delete "dollars (\$50,000).".

Page 3, delete lines 14 through 42.

Page 4, delete lines 1 through 12.

Page 8, between lines 21 and 22, begin a new paragraph and insert:

"(c) If an investigating or auditing employee of the secretary requests dealer records required to be maintained under this article, the dealer must provide the dealer records to the investigating or auditing employee of the secretary not more than fourteen (14) days after the investigating or auditing employee of the secretary requests the dealer records."

Page 8, line 22, strike "(c)" and insert "(d)".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 222 as introduced.)

CRIDER, Chairperson

Committee Vote: Yeas 8, Nays 0.

