



March 27, 2015

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## ENGROSSED SENATE BILL No. 242

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DIGEST OF SB 242 (Updated March 25, 2015 12:23 pm - DI 96)

**Citations Affected:** IC 9-13; IC 9-17; IC 23-1; IC 35-52.

**Synopsis:** Motor vehicle title fraud. Defines "motor vehicle", for purposes of the financial responsibility laws, to include a motor vehicle titled by an individual using a federal identification number issued to a business entity. Provides that a court may suspend the registration certificate and plates of a motor vehicle that is titled to a nonqualified individual who commits title application fraud. Defines "nonqualified individual" as a person who is not eligible to receive a Social Security number or federal identification number. Provides that a nonqualified individual who establishes a business entity for the purpose of obtaining a certificate of title for a vehicle commits title application fraud, a Level 6 felony. Specifies that a person who establishes a business entity for the purpose of obtaining a federal identification number to enable a nonqualified individual to obtain a certificate of title commits assisting title application fraud, a Level 6 felony. Authorizes the secretary of state to establish protocols to notify the bureau of motor vehicles and the office of attorney general if the secretary of state reasonably suspects that an individual is establishing a business entity to commit or assist the commission of title application fraud.

**Effective:** July 1, 2015.

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### Young R Michael, Crider, Buck

(HOUSE SPONSORS — SPEEDY, MOED)

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January 6, 2015, read first time and referred to Committee on Corrections & Criminal Law.  
February 19, 2015, reported favorably — Do Pass.  
February 23, 2015, read second time, amended, ordered engrossed.  
February 24, 2015, engrossed. Read third time, passed. Yeas 42, nays 8.

HOUSE ACTION

March 5, 2015, read first time and referred to Committee on Roads and Transportation.  
March 26, 2015, amended, reported — Do Pass.

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March 27, 2015

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.

## ENGROSSED SENATE BILL No. 242

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A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 9-13-2-18.2 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2015]: **Sec. 18.2. "Business entity", for purposes of this chapter  
4 and IC 9-17-2, has the meaning set forth in IC 9-17-2-2.5(a)(1).**  
5 SECTION 2. IC 9-13-2-105, AS AMENDED BY P.L.221-2014,  
6 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2015]: Sec. 105. (a) "Motor vehicle" means, except as  
8 otherwise provided in this section, a vehicle that is self-propelled. The  
9 term does not include a farm tractor, an implement of agriculture  
10 designed to be operated primarily in a farm field or on farm premises,  
11 or an electric personal assistive mobility device.  
12 (b) "Motor vehicle", for purposes of IC 9-21, means:  
13 (1) a vehicle that is self-propelled; or  
14 (2) a vehicle that is propelled by electric power obtained from  
15 overhead trolley wires, but not operated upon rails.  
16 (c) "Motor vehicle", for purposes of IC 9-19-10.5, means a vehicle

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1 that is self-propelled upon a highway in Indiana. The term does not  
2 include the following:

- 3 (1) A farm tractor.
- 4 (2) A motorcycle.
- 5 (3) A motor driven cycle.

6 (d) "Motor vehicle", for purposes of IC 9-32-13, includes a  
7 semitrailer.

8 (e) "Motor vehicle", for purposes of IC 9-24-6, has the meaning set  
9 forth in 49 CFR 383.5 as in effect July 1, 2010.

10 (f) "Motor vehicle", for purposes of IC 9-25, **includes a motor**  
11 **vehicle for which the certificate of title is issued to:**

- 12 **(1) a business entity; or**
- 13 **(2) an individual whose application for a certificate of title**  
14 **included a federal identification number issued to a business**  
15 **entity.**

16 **However, the term does not include the following: (†) a farm tractor**  
17 **or (‡) a Class B motor driven cycle.**

18 SECTION 3. IC 9-13-2-112.5 IS ADDED TO THE INDIANA  
19 CODE AS A NEW SECTION TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2015]: **Sec. 112.5. "Nonqualified individual",**  
21 **for purposes of IC 9-17-2, has the meaning set forth in**  
22 **IC 9-17-2-2.5(a)(2).**

23 SECTION 4. IC 9-17-2-2, AS AMENDED BY P.L.125-2012,  
24 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JULY 1, 2015]: Sec. 2. (a) A person applying for a certificate of title  
26 for a vehicle must submit an application on a form furnished by the  
27 bureau and provide the following information:

- 28 (1) A full description of the vehicle, including the make, model,  
29 and year of manufacture of the vehicle.
- 30 (2) A statement of any lien or encumbrance on the vehicle.
- 31 (3) The vehicle identification number or special identification  
32 number of the vehicle.
- 33 (4) The former title number, if applicable.
- 34 (5) The purchase or acquisition date.
- 35 (6) The name, residence address and, if different from the  
36 residence address, mailing address, and Social Security number  
37 or, **subject to section 2.5 of this chapter**, federal identification  
38 number of the person.
- 39 (7) Other information that the bureau requires.

40 (b) This subsection applies only to an individual who receives an  
41 interest in a vehicle under IC 9-17-3-9. To obtain a certificate of title  
42 for the vehicle, the individual must do the following:



1 (1) Surrender the certificate of title designating the individual as  
2 a transfer on death beneficiary.

3 (2) Submit proof of the transferor's death.

4 (3) Submit an application for a certificate of title on a form  
5 furnished by the bureau that meets the requirements of subsection

6 (a).

7 SECTION 5. IC 9-17-2-2.5 IS ADDED TO THE INDIANA CODE  
8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
9 1, 2015]: **Sec. 2.5. (a) The following definitions apply throughout  
10 this section:**

11 **(1) "Business entity" means:**

12 **(A) a sole proprietorship;**

13 **(B) a corporation;**

14 **(C) a limited liability company;**

15 **(D) an association;**

16 **(E) a partnership;**

17 **(F) a joint stock company;**

18 **(G) a joint venture;**

19 **(H) a trust; or**

20 **(I) another, similar form of business organization;**

21 **whether organized for profit or nonprofit.**

22 **(2) "Nonqualified individual" means an individual who is not  
23 eligible to receive a Social Security number or federal  
24 identification number.**

25 **(b) A nonqualified individual who, with the intent of using a  
26 federal identification number to obtain a certificate of title for a  
27 vehicle:**

28 **(1) establishes; or**

29 **(2) requests another person to establish;**

30 **a business entity for the purpose of obtaining a federal  
31 identification number commits title application fraud, a Level 6  
32 felony.**

33 **(c) A person who, with the intent of enabling a nonqualified  
34 individual to obtain a certificate of title for a vehicle, establishes a  
35 business entity for the purpose of obtaining a federal identification  
36 number to enable a nonqualified individual to obtain a certificate  
37 of title for a vehicle commits assisting title application fraud, a  
38 Level 6 felony.**

39 **(d) The court may suspend the registration certification and  
40 registration plates of a motor vehicle that is titled by a nonqualified  
41 individual in violation of this section.**

42 SECTION 6. IC 9-17-2-14, AS AMENDED BY P.L.217-2014,



1 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2015]: Sec. 14. (a) Except as: ~~provided in:~~

3 (1) **provided in** subsection (b); ~~and or~~

4 (2) ~~section 15 of otherwise specified in~~ this chapter;  
5 a person who violates this chapter commits a Class C infraction.

6 (b) A person who violates section 6 of this chapter commits a Class  
7 B infraction.

8 SECTION 7. IC 23-1-18-11 IS ADDED TO THE INDIANA CODE  
9 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
10 1, 2015]: **Sec. 11. The secretary may establish protocols to notify**  
11 **the bureau of motor vehicles and the office of attorney general if**  
12 **the secretary has reasonable suspicion that an individual is filing**  
13 **documents to establish a business entity (as defined in**  
14 **IC 9-13-2-18.2) in order to obtain a federal identification number**  
15 **for purposes of committing title application fraud or assisting title**  
16 **application fraud.**

17 SECTION 8. IC 35-52-9-2.5 IS ADDED TO THE INDIANA CODE  
18 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
19 1, 2015]: **Sec. 2.5. IC 9-17-2-2.5 defines a crime concerning**  
20 **certificates of title.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Corrections & Criminal Law, to which was referred Senate Bill No. 242, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 242 as introduced.)

YOUNG R MICHAEL, Chairperson

Committee Vote: Yeas 8, Nays 1

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 SENATE MOTION

Madam President: I move that Senate Bill 242 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 9-13-2-18.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 18.2. "Business entity", for purposes of this chapter and IC 9-17-2, has the meaning set forth in IC 9-17-2-2.5(a)(1).**

SECTION 2. IC 9-13-2-105, AS AMENDED BY P.L.221-2014, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 105. (a) "Motor vehicle" means, except as otherwise provided in this section, a vehicle that is self-propelled. The term does not include a farm tractor, an implement of agriculture designed to be operated primarily in a farm field or on farm premises, or an electric personal assistive mobility device.

(b) "Motor vehicle", for purposes of IC 9-21, means:

- (1) a vehicle that is self-propelled; or
- (2) a vehicle that is propelled by electric power obtained from overhead trolley wires, but not operated upon rails.

(c) "Motor vehicle", for purposes of IC 9-19-10.5, means a vehicle that is self-propelled upon a highway in Indiana. The term does not include the following:

- (1) A farm tractor.
- (2) A motorcycle.
- (3) A motor driven cycle.

(d) "Motor vehicle", for purposes of IC 9-32-13, includes a semitrailer.

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(e) "Motor vehicle", for purposes of IC 9-24-6, has the meaning set forth in 49 CFR 383.5 as in effect July 1, 2010.

(f) "Motor vehicle", for purposes of IC 9-25, **includes a motor vehicle for which the certificate of title is issued to:**

**(1) a business entity; or**

**(2) an individual whose application for a certificate of title included a federal identification number issued to a business entity.**

**However, the term does not include the following:** (†) a farm tractor or (‡) a Class B motor driven cycle.

SECTION 3. IC 9-13-2-112.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 112.5. "Nonqualified individual", for purposes of IC 9-17-2, has the meaning set forth in IC 9-17-2-2.5(a)(2)."**

Page 2, after line 42, begin a new paragraph and insert:

**"(d) The court may suspend the registration certification and registration plates of a motor vehicle that is titled by a nonqualified individual in violation of this section."**

Page 3, after line 8, begin a new paragraph and insert:

**"SECTION 7. IC 23-1-18-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 11. The secretary shall establish protocols to notify the bureau of motor vehicles and the office of attorney general if the secretary has reasonable suspicion that an individual is filing documents to establish a business entity (as defined in IC 9-13-2-18.2) in order to obtain a federal identification number for purposes of committing title application fraud or assisting title application fraud.**

SECTION 8. IC 35-52-9-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 2.5. IC 9-17-2-2.5 defines a crime concerning certificates of title."**

Renumber all SECTIONS consecutively.

(Reference is to SB 242 as printed February 20, 2015.)

YOUNG R MICHAEL





COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Senate Bill 242, 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 4, line 10, delete "shall" and insert "**may**".

and when so amended that said bill do pass.

(Reference is to SB 242 as reprinted February 24, 2015.)

SOLIDAY

Committee Vote: yeas 12, nays 0.

