

## SENATE BILL No. 350

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 9-13-2-42; IC 9-29-17; IC 9-32.

**Synopsis:** Dealer services division of the secretary of state. Makes various changes concerning the dealer services division within the office of the secretary of state. Repeals language concerning the disposition of fees collected for the licensing of vehicle salvaging into the motor vehicle highway account. Repeals language classifying boat dealers into two categories. Makes technical corrections.

**Effective:** July 1, 2014.

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## Wyss, Arnold J

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January 14, 2014, read first time and referred to Committee on Civil Law.

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Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## SENATE BILL No. 350

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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 9-13-2-42, AS AMENDED BY P.L.259-2013,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 42. (a) "Dealer" means, except as otherwise  
4 provided in this section, a person who sells to the general public,  
5 including a person who sells directly by the Internet or other computer  
6 network, at least twelve (12) vehicles each year. The term includes a  
7 person who sells off-road vehicles and, after December 31, 2013, a  
8 person who sells snowmobiles. A dealer must have an established place  
9 of business that meets the minimum standards prescribed by the  
10 secretary of state under rules adopted under IC 4-22-2.  
11 (b) The term does not include the following:  
12 (1) A receiver, trustee, or other person appointed by or acting  
13 under the judgment or order of a court.  
14 (2) A public officer while performing official duties.  
15 (3) An automotive mobility dealer.  
16 (c) "Dealer", for purposes of IC 9-31, means a person that sells to



1 the general public at least six (6):

2 (1) boats; or

3 (2) trailers:

4 (A) designed and used exclusively for the transportation of  
5 watercraft; and

6 (B) sold in general association with the sale of watercraft;  
7 per year.

8 **(d) "Dealer", for purposes of IC 9-32, and unless otherwise**  
9 **provided, means:**

10 **(1) an automobile auctioneer;**

11 **(2) an automotive mobility dealer;**

12 **(3) a converter manufacturer;**

13 **(4) a dealer;**

14 **(5) a distributor;**

15 **(6) a distributor representative;**

16 **(7) a factory or manufacturer representative;**

17 **(8) a manufacturer;**

18 **(9) a salvage dealer;**

19 **(10) a transfer dealer;**

20 **(11) a watercraft dealer; or**

21 **(12) a wholesale dealer.**

22 SECTION 2. IC 9-29-17-5, AS ADDED BY P.L.92-2013,  
23 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JULY 1, 2014]: Sec. 5. (a) The fee under IC 9-32-8-2 for a boat dealer  
25 license for each full year is thirty dollars (\$30). for the first place of  
26 business; plus ten dollars (\$10) for each additional place of business:

27 (b) The secretary of state retains the fees collected under subsection  
28 (a).

29 SECTION 3. IC 9-29-17-7, AS ADDED BY P.L.92-2013,  
30 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JULY 1, 2014]: Sec. 7. (a) The fee for an initial license under  
32 IC 9-32-9 is ten dollars (\$10).

33 ~~(b) The fee for a supplemental license under IC 9-32-9 is five~~  
34 ~~dollars (\$5):~~

35 ~~(c) (b)~~ The fee for a renewal license under IC 9-32-9 is ten dollars  
36 (\$10).

37 ~~(d) (c)~~ A licensing fee that is submitted with an application under  
38 IC 9-32-9

39 ~~(1) is nonrefundable; and~~

40 ~~(2) shall be retained by the secretary of state.~~

41 ~~if the application is rejected by the secretary of state:~~

42 SECTION 4. IC 9-29-17-8, AS ADDED BY P.L.92-2013,



1 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2014]: Sec. 8. The fee for a license for a manufacturer or a  
3 distributor under IC 9-32-11-1 is thirty-five dollars (\$35). ~~including a~~  
4 ~~factory branch as set forth in IC 9-13-2-97(b)(1).~~ The fees collected  
5 shall be deposited as set forth in IC 9-32-7-3.

6 SECTION 5. IC 9-29-17-9, AS ADDED BY P.L.92-2013,  
7 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2014]: Sec. 9. The fee for a license for a dealer or an  
9 automobile auctioneer under IC 9-32-11-1 is

- 10 (+) thirty dollars (\$30). ~~for the first place of business; and~~  
11 ~~(2) an additional ten dollars (\$10) for each place of business not~~  
12 ~~immediately adjacent to the first place of business.~~

13 The fees collected shall be deposited as set forth in IC 9-32-7-3.

14 SECTION 6. IC 9-29-17-10, AS ADDED BY P.L.92-2013,  
15 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 2014]: Sec. 10. The fee for a ~~factory~~ **manufacturer**  
17 representative, a distributor representative, a wholesale dealer, a  
18 transfer dealer, a converter manufacturer, or an automotive mobility  
19 dealer under IC 9-32-11-1 is twenty dollars (\$20). The fee for an  
20 automotive mobility dealer who:

- 21 (1) buys or sells vehicles, or both;  
22 (2) sells, installs, or services, offers to sell, install, or service, or  
23 solicits or advertises the sale, installation, or servicing of  
24 equipment or modifications specifically designed to facilitate use  
25 or operation of a vehicle by an individual who is disabled or aged;  
26 or  
27 (3) performs acts described in both subdivisions (1) and (2);

28 is twenty dollars (\$20). The fees collected shall be deposited as set  
29 forth in IC 9-32-7-3.

30 SECTION 7. IC 9-29-17-12.5 IS ADDED TO THE INDIANA  
31 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
32 [EFFECTIVE JULY 1, 2014]: **Sec. 12.5. The fees under sections 5, 7,**  
33 **8, 9, 10, and 12 of this chapter are nonrefundable.**

34 SECTION 8. IC 9-29-17-15 IS REPEALED [EFFECTIVE JULY 1,  
35 2014]. ~~Sec. 15. The revenue from the license fees collected under~~  
36 ~~IC 9-32-9 shall be deposited in the motor vehicle highway account~~  
37 ~~under IC 8-14-1.~~

38 SECTION 9. IC 9-32-6-1, AS ADDED BY P.L.92-2013, SECTION  
39 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
40 2014]: Sec. 1. A person licensed under IC 9-32-11 may apply for a  
41 dealer license plate. The application must include any information the  
42 secretary reasonably requires. Upon application, a distinctive



1 registration number shall be assigned to each applicant. Two (2)  
 2 certificates of registration and two (2) metal license plates bearing the  
 3 registration number of the applicant shall then be issued to the  
 4 applicant. **A dealer may apply for and receive additional dealer  
 5 plates as set forth in section 5 of this chapter.**

6 SECTION 10. IC 9-32-6-5, AS ADDED BY P.L.92-2013,  
 7 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2014]: Sec. 5. Upon payment of the fee under  
 9 IC 9-29-17-1(b), an applicant may obtain additional dealer license  
 10 plates of the same category. The applicant must demonstrate the  
 11 applicant's need for additional plates by stating the applicant's number  
 12 of employees, annual sales, and other supporting factors. The secretary  
 13 shall determine whether the applicant is ~~entitled to~~ **may receive**  
 14 additional plates.

15 SECTION 11. IC 9-32-6-6, AS ADDED BY P.L.92-2013,  
 16 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2014]: Sec. 6. **(a) This section applies to dealer license  
 18 plates issued before January 1, 2015.**

19 **(b) Dealer license plates issued to licensed dealers under this  
 20 chapter expire article are valid from the issue date through the  
 21 expiration date** as follows:

22 (1) **Dealer license plates of a person whose business name begins  
 23 with the letters A through B inclusive, expire March 1, of each  
 24 year: 2015.**

25 (2) **Dealer license plates of a person whose business name begins  
 26 with the letters C through D inclusive, expire April 1, of each  
 27 year: 2015.**

28 (3) **Dealer license plates of a person whose business name begins  
 29 with the letters E through G inclusive, expire May 1, of each year:  
 30 2015.**

31 (4) **Dealer license plates of a person whose business name begins  
 32 with the letters H through I inclusive, expire June 1, of each year:  
 33 2015.**

34 (5) **Dealer license plates of a person whose business name begins  
 35 with the letters J through L inclusive, expire July 1, of each year:  
 36 2015.**

37 (6) **Dealer license plates of a person whose business name begins  
 38 with the letters M through O inclusive, expire August 1, of each  
 39 year: 2015.**

40 (7) **Dealer license plates of a person whose business name begins  
 41 with the letters P through R inclusive, expire September 1, of  
 42 each year: 2015.**



1 (8) **Dealer license plates** of a person whose business name begins  
 2 with the letters S through T ~~inclusive~~; **expire** October 1, ~~of each~~  
 3 ~~year~~: **2015**.

4 (9) **Dealer license plates** of a person whose business name begins  
 5 with the letters U through Z ~~inclusive~~; **expire** November 1, ~~of~~  
 6 ~~each year~~: **2015**.

7 Dealer license plates issued to a sole proprietor expire based upon the  
 8 name of the sole proprietorship.

9 (c) **This section expires January 1, 2017.**

10 SECTION 12. IC 9-32-6-6.5 IS ADDED TO THE INDIANA CODE  
 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 12 1, 2014]: **Sec. 6.5. (a) This section applies to dealer license plates**  
 13 **issued after December 31, 2014.**

14 (b) **Dealer license plates issued to licensed dealers under this**  
 15 **article are valid from the issue date through the expiration date as**  
 16 **follows:**

17 (1) **Dealer license plates of a person whose business name**  
 18 **begins with the letters A through B expire February 1 of each**  
 19 **year.**

20 (2) **Dealer license plates of a person whose business name**  
 21 **begins with the letters C through D expire March 1 of each**  
 22 **year.**

23 (3) **Dealer license plates of a person whose business name**  
 24 **begins with the letters E through F expire April 1 of each**  
 25 **year.**

26 (4) **Dealer license plates of a person whose business name**  
 27 **begins with the letters G through H expire May 1 of each**  
 28 **year.**

29 (5) **Dealer license plates of a person whose business name**  
 30 **begins with the letters I through J expire June 1 of each year.**

31 (6) **Dealer license plates of a person whose business name**  
 32 **begins with the letters K through L expire July 1 of each year.**

33 (7) **Dealer license plates of a person whose business name**  
 34 **begins with the letters M through N expire August 1 of each**  
 35 **year.**

36 (8) **Dealer license plates of a person whose business name**  
 37 **begins with the letters O through P expire September 1 of**  
 38 **each year.**

39 (9) **Dealer license plates of a person whose business name**  
 40 **begins with the letters Q through R expire October 1 of each**  
 41 **year.**

42 (10) **Dealer license plates of a person whose business name**



- 1 begins with the letters S through T expire November 1 of each  
 2 year.  
 3 (11) Dealer license plates of a person whose business name  
 4 begins with the letters U through V expire December 1 of each  
 5 year.  
 6 (12) Dealer license plates of a person whose business name  
 7 begins with the letters W through Z expire January 1 of each  
 8 year.  
 9 Dealer license plates issued to a sole proprietor expire based upon  
 10 the name of the sole proprietorship.  
 11 (c) Notwithstanding subsection (b), a dealer license plate issued  
 12 in 2015 expires as follows:
- | 13 Plate issued to a person |  | 14 with a business name |  | 15 Plate expiration date: |
|-----------------------------|--|-------------------------|--|---------------------------|
| 16 beginning with:          |  |                         |  |                           |
| 16 A through B              |  |                         |  | February 1, 2016          |
| 17 C through D              |  |                         |  | March 1, 2016             |
| 18 E through F              |  |                         |  | April 1, 2016             |
| 19 G through H              |  |                         |  | May 1, 2016               |
| 20 I through J              |  |                         |  | June 1, 2016              |
| 21 K through L              |  |                         |  | July 1, 2016              |
| 22 M through N              |  |                         |  | August 1, 2016            |
| 23 O through P              |  |                         |  | September 1, 2016         |
| 24 Q through R              |  |                         |  | October 1, 2016           |
| 25 S through T              |  |                         |  | November 1, 2016          |
| 26 U through V              |  |                         |  | December 1, 2016          |
| 27 W through Z              |  |                         |  | January 1, 2017           |
- 28 This subsection expires January 2, 2017.  
 29 (d) This subsection expires December 31, 2017. For a dealer  
 30 license plate issued in 2015, the dealer services division shall  
 31 impose a fee for the dealer license plate under IC 9-29-17 in the  
 32 amount that bears the same proportion to the annual fee for the  
 33 dealer license plate as the number of months the dealer license  
 34 plate is valid bears to twelve (12).  
 35 SECTION 13. IC 9-32-7-3, AS ADDED BY P.L.92-2013,  
 36 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2014]: Sec. 3. All money collected by the secretary from  
 38 manufacturers, ~~factory branches~~, distributors, dealers, automobile  
 39 auctioneers, factory representatives, distributor representatives,  
 40 wholesale dealers, transfer dealers, converter manufacturers, or  
 41 automotive mobility dealers for licenses and permit fees under  
 42 IC 9-29-17-8 through IC 9-29-17-13 shall be deposited as follows:



- 1 (1) Thirty percent (30%) to the dealer compliance account  
 2 established by section 1 of this chapter.  
 3 (2) Forty percent (40%) to the motor vehicle highway account  
 4 under IC 8-14-1.  
 5 (3) Twenty percent (20%) to the state police department, and this  
 6 amount is continuously appropriated to the department for its use  
 7 in enforcing odometer laws.  
 8 (4) Ten percent (10%) to the attorney general, and this amount is  
 9 continuously appropriated to the attorney general for use in  
 10 enforcing odometer laws.

11 SECTION 14. IC 9-32-8-1 IS REPEALED [EFFECTIVE JULY 1,  
 12 2014]. Sec. 1. Boat dealers are classified for the purposes of this  
 13 chapter and IC 9-29-17-5 into two (2) categories as follows:

- 14 (1) Class A dealers having more than one (1) business location for  
 15 the sale of boats:  
 16 (2) Class B dealers having only one (1) business location for the  
 17 sale of boats:

18 SECTION 15. IC 9-32-8-5, AS ADDED BY P.L.92-2013,  
 19 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2014]: Sec. 5. A boat dealer license issued under this chapter  
 21 is valid for one (1) year after the date the **shall be issued and expires**  
 22 **based on the business name of the** boat dealer license; is issued as set  
 23 **forth in IC 9-32-11-12 or IC 9-32-11-12.5.** All license fees shall be  
 24 paid at the annual rate under IC 9-29-17-5.

25 SECTION 16. IC 9-32-9-5, AS ADDED BY P.L.92-2013,  
 26 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 2014]: Sec. 5. Each license under this chapter, except an  
 28 initial license, shall be issued for a ~~twelve (12) month period beginning~~  
 29 ~~March 1 and expiring based on the last day of February of each year.~~  
 30 ~~An initial license may be issued for a period of less than twelve (12)~~  
 31 ~~months, but the license must expire on the last day of February~~  
 32 ~~immediately following the date the license is issued: business name as~~  
 33 ~~set forth in IC 9-32-11-12 or IC 9-32-11-12.5.~~

34 SECTION 17. IC 9-32-9-8, AS ADDED BY P.L.92-2013,  
 35 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2014]: Sec. 8. If the secretary approves a license application  
 37 under this chapter, the secretary shall grant the applicant

- 38 (1) ~~an initial~~ a license for the applicant's principal place of  
 39 business. ~~and~~  
 40 (2) ~~a supplemental~~ license for each other place of business listed  
 41 ~~on the application.~~

42 SECTION 18. IC 9-32-11-1, AS ADDED BY P.L.92-2013,





1 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2014]: Sec. 1. (a) The following persons must be licensed  
3 under this article to engage in the business of buying or selling motor  
4 vehicles or semitrailers:

- 5 (1) An automobile auctioneer.
- 6 (2) A converter manufacturer.
- 7 (3) A dealer.
- 8 (4) A distributor.
- 9 (5) A distributor representative.

10 ~~(6) A factory branch.~~

11 ~~(7) A factory representative.~~

12 ~~(8) (6) A manufacturer.~~

13 **(7) A manufacturer representative.**

14 ~~(9) (8) A transfer dealer.~~

15 ~~(10) (9) A wholesale dealer.~~

16 ~~(11) (10) An automotive mobility dealer.~~

17 (b) An automotive mobility dealer who engages in the business of:

18 (1) selling, installing, or servicing;

19 (2) offering to sell, install, or service; or

20 (3) soliciting or advertising the sale, installation, or servicing of;  
21 equipment or modifications specifically designed to facilitate use or  
22 operation of a vehicle by an individual who is disabled or aged must be  
23 licensed under this article.

24 SECTION 19. IC 9-32-11-2, AS ADDED BY P.L.92-2013,  
25 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2014]: Sec. 2. (a) An application for a license under this  
27 chapter must:

28 (1) be accompanied by payment of the applicable fee required  
29 under IC 9-29-17;

30 (2) be on a form prescribed by the secretary;

31 (3) contain the information the secretary considers necessary to  
32 enable the secretary to determine fully:

33 (A) the qualifications and eligibility of the applicant to receive  
34 the license;

35 (B) the location of each of the applicant's places of business in  
36 Indiana; and

37 (C) the ability of the applicant to conduct properly the business  
38 for which the application is submitted; and

39 (4) contain evidence of a bond required in subsection (e).

40 An application for a wholesale dealer license must contain the  
41 additional information required in section 3 of this chapter.

42 (b) An application for a license as a dealer must show whether the



1 applicant proposes to sell new or used motor vehicles, or both.

2 (c) An applicant who proposes to use the Internet or another  
3 computer network to facilitate the sale of motor vehicles to consumers  
4 in Indiana shall, if the applicant's activities may result in the creation  
5 of business records outside Indiana, provide the division with the name,  
6 address, and telephone number of the person who has control of those  
7 business records. The secretary may not issue a license to a dealer who  
8 transacts business in this manner and does not have an established  
9 place of business in Indiana, except as proved under section 11(h) of  
10 this chapter.

11 (d) The application must include an affidavit from:

12 (1) the person charged with enforcing a zoning ordinance, if one  
13 exists; or

14 (2) the zoning enforcement officer under IC 36-7-4, if one exists;  
15 who has jurisdiction over the real property where the applicant wants  
16 to operate as a dealer. The affidavit must state that the proposed  
17 location is zoned for the operation of a dealer's establishment. The  
18 applicant may file the affidavit at any time after the filing of the  
19 application. However, the secretary may not issue a license until the  
20 applicant files the affidavit.

21 (e) Except as provided in subsection (g), a licensee shall maintain  
22 a bond satisfactory to the secretary in the amount of twenty-five  
23 thousand dollars (\$25,000). The bond must:

24 (1) be in favor of the state; and

25 (2) secure payment of fines, penalties, costs, and fees assessed by  
26 the secretary after:

27 (A) notice;

28 (B) opportunity for a hearing; and

29 (C) opportunity for judicial review;

30 in addition to securing the payment of damages to a person  
31 aggrieved by a violation of this ~~chapter~~ **article** by the licensee  
32 after a judgment has been issued.

33 (f) Service under this chapter shall be made in accordance with the  
34 Indiana Rules of Trial Procedure.

35 (g) Instead of meeting the requirement in subsection (e), a licensee  
36 may submit to the secretary evidence that the licensee is a member of  
37 a risk retention group that is regulated by the Indiana department of  
38 insurance.

39 SECTION 20. IC 9-32-11-5, AS ADDED BY P.L.92-2013,  
40 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2014]: Sec. 5. A manufacturer, distributor, ~~factory branch~~, or  
42 dealer proposing to sell new motor vehicles shall file and maintain with



- 1 the secretary:
- 2 (1) a current copy of each franchise to which the person is a party;
- 3 or
- 4 (2) if the person is a party to multiple franchises that are identical
- 5 except for stated items, a copy of the franchise form with
- 6 supplemental schedules of variations from the form.
- 7 SECTION 21. IC 9-32-11-6, AS ADDED BY P.L.92-2013,
- 8 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 9 JULY 1, 2014]: Sec. 6. (a) The license issued to a ~~factory branch~~, an
- 10 automobile auctioneer, a transfer dealer, or a dealer under this chapter:
- 11 (1) must specify the location of each place of business; and
- 12 (2) shall be conspicuously displayed at each business location.
- 13 (b) If a licensee's business name or location is changed, the licensee
- 14 shall notify the secretary not later than ten (10) days after the change
- 15 and remit the fee required under IC 9-29-17. The secretary shall
- 16 endorse the change on the license if the secretary determines that the
- 17 change is not subject to other provisions of this article.
- 18 (c) A dealer who uses the Internet or another computer network to
- 19 facilitate the sale of motor vehicles as set forth in section 2(c) of this
- 20 chapter shall notify the secretary not later than ten (10) days after any
- 21 change in a name, address, or telephone number documented in
- 22 business records located outside Indiana that have been created in
- 23 transactions made in Indiana by the dealer. A report made under this
- 24 subsection is not subject to the fee required under IC 9-29-17.
- 25 (d) A dealer who wants to change a location must submit to the
- 26 secretary an application for approval of the change. The application
- 27 must be accompanied by an affidavit from:
- 28 (1) the person charged with enforcing a zoning ordinance
- 29 described in this subsection; or
- 30 (2) the zoning enforcement officer under IC 36-7-4, if one exists;
- 31 who has jurisdiction over the real property where the applicant wants
- 32 to operate as a dealer. The affidavit must state that the proposed
- 33 location is zoned for the operation of a dealer's establishment. The
- 34 secretary may not approve a change of location or endorse a change of
- 35 location on the dealer's license until the dealer provides the affidavit.
- 36 (e) For the purpose of this section, an offsite ~~sales~~ license issued
- 37 under section 11 of this chapter does not constitute a change of
- 38 location.
- 39 SECTION 22. IC 9-32-11-7, AS ADDED BY P.L.92-2013,
- 40 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 41 JULY 1, 2014]: Sec. 7. A license issued to a ~~factory~~ representative or
- 42 ~~distributor~~ representative must state the name of the representative's



1 employer. Within ten (10) days after a change of employer, the licensee  
 2 shall mail the license to the secretary and indicate the name and  
 3 address of the licensee's new employer. The secretary shall endorse the  
 4 change on the license and return the license to the licensee in care of  
 5 the new employer of the licensee. A ~~factory~~ representative ~~distributor~~  
 6 ~~representative~~, or wholesale dealer must have a license when engaged  
 7 in business and shall display the license upon request. A temporary  
 8 license for a ~~factory~~ representative ~~or distributor~~ representative may be  
 9 issued for a period of not more than one hundred twenty (120) days  
 10 pending investigation by the secretary of the representative's  
 11 qualification for a license.

12 SECTION 23. IC 9-32-11-12, AS ADDED BY P.L.92-2013,  
 13 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2014]: Sec. 12. **(a) This section applies to licenses issued  
 15 before January 1, 2015.**

16 **(b) ~~A~~ An initial or renewed** license issued under this ~~chapter~~  
 17 **article** is valid for a ~~one (1)~~ year period from the issue date through  
 18 **the expiration date** in accordance with the following schedule:

- 19 (1) **The license of** a person whose business name begins with the  
 20 letters A through B ~~inclusive~~, shall register before ~~expires~~ March  
 21 1, of each year: **2015.**
- 22 (2) **The license of** a person whose business name begins with the  
 23 letters C through D ~~inclusive~~, shall register before ~~expires~~ April  
 24 1, of each year: **2015.**
- 25 (3) **The license of** a person whose business name begins with the  
 26 letters E through G ~~inclusive~~, shall register before ~~expires~~ May 1,  
 27 of each year: **2015.**
- 28 (4) **The license of** a person whose business name begins with the  
 29 letters H through I ~~inclusive~~, shall register before ~~expires~~ June 1,  
 30 of each year: **2015.**
- 31 (5) **The license of** a person whose business name begins with the  
 32 letters J through L ~~inclusive~~, shall register before ~~expires~~ July 1,  
 33 of each year: **2015.**
- 34 (6) **The license of** a person whose business name begins with the  
 35 letters M through O ~~inclusive~~, shall register before ~~expires~~  
 36 August 1, of each year: **2015.**
- 37 (7) **The license of** a person whose business name begins with the  
 38 letters P through R ~~inclusive~~, shall register before ~~expires~~  
 39 September 1, of each year: **2015.**
- 40 (8) **The license of** a person whose business name begins with the  
 41 letters S through T ~~inclusive~~, shall register before ~~expires~~ October  
 42 1, of each year: **2015.**



1           (9) **The license of** a person whose business name begins with the  
2           letters U through Z ~~inclusive; shall register before expires~~  
3           November 1, ~~of each year.~~ **2015.**  
4           A sole proprietor shall register based upon the name of the sole  
5           proprietorship.  
6           SECTION 24. IC 9-32-11-12.5 IS ADDED TO THE INDIANA  
7           CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
8           [EFFECTIVE JULY 1, 2014]: **Sec. 12.5. (a) This section applies to**  
9           **licenses issued after December 31, 2014.**  
10          **(b) An initial or renewed license issued under this article is valid**  
11          **from the issue date through the expiration date in accordance with**  
12          **the following schedule:**  
13                **(1) A license for a person whose business name begins with the**  
14                **letters A through B expires February 1 of each year.**  
15                **(2) A license for a person whose business name begins with the**  
16                **letters C through D expires March 1 of each year.**  
17                **(3) A license for a person whose business name begins with the**  
18                **letters E through F expires April 1 of each year.**  
19                **(4) A license for a person whose business name begins with the**  
20                **letters G through H expires May 1 of each year.**  
21                **(5) A license for a person whose business name begins with the**  
22                **letters I through J expires June 1 of each year.**  
23                **(6) A license for a person whose business name begins with the**  
24                **letters K through L expires July 1 of each year.**  
25                **(7) A license for a person whose business name begins with the**  
26                **letters M through N expires August 1 of each year.**  
27                **(8) A license for a person whose business name begins with the**  
28                **letters O through P expires September 1 of each year.**  
29                **(9) A license for a person whose business name begins with the**  
30                **letters Q through R expires October 1 of each year.**  
31                **(10) A license for a person whose business name begins with**  
32                **the letters S through T expires November 1 of each year.**  
33                **(11) A license for a person whose business name begins with**  
34                **the letters U through V expires December 1 of each year.**  
35                **(12) A license for a person whose business name begins with**  
36                **the letters W through Z expires January 1 of each year.**  
37          A sole proprietor shall register based upon the name of the sole  
38          proprietorship.  
39          **(c) Notwithstanding subsection (b), a license issued in 2015**  
40          **expires as follows:**  
41                **License issued to a person**  
42                **with a business name**



1	<b>beginning with:</b>	<b>License expiration date:</b>
2	<b>A through B</b>	<b>February 1, 2016</b>
3	<b>C through D</b>	<b>March 1, 2016</b>
4	<b>E through F</b>	<b>April 1, 2016</b>
5	<b>G through H</b>	<b>May 1, 2016</b>
6	<b>I through J</b>	<b>June 1, 2016</b>
7	<b>K through L</b>	<b>July 1, 2016</b>
8	<b>M through N</b>	<b>August 1, 2016</b>
9	<b>O through P</b>	<b>September 1, 2016</b>
10	<b>Q through R</b>	<b>October 1, 2016</b>
11	<b>S through T</b>	<b>November 1, 2016</b>
12	<b>U through V</b>	<b>December 1, 2016</b>
13	<b>W through Z</b>	<b>January 1, 2017</b>

14 **This subsection expires January 2, 2017.**

15 **(d) This subsection expires December 31, 2017. For a license**  
 16 **issued in 2015, the dealer services division shall impose a fee for the**  
 17 **license under IC 9-29-17 in the amount that bears the same**  
 18 **proportion to the annual fee for the license as the number of**  
 19 **months the license is valid bears to twelve (12).**

20 SECTION 25. IC 9-32-16-1, AS ADDED BY P.L.92-2013,  
 21 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JULY 1, 2014]: Sec. 1. (a) This chapter shall be administered by the  
 23 secretary.

24 (b) The secretary:

- 25 (1) shall employ employees, including a director, investigators, or
- 26 attorneys, necessary for the administration of this article; and
- 27 (2) shall fix the compensation of the employees with the approval
- 28 of the budget agency.

29 (c) It is unlawful for the director or an officer, employee, or  
 30 designee of the secretary to use for personal benefit or the benefit of  
 31 others records or other information obtained by or filed with the dealer  
 32 services division under this article that are confidential. This article  
 33 does not authorize the director or an officer, employee, or designee of  
 34 the secretary to disclose the record or information, except in  
 35 accordance with this chapter.

36 (d) This article does not create or diminish a privilege or exemption  
 37 that exists at common law, by statute or rule, or otherwise.

38 (e) The secretary may develop and implement dealer's and vehicle  
 39 purchaser's education initiatives to inform dealers and the public about  
 40 the offer or sale of vehicles, with particular emphasis on the prevention  
 41 and detection of fraud involving vehicle sales. In developing and  
 42 implementing these initiatives, the secretary may collaborate with



1 public and nonprofit organizations with an interest in consumer  
 2 education. The secretary may accept a grant or donation from a person  
 3 that is not affiliated with the dealer industry or from a nonprofit  
 4 organization, regardless of whether the organization is affiliated with  
 5 the dealer industry, to develop and implement consumer education  
 6 initiatives. This subsection does not authorize the secretary to require  
 7 participation or monetary contributions of a registrant in an education  
 8 program.

9 (f) Fees and funds accruing from the administration of this article:

10 (1) described in IC 9-32-7-1(d) shall be accounted for by the  
 11 secretary and shall be deposited with the treasurer of state to be  
 12 deposited in the dealer compliance account established by  
 13 IC 9-32-7-1(a);

14 (2) described in IC 9-32-7-2(b) shall be accounted for by the  
 15 secretary and shall be deposited with the treasurer of state to be  
 16 deposited in the dealer enforcement account established by  
 17 IC 9-32-7-2(a);

18 (3) described in IC 9-29-17-14(b)(2), ~~IC 9-29-17-14(c)(2)~~,  
 19 **IC 9-29-17-14(c)(3)**, ~~IC 9-29-17-15~~; and IC 9-32-7-3(2) shall be  
 20 accounted for by the secretary and shall be deposited with the  
 21 treasurer of state to be deposited in the motor vehicle highway  
 22 account under IC 8-14-1;

23 (4) described in IC 9-32-7-3(3) shall be accounted for by the  
 24 secretary and shall be deposited with the treasurer of state to be  
 25 deposited with the state police department, and these fees and  
 26 funds are continuously appropriated to the department for its use  
 27 in enforcing odometer laws;

28 (5) described in IC 9-32-7-3(4) shall be accounted for by the  
 29 secretary and shall be deposited with the treasurer of state to be  
 30 deposited with the attorney general, and these fees and funds are  
 31 continuously appropriated to the attorney general for use in  
 32 enforcing odometer laws; and

33 (6) described in IC 9-29-1-4(a) shall be accounted for by the  
 34 secretary and shall be deposited with the treasurer of state to be  
 35 deposited in the state police building account.

36 Expenses incurred in the administration of this article shall be paid  
 37 from the state general fund upon appropriation being made for the  
 38 expenses in the manner provided by law for the making of those  
 39 appropriations. However, grants and donations under subsection (e),  
 40 costs of investigations, and civil penalties recovered under this chapter  
 41 shall be deposited by the treasurer of state in the dealer enforcement  
 42 account established by IC 9-32-7-2. The funds in the dealer compliance



1 account established by IC 9-32-7-1 must be available, with the  
2 approval of the budget agency, to augment and supplement the funds  
3 appropriated for the administration of this article.

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

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

21 (i) The director and each attorney or investigator designated by the  
22 secretary:

23 (1) are police officers of the state;

24 (2) have all the powers and duties of police officers in conducting  
25 investigations for violations of this article, or in serving any  
26 process, notice, or order issued by an officer, authority, or court  
27 in connection with the enforcement of this article; and

28 (3) comprise the enforcement department of the division.

29 The division is a criminal justice agency for purposes of IC 5-2-4-1(3)  
30 and IC 10-13-3-6.

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

34 (1) the practice or commission of fraud may be prohibited and  
35 prevented; and

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

39 (k) Copies of any statements and documents filed in the office of the  
40 secretary and of any records of the secretary certified by the director  
41 are admissible in any prosecution, action, suit, or proceeding based on,  
42 arising out of, or under this article to the same effect as the original of





1 the statement, document, or record would be if actually produced.

2 SECTION 26. IC 9-32-16-2, AS ADDED BY P.L.92-2013,  
3 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2014]: Sec. 2. (a) An order issued under this article may deny  
5 a dealer license application for registration if the secretary finds that  
6 the order is in the public interest and subsection (c) authorizes the  
7 action. An order may condition or limit the license of an applicant to  
8 be a dealer and, if the applicant for a dealer license is a partner, officer,  
9 director, or person having similar status or performing similar  
10 functions, or a person directly or indirectly in control of the dealership,  
11 the order may condition or limit the license.

12 (b) If the secretary finds that an order is in the public interest and  
13 subsection (c) authorizes the action, an order issued under this article  
14 may deny, revoke, suspend, condition, limit, or permanently bar the  
15 granting of a license to or an application for a license from a dealer, or  
16 a partner, an officer, a director, or a person having a similar status or  
17 performing similar functions as a dealer, or a person directly or  
18 indirectly in control of the dealer. However, the secretary may not:

19 (1) institute a revocation or suspension proceeding under this  
20 subsection based on an order issued under the law of another state  
21 that is reported to the secretary or a designee of the secretary more  
22 than one (1) year after the date of the order on which it is based;  
23 or

24 (2) issue an order on the basis of an order issued under the dealer  
25 services laws of another state unless the other order was based on  
26 conduct for which subsection (c) would authorize the action had  
27 the conduct occurred in Indiana.

28 (c) A person may be disciplined under ~~subsections (a) and (b)~~ **this**  
29 **section** if the person:

30 (1) has filed an application for a dealer license in Indiana under  
31 this article, or its predecessor, within the previous ten (10) years,  
32 which, as of the effective date of license or registration or as of  
33 any date after filing in the case of an order denying effectiveness,  
34 was incomplete as to a material fact or contained a statement that,  
35 in light of the circumstances under which it was made, was false  
36 or misleading with respect to a material fact;

37 (2) knowingly violated or knowingly failed to comply with this  
38 article, or its predecessor, within the previous ten (10) years;

39 (3) has been convicted of a:

40 (A) felony within the previous ten (10) years; ~~or has been~~  
41 ~~convicted of a~~

42 (B) felony or misdemeanor involving theft or fraud; or



- 1           **(C) felony or misdemeanor concerning** an aspect of business  
 2           involving the offer, sale, financing, repair, **modification**, or  
 3           manufacture of a vehicle;
- 4           (4) is enjoined or restrained by a court with jurisdiction in an  
 5           action instituted by a state or the United States from engaging in  
 6           or continuing an act, practice, or course of business involving an  
 7           aspect of a business involving the offer, barter, sale, purchase,  
 8           transfer, financing, repair, or manufacture of a vehicle;
- 9           (5) refuses to allow or otherwise impedes the secretary from  
 10          conducting an audit or inspection;
- 11          (6) has engaged in dishonest or unethical practices in a business  
 12          involving the offer, barter, sale, purchase, transfer, financing,  
 13          repair, or manufacture of a vehicle within the previous ten (10)  
 14          years;
- 15          (7) is engaging in unfair practices as set forth in this article;
- 16          (8) is on the most recent tax warrant list supplied to the secretary  
 17          by the department of state revenue;
- 18          (9) violates IC 23-2-2.7; **or**
- 19          (10) violates IC 9-19-9;
- 20          **(11) willfully violates federal or state law relating to the sale,**  
 21          **distribution, financing, or insuring of motor vehicles; or**  
 22          **(12) is not compliant with local, state, or federal laws and**  
 23          **regulations regarding a dealer license or dealer business.**
- 24          (d) The secretary may suspend or deny an application, impose fines  
 25          and costs, restrict, condition, limit, bar, suspend, or rescind a dealer  
 26          license, or order restitution, or do any combination of these actions  
 27          before final determination of an administrative proceeding. Upon the  
 28          issuance of an order, the secretary shall promptly notify each person  
 29          subject to the order:
- 30                  (1) that the order has been issued;
- 31                  (2) the reasons for the action; and
- 32                  (3) that within fifteen (15) days after the receipt of a request in a  
 33                  record from the person the matter will be scheduled for a hearing.  
 34          If a hearing is not requested and no hearing is ordered by the secretary  
 35          within thirty (30) days after the date of service of the order, the order  
 36          becomes final by operation of law. If a hearing is requested or ordered,  
 37          the secretary, after notice of and opportunity for hearing to each person  
 38          subject to the order, may modify or vacate the order or extend the order  
 39          until final determination.
- 40          **(e) After a hearing, the secretary may suspend or deny an**  
 41          **application, impose fines and costs, restrict, condition, limit, bar,**  
 42          **suspend, or rescind a dealer license, or order restitution, or do any**



1 **combination of these actions.**

2 ~~(e)~~ **(f)** Revocation or suspension of a license of a manufacturer, a  
3 distributor, ~~a factory branch,~~ a dealer, or an automobile auctioneer may  
4 be limited to one (1) or more locations, to one (1) or more defined  
5 areas, or only to certain aspects of the business.

6 ~~(f)~~ **(g)** Except as provided in subsection (d), an order may not be  
7 issued under this section without:

8 (1) appropriate notice to the applicant or registrant;

9 (2) an opportunity for a hearing; and

10 ~~(3) findings of fact and conclusion of law in a record.~~

11 **(3) reasons for the action.**

12 ~~(g)~~ **(h)** A person that controls, directly or indirectly, a person not in  
13 compliance with this section may be disciplined by order of the  
14 secretary under subsections (a) and (b) to the same extent as the  
15 noncomplying person, unless the controlling person did not know, and  
16 in the exercise of reasonable care could not have known, of the  
17 existence of conduct that is a ground for discipline under this section.

18 ~~(h)~~ **(i)** A person subject to this chapter that has not been issued a  
19 license is subject to the same disciplinary fines, costs, and penalties as  
20 if a license had been issued.

21 SECTION 27. IC 9-32-16-11, AS ADDED BY P.L.92-2013,  
22 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2014]: Sec. 11. (a) All dealers operating as a:

24 (1) corporation;

25 (2) limited liability company;

26 (3) limited partnership; or

27 (4) limited liability partnership;

28 shall file and maintain all filings required to remain in good standing  
29 with the secretary of state business services division.

30 (b) The dealer shall provide the secretary:

31 (1) the federal tax identification number; and

32 (2) the registered retail merchant's certificate number issued  
33 under IC 6-2.5-8;

34 issued to the dealer.

35 (c) The dealer must, for the entire licensing period, have an  
36 established place of business with a physical Indiana address. The  
37 dealer may not have a mailing address that differs from the actual  
38 location of the business.

39 (d) The applicant and all corporate officers, partners, and owners  
40 must submit to a national criminal history background check (as  
41 defined in IC 10-13-3-12) administered by the state police at the  
42 expense of the applicant and the corporate officers, partners, and



1 owners. The secretary may deny an application based upon if the  
 2 **division finds that the applicant, a corporate officer, a partner, or**  
 3 **an owner has been convicted of a:**

- 4 (1) **felony within the previous ten (10) years;**  
 5 (2) **felony or misdemeanor convictions related to dealing in motor**  
 6 **vehicles involving theft or fraud; or**  
 7 (3) **felony or misdemeanor concerning an aspect of business**  
 8 **involving the offer, sale, financing, repair, modification, or**  
 9 **manufacture of a vehicle.**

10 (e) The dealer and the corporation, company, or partnership must be  
 11 in good standing with the bureau, the department of state revenue, and  
 12 the state police department.

13 SECTION 28. IC 9-32-17-5, AS ADDED BY P.L.92-2013,  
 14 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2014]: Sec. 5. A person who knowingly or intentionally  
 16 violates:

- 17 (1) IC 9-32-11-1; or  
 18 (2) IC 9-32-11-12 **by operating on an expired license issued**  
 19 **under IC 9-32-11; or**  
 20 (3) IC 9-32-11-12.5 **by operating on an expired license issued**  
 21 **under IC 9-32-11;**

22 commits a Class A misdemeanor.

