

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6838

BILL NUMBER: HB 1246

NOTE PREPARED: Mar 15, 2021

BILL AMENDED: Mar 9, 2021

SUBJECT: Auto Dealer Services.

FIRST AUTHOR: Rep. Sullivan

FIRST SPONSOR: Sen. Crider

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill has the following provisions:

- (1) Amends the definition of the term "manufacturer" to exclude off-road vehicle manufacturers.
- (2) Amends the term "transport operator" to remove Indiana dealers.
- (3) Adds transport operators to the term "dealer owner".
- (4) Defines the term "watercraft dealer".
- (5) Provides that certain restrictions of use and the required displays of license plates do not apply to tractors, dump trucks, trucks with a rear-mounted forklift, or trucks with a mechanism to carry a rear-mounted forklift or implement.
- (6) Provides the manner in which transport operators are to replace license plates or registration cards.
- (7) Reorganizes and amends the transport operator license plate statutes.
- (8) Provides that the Motor Vehicle Sales Advisory Board Shall be made up of at least six but not more than 11 persons appointed by the Governor upon the recommendation of the Secretary of State (SOS).
- (9) Establishes that the majority of the current members of the Motor Vehicle Sales Advisory Board constitutes a quorum for doing business.
- (10) Provides that offsite sales do not include: (a) manufactured homes within manufactured home communities; (b) manufactured homes already located within manufactured home communities or to be installed in a manufactured home community; and (c) sales made by a dealer that owns and operates a manufactured home community.
- (11) Establishes that a franchisor is not considered to be competing unfairly or in violation of the law if operating: (a) a business for less than two years; (b) in a bona fide retail operation that is for sale to any qualified independent person at a fair and reasonable price; or (c) in a bona fide relationship in which an independent person has made a significant investment subject to loss in the business operation and can

reasonably expect to acquire majority ownership or managerial control of the business on reasonable terms and conditions.

(12) Provides that the SOS may condition or limit a dealer license, transport operator, or endorsement application if it is in the best interest of the public.

(13) Establishes certain requirements for transport operators.

(14) Provides that a dealer that is injured by an unfair practice may file a request for declaratory judgment.

(15) Makes certain changes to the expiration dates for dealer license plates.

(16) Provides that dealers may deliver a motor vehicle to a location other than the dealer's licensed location under certain conditions.

Effective Date: July 1, 2021.

Explanation of State Expenditures: The change in renewal date changes for transport operator license plates will result in workload being more evenly dispersed for the Secretary of State (SOS).

Explanation of State Revenues: By allowing dealers to deliver purchase vehicles to places other than their place of business, the bill could decrease civil penalty revenue deposited in the Dealer Enforcement Account. The maximum civil penalty per violation of delivery of a vehicle sold on the internet is \$10,000, however any reduction in revenue is expected to be minimal.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: SOS.

Local Agencies Affected:

Information Sources: Rachael Ehlich, SOS.

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