

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1246

AN ACT to amend the Indiana Code concerning motor vehicles.

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

SECTION 1. IC 9-13-2-97, AS AMENDED BY P.L.120-2020, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 97. (a) "Manufacturer" means, except as provided in subsection (b), a person engaged in the business of constructing or assembling vehicles, of a type required to be registered under IC 9-18 (before its expiration) or IC 9-18.1 at an established place of business. The term does not include a converter manufacturer, an automotive mobility dealer, or a recreational vehicle manufacturer.

(b) "Manufacturer", for purposes of IC 9-32, means a person who is engaged in the business of manufacturing or assembling new motor vehicles or major component parts of motor vehicles, or both, and sells new motor vehicles to dealers, wholesale dealers, distributors, or the general public. The term includes the following:

- (1) A factory branch office of the manufacturer.
- (2) A partnership, a firm, an association, a joint venture, a limited liability company, a corporation, or a trust, resident or nonresident, that is controlled by the manufacturer.

The term does not include a converter manufacturer, an automotive mobility dealer, **an off-road vehicle manufacturer**, a manufactured home manufacturer, or a recreational vehicle manufacturer.

SECTION 2. IC 9-13-2-187, AS AMENDED BY P.L.128-2018, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

HEA 1246 — Concur



JULY 1, 2021]: Sec. 187. "Transport operator" means any of the following:

- (1) An Indiana ~~resident~~ or business ~~engaged in the business of furnishing that furnishes~~ drivers and operators for the purpose of transporting motor vehicles in transit from one (1) place to another by the drive away or tow away methods.
- (2) ~~An Indiana dealer or manufacturer engaged in the operation or business described in subdivision (1). An Indiana dealer described in this subdivision must hold a valid Indiana dealer license.~~
- (3) (2) An Indiana business that prepares newly purchased motor vehicles of the business and delivers the motor vehicles to the locations where the motor vehicles will be based, titled, and registered.
- (4) (3) An operator of a tractor-mobile home rig or a special tractor-mobile home rig transporting a sectionalized building using a disposable trailer.

SECTION 3. IC 9-32-2-9.9, AS AMENDED BY P.L.120-2020, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 9.9. "Dealer owner" means the following:

- (1) For a **transport operator**, a licensed **dealer**, or an applicant dealer, other than a manufacturer, the following:
 - (A) If a corporation, each officer, director, and shareholder having a ten percent (10%) or greater ownership interest in the corporation.
 - (B) If a corporation and it has no officer, director, or shareholder having a ten percent (10%) or greater ownership interest in the corporation, one (1) or more officers, directors, or shareholders designated in writing by the board of directors.
 - (C) If a sole proprietorship, the proprietor.
 - (D) If a partnership, each partner.
 - (E) If a limited liability company, each member of the company.
- (2) For a licensed or applicant manufacturer, one (1) or more officers, directors, or shareholders designated in writing by the manufacturer.

SECTION 4. IC 9-32-2-11.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 11.7. "Established place of business" has the meaning set forth in IC 9-13-2-50.**

SECTION 5. IC 9-32-2-25.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY



1, 2021]: **Sec. 25.5. "Transport operator" has the meaning set forth in IC 9-13-2-187.**

SECTION 6. IC 9-32-2-29 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 29. "Watercraft dealer" means a person that sells, offers to sell, or advertises the sale of at least six (6):**

- (1) watercrafts;**
- (2) trailers designed and used exclusively for the transportation of watercrafts; or**
- (3) trailers sold in general association with the sale of watercrafts;**

within a period of twelve (12) months.

SECTION 7. IC 9-32-6-1, AS AMENDED BY P.L.120-2020, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 1. (a) The following persons licensed under this article may apply for dealer license plates:**

- (1) An automobile auction company.
- (2) A converter manufacturer.
- (3) A new motor vehicle dealer.
- (4) A distributor.
- (5) A watercraft dealer.
- (6) A manufacturer.
- (7) A transfer dealer.
- (8) A used motor vehicle dealer.

(b) The application must include any information the secretary reasonably requires. Upon successful application, two (2) certificates of registration and two (2) metal dealer license plates shall then be issued to the applicant. A person under subsection (a) may apply for and at the discretion of the secretary receive additional dealer license plates as set forth in section 5 of this chapter.

(c) **Except for license plates issued to transfer dealers**, the fee for the first two (2) license plates issued under subsection (b) is as follows:

- (1) For motorcycle dealer license plates, fifteen dollars (\$15).
- (2) For license plates not described in subdivision (1), forty dollars (\$40).

(d) The fees for license plates issued to transfer dealers are established under section 2(c) of this chapter.

~~(d)~~ (e) Fees collected under subsection (c) shall be distributed as follows:

- (1) Thirty percent (30%) to the dealer compliance account.
- (2) Seventy percent (70%) to the motor vehicle highway account.

~~(e)~~ (f) There is an additional service charge of five dollars (\$5) for



each set of license plates issued under subsection (b). The service charge shall be deposited in the crossroads 2000 fund.

SECTION 8. IC 9-32-6-6.5, AS AMENDED BY P.L.120-2020, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6.5. (a) Except as provided in subsections (b) and (c), dealer license plates and dealer designee license plates issued to licensed dealers under this article are valid from the issue date through the expiration date as follows:

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

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

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

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

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

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

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

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

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

(10) Dealer license plates of a person whose business name begins with the ~~letters letter S through F~~ expire November 1 of each year.

(11) Dealer license plates of a person whose business name begins with the letters ~~⊕ T~~ through V expire December 1 of each year.

(12) Dealer license plates of a person whose business name begins with the letters W through Z expire January 1 of each year.

(b) Dealer license plates issued to a person whose business name begins with a nonalpha character expire November 1 of each year.

(c) A dealer designee license plate is valid from the issue date through the expiration date as provided in subsection (a) or (b).

(d) The fee to renew the license plates issued under section 1 of this chapter is as follows:

(1) For motorcycle dealer license plates, fifteen dollars (\$15).

(2) For dealer license plates not described in subdivision (1), forty



dollars (\$40).

(e) Fees collected under subsection (d) shall be distributed as follows:

- (1) Thirty percent (30%) to the dealer compliance account established by IC 9-32-7-1.
- (2) Seventy percent (70%) to the motor vehicle highway account under IC 8-14-1.

(f) There is an additional service charge of five dollars (\$5) for the renewal of each set of license plates issued under section 1 of this chapter. The service charge shall be deposited in the crossroads 2000 fund.

(g) The fee to renew each additional license plate issued under section 5 of this chapter is as follows:

- (1) For an additional motorcycle dealer license plate, seven dollars and fifty cents (\$7.50).
- (2) For an additional dealer license plate not described in subdivision (1), fifteen dollars (\$15).

(h) Fees collected under subsection (g) shall be distributed as follows:

- (1) Thirty percent (30%) to the dealer compliance account established by IC 9-32-7-1.
- (2) Seventy percent (70%) to the motor vehicle highway account under IC 8-14-1.

(i) There is an additional service charge for the renewal of each additional license plate issued under section 5 of this chapter, as follows:

- (1) For an additional motorcycle dealer license plate, two dollars and fifty cents (\$2.50).
- (2) For an additional dealer license plate not described in subdivision (1), five dollars (\$5).

(j) The service charge under subsection (i) shall be deposited in the crossroads 2000 fund.

(k) The fee to renew a license plate issued under section 2(b) of this chapter is forty dollars (\$40). The fee shall be deposited in the dealer compliance account established by IC 9-32-7-1.

(l) The fees collected under subsection (m) shall be distributed as follows:

- (1) Forty percent (40%) to the crossroads 2000 fund.
- (2) Forty-nine percent (49%) to the dealer compliance account established by IC 9-32-7-1.
- (3) Eleven percent (11%) to the motor vehicle highway account under IC 8-14-1.



(m) The fee to renew a dealer designee license plate issued under IC 9-32-6.5-1 is twenty-one dollars and thirty-five cents (\$21.35).

(n) In the event of a natural disaster or other emergency that prevents the secretary from processing a license plate renewal, the secretary may issue an order extending dealer and dealer designee license plate expiration dates for not more than twelve (12) additional months.

SECTION 9. IC 9-32-6-7, AS AMENDED BY P.L.120-2020, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) Unless otherwise provided, dealer license plates may be used only on motor vehicles being held for sale or resale in the dealer's inventory. Dealer license plates may be placed only on motor vehicles in the dealer's inventory for the following reasons:

- (1) Usual operation of the dealer's business.
- (2) Movement of the dealer's inventory.
- (3) As permitted by rules adopted by the secretary.

(b) Dealer license plates may not be used to avoid payment of applicable taxes.

(c) The license plates referenced in subsection (a), when not in use, must be stored at the dealer's established place of business.

(d) **This subsection does 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.** While in use, dealer license plates must be displayed on the motor vehicle. The license plate must be displayed in the following manner:

- (1) On the rear of the motor vehicle.
- (2) With all text, numbers, and stickers fully visible and not obstructed or obscured by any part of the motor vehicle or other foreign materials, such as a plate frame or cover.
- (3) Securely fastened in a horizontal position at a height of at least twelve (12) inches from the ground, measuring from the bottom of the license plate.

(e) A person that violates this section commits a Class A infraction.

SECTION 10. IC 9-32-6-16, AS AMENDED BY P.L.284-2019, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 16. (a) Except as provided in subsection (b), if a ~~dealer~~ license plate or registration card issued under this ~~chapter~~ **article or under IC 9-31-3-19** (before its repeal) ~~or IC 9-32-8-8~~ is lost, stolen, or destroyed, the dealer **or transport operator** may apply for a replacement ~~dealer~~ license plate or registration card in the form and manner prescribed by the secretary.

(b) If a ~~dealer~~ license plate is lost or stolen, the secretary may not



issue a replacement ~~dealer~~ license plate until the dealer **or transport operator** to whom the ~~dealer~~ license plate was issued:

- (1) has notified:
 - (A) the ~~Indiana~~ law enforcement agency that has jurisdiction where the loss or theft occurred; or
 - (B) the law enforcement agency that has jurisdiction over the address of the dealer's established place of business; and
- (2) presents to the secretary on a form prescribed by the secretary a report completed by the law enforcement agency that was notified under subdivision (1).

SECTION 11. IC 9-32-7.5-2, AS ADDED BY P.L.120-2020, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2. (a) This section does not apply to a vehicle registered as a recovery vehicle under IC 9-18.1-6.

(b) A transport operator may, instead of registering each motor vehicle transported or disposable trailer used, make a verified application upon a form prescribed by the secretary and furnished by the secretary for a general distinctive registration number for:

- (1) all motor vehicles transported by the transport operator and used and operated for the purposes provided; or
- (2) all disposable trailers used and operated for the purpose of transporting sectionalized buildings.

(c) The application must contain the following:

- (1) A brief description of:
 - (A) each style or type of motor vehicle transported or
 - ~~(B)~~ the type of disposable trailer used to transport the sectionalized building, **whichever is applicable; and**
 - (B) the manner in which the transport operator intends to use the plates.**
- (2) The name and address ~~including the county of residence;~~ of the transport operator.
- (3) For an application to use a disposable trailer, a statement that the disposable trailer will be disassembled after a single use.
- (4) Any other information the secretary requires.

~~(d) The secretary, upon receiving:~~

- ~~(1) an application for a transport operator license plate; and~~
- ~~(2) the fee under subsection (j);~~

~~shall issue to the person that submitted the application and fee two (2) certificates of registration and the license plates with numbers corresponding to the numbers of the certificates of registration. A transport operator may obtain as many additional pairs of license plates as desired upon application and the payment to the secretary of the fee~~



under subsection (k) for each pair of additional license plates:

(e) A license plate or sign other than those furnished and approved by the secretary may not be used.

(f) A transport operator license plate may not be used on a vehicle used or operated on a highway, except for the purpose of transporting:

- (1) vehicles in transit; or
- (2) sectionalized buildings.

A person may haul other vehicles or parts of vehicles in transit in the same combination.

(g) A transport operator may not operate a vehicle or any combination of vehicles in excess of the size and weight limits specified by law.

(h) A license plate issued under this section shall be displayed on the front and rear of each combination; and if only one (1) motor vehicle is transported, a license plate shall be displayed on both the front and rear of the motor vehicle.

(i) **(d)** The secretary may not issue transport operator license plates to a transport operator that has been convicted of violating this **section article** until the secretary is satisfied that the transport operator is able to comply with the requirements of this section.

(j) The fee for one (1) set of license plates for each transport operator is one hundred thirty-nine dollars and twenty-five cents (\$139.25). The fee shall be distributed as follows:

- (1) Twenty-five cents (\$0.25) to the state construction fund.
- (2) Five dollars (\$5) to the crossroads 2000 fund.
- (3) Nine dollars (\$9) to the dealer compliance account.
- (4) Thirty dollars (\$30) to the highway, road and street fund.
- (5) Ninety-five dollars (\$95) to the motor vehicle highway account.

(k) The fee for each additional set of license plates for a transport operator is thirty-four dollars and twenty-five cents (\$34.25). The fee shall be distributed as follows:

- (1) Twenty-five cents (\$0.25) to the state construction fund.
- (2) Nine dollars (\$9) to the dealer compliance account.
- (3) Ten dollars (\$10) to the crossroads 2000 fund.
- (4) Fifteen dollars (\$15) to the motor vehicle highway account.

SECTION 12. IC 9-32-7.5-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 3. (a) A transport operator may apply for transport operator license plates under section 2 of this chapter.**

(b) The fee for the first transport operator license plate is one hundred thirty-nine dollars and twenty-five cents (\$139.25). A fee



under this subsection shall be distributed as follows:

- (1) Twenty-five cents (\$0.25) to the state construction fund.
- (2) Five dollars (\$5) to the crossroads 2000 fund.
- (3) Nine dollars (\$9) to the dealer compliance account.
- (4) Thirty dollars (\$30) to the highway, road and street fund.
- (5) Ninety-five dollars (\$95) to the motor vehicle highway account.

(c) The fee for each additional transport operator license plate is thirty-four dollars and twenty-five cents (\$34.25). A fee under this subsection shall be distributed as follows:

- (1) Twenty-five cents (\$0.25) to the state construction fund.
- (2) Nine dollars (\$9) to the dealer compliance account.
- (3) Ten dollars (\$10) to the crossroads 2000 fund.
- (4) Fifteen dollars (\$15) to the motor vehicle highway account.

(d) The secretary, upon receiving:

- (1) a complete application for transport operator license plates; and
- (2) the applicable fee;

shall issue to the transport operator certificates of registration and the transport operator license plates with numbers corresponding to the numbers of the certificates of registration for each transport operator license plate.

(e) Transport operator license plates expire according to the schedule in IC 9-32-6-6.5.

SECTION 13. IC 9-32-7.5-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 4. (a) Transport operator license plates may only be used for the purpose of transporting:

- (1) vehicles in transit; or
- (2) sectionalized buildings.

(b) A person may haul:

- (1) other vehicles; or
- (2) parts of vehicles;

in transit in the same combination.

(c) A transport operator may not operate a vehicle or any combination of vehicles in excess of the size and weight limits specified by law.

(d) A license plate or sign other than those furnished and approved by the secretary may not be used.

SECTION 14. IC 9-32-7.5-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. A transport operator may not engage in retail sales



of motor vehicles or watercrafts.

SECTION 15. IC 9-32-7.5-6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 6. (a) A transport operator shall maintain a record of each transport operator license plate issued to the transport operator. The record shall account for every transport operator license plate issued, including:**

- (1) the dates the transport operator license plate is used;**
- (2) a description of the vehicle to which the transport operator license plate is affixed, including the:**
 - (A) vehicle make;**
 - (B) vehicle model;**
 - (C) manufacture year; and**
 - (D) vehicle identification number (VIN);**
- (3) the destinations of the vehicle to which the transport operator license plate is affixed; and**
- (4) the name of the person who operates the vehicle to which the transport operator license plate is affixed.**

(b) Records under subsection (a) must be maintained for at least one (1) year from the date the transport operator license plate is issued.

SECTION 16. IC 9-32-7.5-7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 7. A transport operator shall furnish proof that the transport operator has maintained financial responsibility for not less than the minimum amounts under IC 9-25-4-5 for each set of transport operator plates to be affixed to a motor vehicle:**

- (1) at the time of application; or**
- (2) upon request of the secretary.**

SECTION 17. IC 9-32-10-2, AS AMENDED BY P.L.284-2019, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 2.** The advisory board is composed of the secretary and ~~eleven (11)~~ **at least six (6) but less than twelve (12)** persons appointed by the governor upon the recommendation of the secretary as follows:

- (1) At least two (2) of the appointed members must be franchised new motor vehicle dealers as follows:**
 - (A) At least one (1) member must:**
 - (i) have sold fewer than seven hundred fifty (750) new motor vehicles in the year before the member's appointment;**
 - and**
 - (ii) be a dealer owner listed on a valid license issued to a**



franchised new motor vehicle dealer under IC 9-32.

(B) At least one (1) member must:

- (i) have sold more than seven hundred forty-nine (749) new motor vehicles in the year before the member's appointment; and
- (ii) be a dealer owner listed on a valid license issued to a franchised new motor vehicle dealer under IC 9-32.

(2) At least two (2) of the appointed members must:

- (A) represent the motor vehicle manufacturing industry;
- (B) have been an Indiana resident for at least two (2) years immediately preceding the member's appointment; and
- (C) be employed by a manufacturer that holds a valid manufacturer license issued under IC 9-32.

(3) At least two (2) members must:

- (A) represent used motor vehicle dealers that are not franchised new motor vehicle dealers; and
- (B) be a dealer owner listed on a valid license issued to a used motor vehicle dealer under IC 9-32.

(4) The remaining members may be appointed from the following:

- (A) A representative of a used automobile auction validly licensed under IC 9-32.
- (B) A representative of an automobile salvage recycler validly licensed under IC 9-32.
- (C) A representative of a recreational vehicle dealer validly licensed under IC 9-32.
- (D) A representative of a watercraft dealer validly licensed under IC 9-32.

(5) One (1) appointed member may represent the general public and may not have any direct interest in the manufacture or sale of motor vehicles or watercraft.

SECTION 18. IC 9-32-10-7, AS ADDED BY P.L.92-2013, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. ~~Seven (7)~~ **A majority of the current** members of the advisory board ~~constitute~~ **constitutes** a quorum for doing business. The majority vote of the members of the quorum, present and voting, is required for the passage of a matter put to a vote of the advisory board.

SECTION 19. IC 9-32-11-10, AS AMENDED BY P.L.120-2020, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 10. (a) This section does not apply to sales made at a motor vehicle industry sponsored trade show.

(b) A dealer that sells to the general public may not sell or offer to



sell a motor vehicle at a location away from the dealer's established place of business without obtaining an offsite sales permit under section 11 of this chapter.

(c) A motor vehicle display is not considered an offsite sale if it is conducted:

- (1) by a new motor vehicle dealer; and
- (2) in an open area where no sales personnel and sales material are present.

(d) A sale is not an offsite sale if:

- (1) it is a sale of a manufactured home within a manufactured home community;**
- (2) the manufactured home is already located within the manufactured home community or will be installed within the manufactured home community; and**
- (3) the sale is made by the dealer that owns and operates the manufactured home community.**

SECTION 20. IC 9-32-11-12.5, AS AMENDED BY P.L.120-2020, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 12.5. (a) This section applies to licenses (other than wholesale dealer licenses) issued after December 31, 2014.

(b) An initial or renewed license issued under this article is valid from the issue date through the expiration date in accordance with the following schedule:

- (1) A license for a person whose business name begins with the letters A through B expires February 1 of each year.
- (2) A license for a person whose business name begins with the ~~letters letter C through D~~ expires March 1 of each year.
- (3) A license for a person whose business name begins with the letters ~~E D~~ through F expires April 1 of each year.
- (4) A license for a person whose business name begins with the letters G through H expires May 1 of each year.
- (5) A license for a person whose business name begins with the letters I through J expires June 1 of each year.
- (6) A license for a person whose business name begins with the letters K through L expires July 1 of each year.
- (7) A license for a person whose business name begins with the letters M through N expires August 1 of each year.
- (8) A license for a person whose business name begins with the letters O through P expires September 1 of each year.
- (9) A license for a person whose business name begins with the letters Q through R expires October 1 of each year.
- (10) A license for a person whose business name begins with the



~~letters letter S through T~~ expires November 1 of each year.

(11) A license for a person whose business name begins with the letters ~~U~~ **T** through V expires December 1 of each year.

(12) A license for a person whose business name begins with the letters W through Z expires January 1 of each year.

(c) A dealer license issued to a person whose business name begins with a nonalpha character expires November 1 of each year.

(d) The fee for the renewal of an automotive salvage recycler license is ten dollars (\$10). The fees collected under this subsection are nonrefundable and shall be retained by the secretary.

(e) The fee for the renewal of a watercraft dealer license is thirty dollars (\$30). The fees collected under this subsection are nonrefundable and shall be retained by the secretary.

(f) The fee for the renewal of a manufacturer or distributor license is thirty-five dollars (\$35). The fees collected under this subsection are nonrefundable and shall be retained by the secretary.

(g) The fee for the renewal of a converter manufacturer or transfer dealer license is twenty dollars (\$20). The fees collected under this subsection are nonrefundable and shall be deposited as set forth in IC 9-32-7-3.

(h) The fee for the renewal of a used motor vehicle dealer, new motor vehicle dealer, or automotive auction company license is thirty dollars (\$30). The fees collected under this section are nonrefundable and shall be deposited as set forth in IC 9-32-7-3.

(i) A person who violates this section by operating on an expired license issued under this chapter commits a Class A infraction.

(j) In the event of a natural disaster or other emergency that prevents the secretary from processing an application for license renewal, the secretary may issue an order extending license expiration dates for not more than twelve (12) additional months.

SECTION 21. IC 9-32-11-17, AS AMENDED BY P.L.174-2016, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 17. **(a)** A dealer who sells a motor vehicle through the use of the Internet or another computer network shall deliver the motor vehicle to the customer, or the customer's representative, at the ~~place of business of the dealer~~ **dealer's licensed location** in Indiana.

(b) A dealer may deliver a motor vehicle to a location other than the dealer's licensed location in Indiana if the delivery is:

(1) requested by a customer in writing; and

(2) commenced from the dealer's licensed location in Indiana.

SECTION 22. IC 9-32-13-23, AS AMENDED BY P.L.174-2016, SECTION 103, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2021]: Sec. 23. (a) It is an unfair practice for a manufacturer, distributor, officer, or agent to do any of the following:

(1) Require, coerce, or attempt to coerce a new motor vehicle dealer in Indiana to:

(A) change the location of the dealership;

(B) make any substantial alterations to the use of franchises;
or

(C) make any substantial alterations to the dealership premises or facilities;

if to do so would be unreasonable or would not be justified by current economic conditions or reasonable business considerations. This subdivision does not prevent a manufacturer or distributor from establishing and enforcing reasonable facility requirements. However, a new motor vehicle dealer may elect to use for the facility alteration locally sourced materials or supplies that are substantially similar to those required by the manufacturer or distributor, subject to the approval of the manufacturer or distributor, which may not be unreasonably withheld.

(2) Require, coerce, or attempt to coerce a new motor vehicle dealer in Indiana to divest ownership of or management in another line or make of motor vehicles that the dealer has established in its dealership facilities with the prior written approval of the manufacturer or distributor.

(3) Establish or acquire wholly or partially a franchisor owned outlet engaged wholly or partially in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement or, if no exclusive territory is designated, competing unfairly with the franchisee within a reasonable market area. A franchisor is not considered to be competing unfairly **or in violation of IC 9-32-11-20** if operating:

(A) a business for less than two (2) 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.

(4) Require a dealer, as a condition of granting or continuing a franchise, approving the transfer of ownership or assets of a new



motor vehicle dealer, or approving a successor to a new motor vehicle dealer to:

- (A) construct a new dealership facility;
 - (B) modify or change the location of an existing dealership; or
 - (C) grant the manufacturer or distributor control rights over any real property owned, leased, controlled, or occupied by the dealer.
- (5) Prohibit a dealer from representing more than one (1) line make of motor vehicles from the same or a modified facility if:
- (A) reasonable facilities exist for the combined operations;
 - (B) the dealer meets reasonable capitalization requirements for the original line make and complies with the reasonable facilities requirements of the manufacturer or distributor; and
 - (C) the prohibition is not justified by the reasonable business considerations of the manufacturer or distributor.

Subdivisions (3) through (5) do not apply to recreational vehicle manufacturer franchisors.

(b) This section does not prohibit the enforcement of a voluntary agreement between the manufacturer or distributor and the franchisee where separate and valuable consideration has been offered and accepted.

SECTION 23. IC 9-32-16-2, AS AMENDED BY P.L.120-2020, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2. (a) An order issued under this article may:

- (1) deny a dealer license, **transport operator license plate**, or endorsement application for registration if the secretary finds that the order is in the public interest and subsection (c) authorizes the action;
- (2) **condition or limit the issuance of transport operator license plates to an applicant if the secretary finds that the order is in the interest of the public and subsection (c) authorizes the actions; and**
- (3) ~~An order may~~ condition or limit the license of an applicant to be a dealer and, if the applicant for a dealer license is a partner, officer, director, or person having similar status or performing similar functions, or a person directly or indirectly in control of the dealership, the order may condition or limit the license.

(b) If the secretary finds that an order is in the public interest and subsection (c) authorizes the action, an order issued under this article may deny, revoke, suspend, condition, limit, or permanently bar the granting of a license or endorsement or issuing of a license plate to or an application for a license, endorsement, or license plate from a



transport operator, dealer, owner, dealer manager, or a person having a similar status or performing similar functions as a dealer, or a person directly or indirectly in control of the dealer. However, the secretary may not:

- (1) institute a revocation or suspension proceeding under this subsection based on an order issued under the law of another state that is reported to the secretary or a designee of the secretary more than one (1) year after the date of the order on which it is based; or
 - (2) issue an order on the basis of an order issued under the dealer services laws of another state unless the other order was based on conduct for which subsection (c) would authorize the action had the conduct occurred in Indiana.
- (c) A person may be disciplined under this section if the person:
- (1) has filed an application for **transport operator license plates**, a dealer license, or **a dealer** endorsement in Indiana under this article, or its predecessor, within the previous ten (10) years, which, as of the effective date of license or registration or as of any date after filing in the case of an order denying effectiveness, was incomplete as to a material fact or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact;
 - (2) knowingly violated or knowingly failed to comply with this article, or its predecessor, within the previous ten (10) years;
 - (3) has been convicted of a:
 - (A) felony within the previous ten (10) years;
 - (B) felony or misdemeanor involving theft or fraud; or
 - (C) felony or misdemeanor concerning an aspect of business involving the offer, sale, financing, repair, modification, or manufacture of a motor vehicle or watercraft;
 - (4) is enjoined or restrained by a court with jurisdiction in an action instituted by a state or the United States from engaging in or continuing an act, practice, or course of business involving an aspect of a business involving the offer, barter, sale, purchase, transfer, financing, repair, or manufacture of a motor vehicle or watercraft;
 - (5) refuses to allow or otherwise impedes the secretary from conducting an audit or inspection;
 - (6) has engaged in dishonest or unethical practices in a business involving the offer, barter, sale, purchase, transfer, financing, repair, or manufacture of a motor vehicle or watercraft within the previous ten (10) years;



- (7) is engaging in unfair practices as set forth in this article;
- (8) is on the most recent tax warrant list supplied to the secretary by the department of state revenue;
- (9) violates IC 23-2-2.7;
- (10) violates IC 9-19-9;
- (11) willfully violates federal or state law relating to the sale, distribution, financing, or insuring of motor vehicles or watercraft;
- (12) is not compliant with local, state, or federal laws and regulations regarding a dealer license, endorsement, or dealer business;
- (13) violates IC 9-32-9-15;
- (14) violates IC 9-32-9-16; or
- (15) violates IC 9-32-9-29.

(d) The secretary may revoke, suspend, or deny an application, impose fines and costs, restrict, condition, limit, bar, or suspend a dealer license, **a dealer** endorsement, or **a** license plate issued under this article, or order restitution, or do any combination of these actions before final determination of an administrative proceeding. Upon the issuance of an order, the secretary shall promptly notify each person subject to the order:

- (1) that the order has been issued;
- (2) the reasons for the action; and
- (3) that upon receipt of a request in a record from the person, an order setting a hearing date will be issued within fifteen (15) days.

If a hearing is not requested and no hearing is ordered by the secretary within thirty (30) days after the date of service of the order, the order becomes final by operation of law. If a hearing is requested or ordered, the secretary, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

(e) After a hearing, the secretary may suspend or deny an application, impose fines and costs, restrict, condition, limit, bar, suspend, or revoke a **license plate issued under this article**, dealer license or endorsement or order restitution, or do any combination of these actions.

(f) Revocation or suspension of a license or endorsement of a dealer may be limited to one (1) or more locations, to one (1) or more defined areas, or only to certain aspects of the business.

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

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

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- (2) an opportunity for a hearing; and
- (3) reasons for the action.

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

(i) A person subject to this chapter that has not been issued a license or endorsement is subject to the same disciplinary fines, costs, and penalties as if a license had been issued.

SECTION 24. IC 9-32-16-11, AS AMENDED BY P.L.120-2020, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 11. (a) All dealers **and transport operators** operating as a:

- (1) corporation;
- (2) limited liability company;
- (3) limited partnership; or
- (4) limited liability partnership;

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

(b) The dealer must, for the entire licensing period, have an established place of business with a physical Indiana address. The dealer may not have a mailing address that differs from the actual location of the business. At the discretion of the secretary, an exemption may be granted for dealers with an established place of business in a location not serviced by the United States Postal Service to allow a post office box to be used as a mailing address. A dealer using a post office box for this reason must notify the division in writing with the dealer's application.

(c) Before the secretary may issue a license to a dealer **or license plates to a transport operator**, the following must occur:

- (1) A dealer **or transport operator** must disclose to the secretary the following:
 - (A) Each dealer owner.
 - (B) For a dealer owner that is a business entity, the following:
 - (i) If a corporation, each officer, director, and shareholder designated in writing by the board of directors.
 - (ii) If a limited liability company, each member of the company designated in writing by all members.
 - (iii) If a partnership, each partner.
 - (iv) If a sole proprietorship, the proprietor.



(C) **Except for a transport operator**, each dealer manager.

- (2) A person under subdivision (1) must submit to a national criminal history background check (as defined in IC 10-13-3-12) or expanded criminal history check (as defined in IC 20-26-2-1.5) administered by the state police.

The secretary shall make the determination whether an individual must submit to a national criminal history background check or an expanded criminal history check under this subsection.

(d) A national criminal history background check or expanded criminal history check conducted under subsection (c):

- (1) is at the expense of the dealer **or transport operator**, and the dealer owners; and
- (2) may be completed not more than sixty (60) days before the dealer applies for a license under this article.

(e) The secretary may deny an application for a license **or transport operator license plates** if the division finds that a dealer owner or a dealer manager has been convicted of a:

- (1) felony within the previous ten (10) years;
- (2) felony or misdemeanor involving theft or fraud; or
- (3) felony or misdemeanor concerning an aspect of business involving the offer, sale, financing, repair, modification, or manufacture of a motor vehicle or watercraft.

(f) If a dealer **or transport operator** adds, **removes**, or changes a dealer owner or dealer manager after issuance of the initial license, the dealer **or transport operator** must submit an application for a change in ownership in a manner prescribed by the secretary not later than ten (10) days after the change. The new dealer owner or dealer manager shall submit to a national criminal history background check or expanded criminal history check as set forth in subsection (c).

(g) Following licensure under this article, a dealer **or transport operator** shall, not later than ninety (90) days after the entry of an order or judgment, notify the division in writing if the dealer owner or dealer manager has been convicted of a:

- (1) felony within the past ten (10) years;
- (2) felony or misdemeanor involving theft or fraud; or
- (3) felony or misdemeanor concerning an aspect of business involving the:
- (A) offer;
- (B) sale;
- (C) financing;
- (D) repair;
- (E) modification; or



(F) manufacture;
of a motor vehicle or watercraft.

(h) The dealer **or transport operator**, and the corporation, company, or partnership must be in good standing with the bureau, the department of state revenue, the department of financial institutions, and the state police department during the entire period for which a license is valid.

SECTION 25. IC 9-32-16-15, AS ADDED BY P.L.92-2013, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 15. (a) A dealer who is injured by an unfair practice set forth in IC 9-32-13 or IC 9-32-15 may file a complaint or petition with the division.

(b) A dealer who is injured by an unfair practice set forth in IC 9-32-13-27 may file a request for declaratory judgment with the division.

~~(b)~~ **(c)** A dealer may not file a complaint, **request for declaratory judgment under subsection (b) based on an alleged violation of IC 9-32-13-27**, or petition with the division under subsection (a) based on an alleged violation of IC 9-32-13 or IC 9-32-15 by a manufacturer or distributor unless the dealer serves a demand for mediation upon the manufacturer or distributor:

- (1) before; or
- (2) at the same time as;

filing the complaint, **request for declaratory judgment**, or petition. A demand for mediation must be in writing and served upon the manufacturer or distributor by certified mail at an address designated for the manufacturer or distributor in the licensor's records. The demand for mediation must contain a brief statement of the dispute and the relief sought by the dealer serving the demand.

~~(c)~~ **(d)** Not later than twenty (20) days after the date the demand for mediation is served under subsection ~~(b)~~; **(c)**, the parties shall mutually select an independent mediator and meet with the mediator for the purpose of attempting to resolve the dispute. The meeting place must be within Indiana at a location selected by the mediator. The mediator may extend the period in which the meeting must occur for good cause shown by either party or upon stipulation of the parties.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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