

SENATE BILL No. 110

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-17-3-3; IC 9-22-2.5; IC 9-22-3.

Synopsis: Motor vehicles. Requires that the purchaser of a motor vehicle must have made all agreed upon payments, including delivery of a trade-in without hidden statutory liens, before a vehicle dealer is required to deliver title to the purchaser. Makes it a Class A infraction for a person to deny an owner of a vehicle towed to a private storage or impoundment area free access to the vehicle during normal business hours for the purpose of securing personal items. Provides that a flood damaged vehicle is a vehicle that has sustained water damage above the floorboard of the vehicle. Requires a flood damaged vehicle to have a certificate of salvage title with the notation "FLOOD DAMAGED". Requires that when a vehicle dealer or other business restores or purchases a salvaged vehicle, the affidavit that must be attached to the title of that vehicle must bear the designation "REBUILT VEHICLE MILEAGE UNKNOWN" or "REBUILT FLOOD DAMAGED"
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Effective: July 1, 1998.

Meeks

January 8, 1998, read first time and referred to Committee on Corrections, Criminal and Civil Procedures.



Digest Continued

VEHICLE". Provides that if a title is issued for a motor vehicle that was previously titled in another state as a rebuilt, reconstructed, reconditioned, distressed, flood damaged, or similarly designated vehicle, the new title must bear the designation "REBUILT VEHICLE" or "REBUILT FLOOD DAMAGED VEHICLE". Provides that the statutes concerning salvaged motor vehicles apply each year to a vehicle manufactured within the previous seven model years, but that the bureau of motor vehicles may extend the coverage of the provisions up to a maximum of 15 model years. Requires a disposal facility, automotive salvage rebuilder, and used parts dealer to retain records concerning salvage vehicles for ten years instead of five years. Requires a disposal facility, automotive salvage rebuilder, and used parts dealer to complete records concerning salvage vehicles or component parts that are in their current model year or in the preceding nine model years (instead of the preceding four model years).



Introduced

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

SENATE BILL No. 110

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 9-17-3-3, AS AMENDED BY P.L.2-1995,
2 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 1998]: Sec. 3. (a) If a vehicle for which a certificate of title
4 has been issued is sold or has the ownership transferred, the person
5 who holds the certificate of title must do the following:
6 (1) Endorse on the certificate of title an assignment of the
7 certificate of title with warranty of title, in a form printed on the
8 certificate of title, with a statement describing all liens or
9 encumbrances on the vehicle.
10 (2) Except as provided in subdivisions (3) and (4), deliver the
11 certificate of title to the purchaser or transferee at the time of the
12 sale or delivery to the purchaser or transferee of the vehicle, **if**
13 **the purchaser or transferee has made all agreed upon**
14 **payments for the vehicle, including delivery of a trade-in**
15 **vehicle without hidden or undisclosed statutory liens.**



- 1 (3) In the case of a sale or transfer between vehicle dealers
 2 licensed by this state or another state, deliver the certificate of
 3 title within twenty-one (21) days after the date of the sale.
 4 (4) Deliver the certificate of title to the purchaser or transferee
 5 within twenty-one (21) days after the date of sale to the
 6 purchaser or transferee of the vehicle, if all of the following
 7 conditions exist:
- 8 (A) The seller or transferor is a vehicle dealer licensed by
 9 the state under IC 9-23.
 - 10 (B) The vehicle dealer is not able to deliver the certificate
 11 of title at the time of sale.
 - 12 (C) The vehicle dealer reasonably believes that it will be
 13 able to deliver the title, without a lien or an encumbrance on
 14 the title, within the twenty-one (21) day period.
 - 15 (D) The vehicle dealer provides the purchaser or transferee
 16 with an affidavit under section 3.1 of this chapter.
 - 17 **(E) The purchaser or transferee has made all agreed**
 18 **upon payments for the vehicle, including delivery of a**
 19 **trade-in vehicle without hidden or undisclosed statutory**
 20 **liens.**
- 21 (b) A licensed dealer may offer for sale a vehicle for which the
 22 dealer does not possess a certificate of title, if the dealer can comply
 23 with subsection (a)(3) or (a)(4) at the time of the sale.
- 24 (c) A vehicle dealer who fails to deliver a certificate of title within
 25 the time specified under this section is subject to the following civil
 26 penalties:
- 27 (1) One hundred dollars (\$100) for the first violation.
 - 28 (2) Two hundred fifty dollars (\$250) for the second violation.
 - 29 (3) Five hundred dollars (\$500) for all subsequent violations.
- 30 Payment shall be made to the bureau and deposited in the state general
 31 fund. In addition, if a purchaser or transferee does not receive a valid
 32 certificate of title within the time specified by this section, the
 33 purchaser or transferee shall have the right to return the vehicle to the
 34 vehicle dealer ten (10) days after giving the vehicle dealer written
 35 notice demanding delivery of a valid title certificate and the dealer's
 36 failure to deliver a valid title certificate within that ten (10) day period.
 37 Upon return of the vehicle to the dealer in the same or similar condition
 38 as delivered to the purchaser or transferee under this section, the
 39 vehicle dealer shall pay to the purchaser or transferee the purchase
 40 price plus sales taxes, finance expenses, insurance expenses, and any
 41 other amount paid to the dealer by the purchaser. If the dealer's
 42 inability to timely deliver a valid certificate of title results from the acts



1 or omissions of a third party who has failed to timely deliver a valid
 2 certificate of title to the dealer, the dealer is entitled to claim against
 3 the third party all damages sustained by the dealer in rescinding the
 4 dealer's sale with the purchaser or transferee, including the dealer's
 5 reasonable attorney's fees.

6 (d) If a vehicle for which a certificate of title has been issued by
 7 another state is sold or delivered, the person selling or delivering the
 8 vehicle must deliver to the purchaser or receiver of the vehicle a proper
 9 certificate of title with an assignment of the certificate of title in a form
 10 prescribed by the bureau.

11 (e) The original certificate of title and all assignments and
 12 subsequent reissues of the certificate of title shall be retained by the
 13 bureau and appropriately classified and indexed in the most convenient
 14 manner to trace title to the vehicle described in the certificate of title.

15 SECTION 2. IC 9-22-2.5 IS ADDED TO THE INDIANA CODE
 16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 1998]:

18 **Chapter 2.5. Access to Stored or Impounded Vehicles**

19 **Sec. 1. This chapter does not apply to a vehicle impounded for**
 20 **security purposes by a law enforcement agency.**

21 **Sec. 2. An owner or the agent of an owner of a vehicle that has**
 22 **been towed to a private storage or impoundment area may have**
 23 **access to the vehicle for the purpose of securing personal items**
 24 **during the regular operating hours of the storage or impoundment**
 25 **area without paying a fee for access or making prior payment of**
 26 **storage or towing charges. For security purposes, the storage or**
 27 **impoundment area may establish conditions for access to the towed**
 28 **vehicle.**

29 **Sec. 3. A person who violates this chapter commits a Class A**
 30 **infraction.**

31 SECTION 3. IC 9-22-3-1 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) Except as
 33 provided in subsection (b) and section 14 of this chapter, this chapter
 34 applies each year to a motor vehicle, semitrailer, or recreational vehicle
 35 manufactured within the last ~~five (5)~~ **seven (7)** model years, including
 36 the current model year. The bureau shall establish guidelines for
 37 determining the applicability of the model year effective dates for each
 38 year.

39 (b) The bureau may extend the model years to be covered each
 40 year by this chapter up to a maximum of ~~ten (10)~~ **fifteen (15)** model
 41 years, which includes the current model year, after doing the following:

- 42 (1) Conducting a public hearing.



1 (2) Giving reasonable notice to known businesses affected by
2 this chapter.

3 SECTION 4. IC 9-22-3-2.5 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 1998]: **Sec. 2.5. As used in this chapter, "flood damaged vehicle"**
6 **means a vehicle that has sustained water damage above the**
7 **floorboard of the vehicle.**

8 SECTION 5. IC 9-22-3-3 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) A certificate of
10 salvage title is required for a motor vehicle, motorcycle, semitrailer, or
11 recreational vehicle that meets ~~either~~ **any** of the following criteria:

12 (1) An insurance company has determined that it is economically
13 impractical to repair the wrecked or damaged motor vehicle,
14 motorcycle, semitrailer, or recreational vehicle and has made an
15 agreed settlement with the insured or claimant.

16 (2) **If the owner of the vehicle is a business that insures its**
17 **own vehicles or an insurance company**, the cost of repairing
18 the wrecked or damaged motor vehicle, motorcycle, semitrailer,
19 or recreational vehicle exceeds seventy percent (70%) of the fair
20 market value immediately before the motor vehicle, motorcycle,
21 semitrailer, or recreational vehicle was wrecked or damaged.

22 (3) **The motor vehicle is a flood damaged vehicle.**

23 (b) For the purposes of this section, the bureau shall, upon request,
24 determine the fair market value of a wrecked or damaged motor
25 vehicle, motorcycle, semitrailer, or recreational vehicle if the fair
26 market value cannot be determined from the source referred to in
27 section 2(1) of this chapter.

28 (c) **An insurance company must apply for a salvage title for**
29 **any vehicle that has sustained damages of seventy percent (70%)**
30 **or more of the fair market value immediately before the motor**
31 **vehicle, motorcycle, semitrailer, or recreational vehicle was**
32 **wrecked or damaged if the vehicle meets the criteria of subsection**
33 **(a)(1).**

34 SECTION 6. IC 9-22-3-5 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. A certificate of
36 salvage title issued under section 4 of this chapter must contain the
37 following information:

38 (1) The same vehicle information as a certificate of title issued
39 by the department.

40 (2) The notation "SALVAGE TITLE" prominently recorded on
41 the front and back of the title.

42 (3) **If the motor vehicle is a flood damaged vehicle, the**



- 1 **notation "FLOOD DAMAGED" prominently recorded on**
 2 **the front and back of the title.**
- 3 SECTION 7. IC 9-22-3-8 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. If a salvage motor
 5 vehicle has been **flood damaged**, extensively burned, vandalized, or
 6 severely wrecked so that one (1) or more component parts are required
 7 to restore the motor vehicle to an operable condition, the person or
 8 business that restored the motor vehicle must furnish, on an affidavit
 9 of restoration for a salvage motor vehicle form, the name, identification
 10 number, and source of all component parts that were included in the
 11 restoration of the vehicle. The affidavit must be attached to the
 12 certificate of salvage title and be submitted to the bureau upon
 13 application by a person for a certificate of title for the vehicle.
- 14 SECTION 8. IC 9-22-3-9 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. If a dealer purchases
 16 a salvage motor vehicle subject to section 8 of this chapter and applies
 17 for a certificate of dealer title, the affidavit attached to the certificate of
 18 salvage title must also be attached to the certificate of dealer title. The
 19 bureau must retain the affidavit or a microfilm copy of the form for ~~five~~
 20 **ten (10)** years.
- 21 SECTION 9. IC 9-22-3-10 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 10. (a) If a certificate
 23 of salvage title is lost, mutilated, or destroyed or becomes illegible, the
 24 person who owns the vehicle or the legal representative or legal
 25 successor in interest of the person who owns the motor vehicle,
 26 semitrailer, or recreational vehicle for which the certificate of salvage
 27 title was issued, as shown by the records of the bureau of motor
 28 vehicles, shall immediately apply for a duplicate certificate of salvage
 29 title.
- 30 (b) A person described in subsection (a) may obtain a duplicate
 31 certificate of salvage title when the person furnishes information
 32 concerning the loss, mutilation, destruction, or illegibility satisfactory
 33 to the department and pays the fee set forth in IC 9-29-7. Upon the
 34 issuance of a duplicate certificate of salvage title, the most recent
 35 certificate of salvage title issued is considered void by the department.
- 36 (c) A certificate of salvage title issued under this section must
 37 have recorded upon the title's face and back the words "DUPLICATE
 38 SALVAGE TITLE".
- 39 (d) **If the lost, mutilated, destroyed, or illegible certificate of**
 40 **salvage title contained the notation "FLOOD DAMAGED", the**
 41 **duplicate certificate of salvage title must have recorded upon the**
 42 **title's face and back the words "FLOOD DAMAGED".**



1 SECTION 10. IC 9-22-3-16 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 16. (a) Except as
 3 provided in subsection (b), a certificate of title issued under section 15
 4 of this chapter and a certificate of title subsequently issued must
 5 conspicuously bear the designation:

6 (1) "REBUILT VEHICLE--MILEAGE UNKNOWN" if the
 7 motor vehicle is not a flood damaged vehicle; or

8 (2) "REBUILT FLOOD DAMAGED VEHICLE" if the
 9 motor vehicle is a flood damaged vehicle.

10 (b) An insurance company authorized to do business in Indiana
 11 may obtain a certificate of title that does not bear the designation if the
 12 company submits to the bureau, in the form and manner the bureau
 13 requires, satisfactory evidence that the damage to a recovered stolen
 14 motor vehicle did not meet the criteria set forth in section 3 of this
 15 chapter.

16 (c) An affidavit submitted under section 8 or 9 of this chapter
 17 must conspicuously bear the designation:

18 (1) "REBUILT VEHICLE--MILEAGE UNKNOWN" if the
 19 motor vehicle is not a flood damaged vehicle; or

20 (2) "REBUILT FLOOD DAMAGED VEHICLE" if the
 21 motor vehicle is a flood damaged vehicle.

22 SECTION 11. IC 9-22-3-17 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 17. (a) **Except as**
 24 **provided in subsection (b)**, whenever a certificate of title is issued for
 25 a motor vehicle that was previously titled in another state or
 26 jurisdiction and the certificate of title from the other state or
 27 jurisdiction contains a "REBUILT", "RECONSTRUCTED",
 28 "RECONDITIONED", "DISTRESSED VEHICLE", or similar
 29 designation, a new and subsequent certificate of title must
 30 conspicuously bear the designation "REBUILT VEHICLE".

31 (b) **Whenever a certificate of title is issued for a motor vehicle**
 32 **described in subsection (a) that was previously titled in another**
 33 **state or jurisdiction and the certificate of title from the other state**
 34 **or jurisdiction contains a designation that indicates that the motor**
 35 **vehicle is a flood damaged vehicle, a new and subsequent certificate**
 36 **of title must conspicuously bear the designation "REBUILT**
 37 **FLOOD DAMAGED VEHICLE".**

38 SECTION 12. IC 9-22-3-20 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 20. Unless otherwise
 40 specified or required, the records required under section 19 of this
 41 chapter shall be retained for a period of ~~five (5)~~ **ten (10)** years from the
 42 date the vehicle or major component part was acquired, in the form



1 prescribed by the bureau.
2 SECTION 13. IC 9-22-3-22 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 22. (a) This section
4 applies to vehicles and their component parts that are in either their
5 current model year or in the immediately preceding ~~four (4)~~ **nine (9)**
6 model years when purchased by a disposal facility or automotive
7 salvage rebuilder.
8 (b) A disposal facility and automotive salvage rebuilder licensed
9 under IC 9-22-4 must complete the recordkeeping forms developed
10 under section 19 of this chapter for the purchase of a salvage motor
11 vehicle or major component part.

