

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 2010 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 494

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 9-13-2-19.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2011]: **Sec. 19.5. "Charge back", for purposes of IC 9-23-3, has the meaning set forth in IC 9-23-3-0.2.**

SECTION 2. IC 9-23-3-0.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2011]: **Sec. 0.2. As used in this chapter, "charge back" means a manufacturer induced return of incentive payments to a manufacturer by a dealer. The term includes a manufacturer drawing funds from an account of a dealer.**

SECTION 3. IC 9-23-3-15, AS AMENDED BY P.L.76-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 15. (a) It is an unfair practice for a manufacturer or distributor to:

- (1) fail to pay all claims made by dealers for compensation for:
 - (A) delivery and preparation work; ~~and~~
 - (B) warranty work; ~~and~~
 - (C) **incentive payments;**within thirty (30) days after approval;
- (2) fail to approve or disapprove the claims within thirty (30) days after receipt; or
- (3) disapprove a claim without notice to the dealer in writing of

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the grounds for disapproval.

- (b) **Subject to subsection (c)**, a manufacturer or distributor may:
- (1) audit claims made by a dealer **for warranty work or incentive payments for up to one (1) year after the date on which a claim is paid;** or
 - (2) charge back to a dealer any amounts paid on false or unsubstantiated claims **for warranty work or incentive payments.**

for up to two (2) years after the date on which a claim is paid. However, the limitations of this subsection do not apply if the manufacturer or distributor can prove fraud on a claim. A manufacturer or distributor shall not discriminate among dealers with regard to auditing or charging back claims.

(c) The limitations of subsection (b) do not apply if the manufacturer or distributor can prove fraud on a claim.

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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