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# HOUSE BILL No. 1218

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 9-22-5; IC 25-37.5-1-1; IC 32-33-10.

**Synopsis:** Scrapping and liens on motor vehicles. Provides that a person must have a retail merchant's certificate to seek a lien on a motor vehicle. Requires that a copy of a notice to hold a lien upon a motor vehicle must be sent to the last registered owner of the motor vehicle by certified mail. Provides that if a motor vehicle is put up for sale at an auction to satisfy a lien, the auction must occur at an auction house and a notice of the auction must be sent by certified mail to the last registered owner of the motor vehicle at least seven days before the auction. Provides that a disposal facility or scrap metal processor or an agent of a disposal facility or scrap metal processor who knowingly, intentionally, or recklessly buys a motor vehicle without accepting a sheriff's certificate of authority or a certificate of title for the motor vehicle commits a Class D felony. Provides that the term valuable metal dealer, for purposes of regulation of valuable metal dealers, does not include a person who, after purchase, has been given a sheriff's certificate of authority concerning a motor vehicle.

**Effective:** July 1, 2012.

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## Kirchhofer, Borders

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January 9, 2012, read first time and referred to Committee on Judiciary.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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# HOUSE BILL No. 1218



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 9-22-5-7 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2012]: Sec. 7. If a claim or protest is not made  
3 before sale, the person who filed the application required under section  
4 2 of this chapter shall, upon payment of the costs of publication of  
5 notice, be given a certificate of authority to sell the motor vehicle to a  
6 licensed junk dealer **disposal facility** or an established automobile  
7 wrecker **scrap metal processor** for scrap metal. The licensed junk  
8 dealer **disposal facility** or established automobile wrecker **scrap metal**  
9 **processor** shall accept the sheriff's certificate of authority instead of  
10 the certificate of title to the motor vehicle **when the motor vehicle is**  
11 **sold to the disposal facility or scrap metal processor.**

12 SECTION 2. IC 9-22-5-17 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 17. (a) **A disposal**  
14 **facility or scrap metal processor or an agent of a disposal facility**  
15 **or scrap metal processor who knowingly, intentionally, or**  
16 **recklessly buys a motor vehicle without accepting a sheriff's**  
17 **certificate of authority or a certificate of title for the motor vehicle**



1 **as required by section 7 of this chapter commits a Class D felony.**

2 **(b)** A person who recklessly violates section 14 or 15 of this chapter  
3 commits a Class A misdemeanor.

4 SECTION 3. IC 25-37.5-1-1, AS AMENDED BY P.L.158-2009,  
5 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 2012]: Sec. 1. (a) ~~When~~ **As** used in this chapter, "valuable  
7 metal" means any product made of metal that readily may be resold.  
8 The term includes metal bossies and small component motor vehicle  
9 parts. The term does not include a beverage can.

10 **(b)** As used in this chapter, "valuable metal dealer" means any  
11 individual, firm, corporation, limited liability company, or partnership  
12 engaged in the business of purchasing and reselling valuable metal  
13 either at a permanently established place of business or in connection  
14 with a business of an itinerant nature, including junk shops, junk yards,  
15 junk stores, auto wreckers, scrap metal dealers or processors, salvage  
16 yards, collectors of or dealers in junk, and junk cars or trucks. The term  
17 includes a core buyer. The term does not include a person who  
18 purchases a vehicle and:

19 **(1)** obtains title to the vehicle; or

20 **(2)** has been given a sheriff's certificate of authority under  
21 **IC 9-22-5-7.**

22 **(c)** As used in this chapter, "purchase" means acquiring a valuable  
23 metal product for a consideration, but does not include purchases  
24 between scrap metal processing facilities (as defined in IC 8-23-1-36).

25 SECTION 4. IC 32-33-10-0.5 IS ADDED TO THE INDIANA  
26 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. As used in this chapter,**  
28 **"auction house" means an established place of business, including**  
29 **an auction barn, a sale barn, and a sale pavilion and its contiguous**  
30 **surroundings, where two (2) or more auctions are held within any**  
31 **twelve (12) month period and where representations are regularly**  
32 **made that goods are sold at auction.**

33 SECTION 5. IC 32-33-10-4.5 IS ADDED TO THE INDIANA  
34 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
35 [EFFECTIVE JULY 1, 2012]: **Sec. 4.5. A person may seek a lien on**  
36 **a motor vehicle under this chapter only if the person holds a retail**  
37 **merchant's certificate under IC 6-2.5-8.**

38 SECTION 6. IC 32-33-10-6, AS AMENDED BY P.L.104-2005,  
39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JULY 1, 2012]: Sec. 6. (a) A person seeking to acquire a lien upon a  
41 motor vehicle, an airplane, a unit of construction machinery and  
42 equipment, or farm machinery, whether the claim to be secured by the

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1 lien is then due or not, must file in the recorder's office of the county  
2 where:

3 (1) the towing, repair, service, or maintenance work was  
4 performed; or

5 (2) the storage, supplies, or accessories were furnished;  
6 a notice in writing of the intention to hold the lien upon the motor  
7 vehicle, airplane, unit of construction machinery and equipment, or  
8 farm machinery for the amount of the person's claim.

9 (b) A notice filed under subsection (a) must specifically state the  
10 amount claimed and give a substantial description of the motor vehicle,  
11 airplane, unit of construction machinery and equipment, or farm  
12 machinery upon which the lien is asserted.

13 (c) Any description in a notice of intention to hold a lien filed under  
14 subsection (a) is sufficient if by the description the motor vehicle,  
15 airplane, unit of construction machinery and equipment, or farm  
16 machinery can be identified.

17 (d) A notice under subsection (a) must be filed in the recorder's  
18 office not later than sixty (60) days after the:

19 (1) performance of the towing or work; or

20 (2) furnishing of the storage, supplies, accessories, or materials.

21 **(e) A copy of the notice filed under subsection (a) for a motor**  
22 **vehicle must be sent by certified mail to the last registered owner**  
23 **of the motor vehicle.**

24 SECTION 7. IC 32-33-10-9.5 IS ADDED TO THE INDIANA  
25 CODE AS A NEW SECTION TO READ AS FOLLOWS  
26 [EFFECTIVE JULY 1, 2012]: **Sec. 9.5. (a) A motor vehicle that is**  
27 **put up for sale at an auction to satisfy a lien under this chapter**  
28 **may be auctioned only at an auction house.**

29 **(b) At least seven (7) days before the auction of a motor vehicle**  
30 **under this chapter, the auction house or lien holder shall send a**  
31 **notice of the auction by certified mail to the last registered owner**  
32 **of the motor vehicle.**

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