

**Proposed Rule**  
LSA Document #16-434

DIGEST

Amends [75 IAC 5-1-2](#), [75 IAC 5-1-9](#), [75 IAC 5-1-10](#), [75 IAC 5-1-12](#), [75 IAC 5-1-14](#), [75 IAC 5-2-1](#), [75 IAC 5-2-2](#), [75 IAC 5-2-3](#), [75 IAC 5-2-4](#), [75 IAC 5-2-5](#), [75 IAC 5-2-8](#), [75 IAC 5-2-9](#), and [75 IAC 5-2-14](#) and adds [75 IAC 5-1-13.5](#), [75 IAC 5-1-17.5](#), [75 IAC 5-2-1.1](#), and [75 IAC 5-2-1.2](#), concerning watercraft dealers, to amend references to the bureau of motor vehicles to now refer to the secretary of state; correct outdated statutory references and repeal redundant or outdated definitions; change references from "boat dealer" to "watercraft dealer"; add definitions; clarify the general requirements for watercraft dealer licensure and renewal of a watercraft dealer license; and clarify the formula used to determine watercraft dealer license plate and registration limits. Repeals [75 IAC 5-1-3](#), [75 IAC 5-1-4](#), [75 IAC 5-1-6](#), [75 IAC 5-1-7](#), [75 IAC 5-1-8](#), [75 IAC 5-1-11](#), [75 IAC 5-1-16](#), [75 IAC 5-1-17](#), [75 IAC 5-1-18](#), [75 IAC 5-1-19](#), [75 IAC 5-1-20](#), [75 IAC 5-1-22](#), [75 IAC 5-2-6](#), [75 IAC 5-2-7](#), [75 IAC 5-2-10](#), [75 IAC 5-2-11](#), [75 IAC 5-2-12](#), [75 IAC 5-2-13](#), and [75 IAC 5-3-1](#). Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[75 IAC 5-1-2](#); [75 IAC 5-1-3](#); [75 IAC 5-1-4](#); [75 IAC 5-1-6](#); [75 IAC 5-1-7](#); [75 IAC 5-1-8](#); [75 IAC 5-1-9](#); [75 IAC 5-1-10](#); [75 IAC 5-1-11](#); [75 IAC 5-1-12](#); [75 IAC 5-1-13.5](#); [75 IAC 5-1-14](#); [75 IAC 5-1-16](#); [75 IAC 5-1-17](#); [75 IAC 5-1-17.5](#); [75 IAC 5-1-18](#); [75 IAC 5-1-19](#); [75 IAC 5-1-20](#); [75 IAC 5-1-22](#); [75 IAC 5-2-1](#); [75 IAC 5-2-1.1](#); [75 IAC 5-2-1.2](#); [75 IAC 5-2-2](#); [75 IAC 5-2-3](#); [75 IAC 5-2-4](#); [75 IAC 5-2-5](#); [75 IAC 5-2-6](#); [75 IAC 5-2-7](#); [75 IAC 5-2-8](#); [75 IAC 5-2-9](#); [75 IAC 5-2-10](#); [75 IAC 5-2-11](#); [75 IAC 5-2-12](#); [75 IAC 5-2-13](#); [75 IAC 5-2-14](#); [75 IAC 5-3-1](#)

SECTION 1. [75 IAC 5-1-2](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-1-2](#) "Bill of sale" defined**

**Authority:** [IC 9-32-3-1](#)

**Affected:** [IC 9-13-2](#); [IC 9-31](#); [IC 9-32](#)

Sec. 2. "Bill of sale" means a written instrument sufficient to support an intent to transfer ownership of a watercraft and must include the following:

- (1) The purchase price of the ~~boat and motor~~ **watercraft**.
- (2) The name of the purchaser.
- (3) The date of purchase.
- (4) A description of the watercraft describing the following:
  - (A) Year.
  - (B) Make.
  - (C) Model or ~~boat~~ type.
  - (D) Length.
  - (E) Hull identification number, if any.
- (5) The signature, printed name, and address of the seller.

*(Secretary of State; [75 IAC 5-1-2](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2347; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-1-3](#)) to the Secretary of State ([75 IAC 5-1-2](#)) by P.L. 106-2008, SECTION 54, effective July 1, 2008.*

SECTION 2. [75 IAC 5-1-9](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-1-9](#) "Dealer plates" defined**

**Authority:** [IC 9-32-3-1](#)

**Affected:** [IC 9-13-2](#); [IC 9-31](#); [IC 9-32](#)

Sec. 9. "Dealer plates" means the ~~two (2)~~ **license** plates provided to a ~~boat~~ **watercraft** dealer which ~~under [IC 9-31-3](#)~~ **that** must be displayed on a watercraft while the watercraft is being tested or demonstrated.

*(Secretary of State; [75 IAC 5-1-9](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2348; readopted filed Jul 30, 2001, 10:31*

a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-1-12](#)) to the Secretary of State ([75 IAC 5-1-9](#)) by P.L.106-2008, SECTION 54, effective July 1, 2008.

SECTION 3. [75 IAC 5-1-10](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-1-10](#) "Dealer registration" defined**

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-13-2](#); [IC 9-31](#); [IC 9-32](#)

Sec. 10. "Dealer registration" means a certificate of registration under [IC 9-31-4](#) which [IC 9-31-3](#) that identifies a dealership **watercraft dealer** and information pertinent to the testing and demonstrating of a watercraft by the dealership: **watercraft dealer**.

(Secretary of State; [75 IAC 5-1-10](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2348; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-1-13](#)) to the Secretary of State ([75 IAC 5-1-10](#)) by P.L.106-2008, SECTION 54, effective July 1, 2008.

SECTION 4. [75 IAC 5-1-12](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-1-12](#) "Distributor" defined**

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-13-2](#); [IC 9-31](#); [IC 9-32](#)

Sec. 12. "Distributor" means a person, other than a manufacturer, ~~or a wholesale dealer~~, who is engaged in the business of selling watercraft to dealers located in Indiana. The term includes a branch office ~~or~~ representative of the distributor.

(Secretary of State; [75 IAC 5-1-12](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2348; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-1-15](#)) to the Secretary of State ([75 IAC 5-1-12](#)) by P.L.106-2008, SECTION 54, effective July 1, 2008.

SECTION 5. [75 IAC 5-1-13.5](#) IS ADDED TO READ AS FOLLOWS:

**[75 IAC 5-1-13.5](#) "License year" defined**

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-31](#); [IC 9-32](#)

Sec. 13.5. "License year" refers to a twelve (12) month period commencing and ending in accordance with [IC 9-32-11-12.5](#).

(Secretary of State; [75 IAC 5-1-13.5](#))

SECTION 6. [75 IAC 5-1-14](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-1-14](#) "Manufacturer" defined**

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-13-2](#); [IC 9-31](#); [IC 9-32](#)

Sec. 14. "Manufacturer" means a person ~~who~~ **that** is engaged in the business of constructing **or assembling** watercraft, **of a type required to be registered under [IC 9-31](#)**, for sale to a boat **watercraft** dealer, **distributor**, or to the general public.

(Secretary of State; [75 IAC 5-1-14](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2348; readopted filed Jul 30, 2001, 10:31

a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-1-19](#)) to the Secretary of State ([75 IAC 5-1-14](#)) by P.L.106-2008, SECTION 54, effective July 1, 2008.

SECTION 7. [75 IAC 5-1-17.5](#) IS ADDED TO READ AS FOLLOWS:

**[75 IAC 5-1-17.5](#) "Secretary" defined**

Authority: [IC 9-32-3-1](#)

Affected: [IC 4-5-1-1](#); [IC 9-31](#); [IC 9-32](#)

**Sec. 17.5. "Secretary" means the secretary of state holding office as set forth in [IC 4-5-1-1](#).**

(Secretary of State; [75 IAC 5-1-17.5](#))

SECTION 8. [75 IAC 5-2-1](#) IS AMENDED TO READ AS FOLLOWS:

**Rule 2. Watercraft Dealers**

**[75 IAC 5-2-1](#) General requirements**

Authority: [IC 9-13-2-42](#); [IC 9-32-3-1](#)

Affected: [IC 6-2.5](#); [IC 9-32](#)

~~Sec. 1. (a) This section describes general requirements which must be satisfied by each boat dealer.~~

~~(b) A boat dealer shall have a license issued by the bureau to qualify the dealer for the receipt of dealer registrations.~~

~~(c) Only one (1) boat dealer can be licensed from a single established place of business under subsection (d) or from a single address.~~

~~(d) A boat dealer shall, for the entire license period, have an established place of business which meets each of the specifications contained in this subsection. The established place of business shall meet the following requirements:~~

- ~~(1) Have an Indiana address other than a post office box.~~
- ~~(2) Allow for the display of at least ten (10) watercraft of the kind and type which the dealer is licensed to sell.~~
- ~~(3) Not be attached to, or part of, a residence.~~
- ~~(4) Not violate a local zoning requirement.~~

~~(e) An established place of business which is located in a strip office mall, a garage, or a similar facility, and which otherwise satisfies subsection (d), may be approved if the following requirements are met:~~

- ~~(1) A separate entrance is maintained.~~
- ~~(2) A separate address is maintained.~~
- ~~(3) An adequate display area is provided.~~
- ~~(4) The general public is provided with a distinct impression of its separate business status.~~

~~(f) A boat dealer shall provide the bureau with its retail merchant certificate number obtained from the department of state revenue and its federal identification number.~~

~~(g) A boat dealer shall provide proof of liability insurance covering the established place of business under [IC 9-31-4-7](#).~~

**(a) In addition to the requirements found in [IC 9-32](#), watercraft dealers licensed or applying to be licensed shall meet the following requirements in order to be granted a license and for the entire licensing period:**

(1) No other dealer is licensed at or operating from the same address or established place of business at which the watercraft dealer is licensed or applying to be licensed. An exemption may be granted at the secretary's discretion if all dealers licensed and operating from the same address or established place of business have common, identical ownership and there is no more than one (1) of a particular license type at the same address or established place of business.

(2) The watercraft dealer's established place of business meets the following requirements:

(A) Is located in Indiana.

(B) Is not attached to or part of a residence.

(C) Has an Indiana address that is not an Indiana post office box address.

(D) Allows for the display of at least ten (10) watercraft of the kind and type which the watercraft dealer is licensed to sell.

(E) Has a conspicuous and permanent sign identifying the watercraft dealer by the name in which the watercraft dealer is licensed and setting forth the hours of operation of the dealership.

(3) The watercraft dealer's established place of business may not be located in a strip office mall, a garage, or a similar facility unless the following requirements are met:

(A) A separate entrance is maintained.

(B) A separate address is maintained (e.g., suite number).

(C) The general public is provided with a distinct impression of its separate business status.

~~(h)~~ (b) A ~~boat~~ **watercraft** dealer shall provide the ~~bureau~~ **secretary** with photographs of the established place of business with the initial application for a ~~boat~~ **watercraft** dealer license. The photographs must include the following:

(1) Any ~~major~~ sales or storage lot.

(2) The primary exterior advertising sign **required by this section**.

(3) The ~~primary display and area~~.

(4) **The established place of business.**

(5) **The exterior and interior of the watercraft dealer office.** ~~building.~~

The photographs must be at least three (3) inches by five (5) inches large. The photographs must be updated if the dealership is moved or if its facilities are substantially altered or modified.

~~(i) Except for a boat dealer engaged primarily in the sale of used~~ (c) A watercraft the dealer **proposing to sell new watercraft** shall provide the ~~bureau~~, **secretary**, with the initial licensing application, evidence of the franchise or contract agreement with a manufacturer.

~~(j) The boat dealer shall maintain, at the established place of business, a conspicuous and permanent sign identifying the dealer by the name in which the dealer is operating and setting forth the hours of operation of the dealership.~~

(Secretary of State; [75 IAC 5-2-1](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2355; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-3-1](#)) to the Secretary of State ([75 IAC 5-2-1](#)) by P.L. 106-2008, SECTION 54, effective July 1, 2008.

SECTION 9. [75 IAC 5-2-1.1](#) IS ADDED TO READ AS FOLLOWS:

#### [75 IAC 5-2-1.1](#) Initial application

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-31](#); [IC 9-32](#)

Sec. 1.1. (a) In addition to the requirements in [IC 9-32](#), a person applying to be licensed as a watercraft dealer must submit with the application a copy of a valid photographic identification card issued by a government agency to each individual listed on the application as an owner, partner, or officer, including the person signing the application, if different.

(b) The name and address of the watercraft dealer as stated on all documents submitted with the application must match the name and address of the watercraft dealer as stated on the application. An exemption for this requirement may be given at the secretary of state's discretion.

(Secretary of State; [75 IAC 5-2-1.1](#))

SECTION 10. [75 IAC 5-2-1.2](#) IS ADDED TO READ AS FOLLOWS:

**[75 IAC 5-2-1.2](#) Renewal of dealer license**

Authority: [IC 9-32-3-1](#); [IC 9-32-11-8](#)

Affected: [IC 9-31](#); [IC 9-32](#)

**Sec. 1.2. Application for renewal of a watercraft dealer license must be on a form prescribed by the secretary and be accompanied by the following:**

- (1) The applicable fee.
- (2) Proof of current bond as required by [IC 9-32-11-2\(e\)](#).
- (3) Proof of current liability insurance as required or current membership in a risk retention group under [IC 9-32-8-6](#) and [IC 9-32-11-14](#).
- (4) If requested by the secretary, proof that the watercraft dealer is in good standing with the bureau of motor vehicles, department of state revenue, or the state police department.

(Secretary of State; [75 IAC 5-2-1.2](#))

SECTION 11. [75 IAC 5-2-2](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-2-2](#) Manufacturer's and importer's certificate of origin**

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-31](#); [IC 9-32](#)

**Sec. 2. (a) A ~~boat~~ watercraft dealer shall not purchase or acquire a new watercraft without obtaining from the seller of the watercraft a manufacturer's certificate of origin or an importer's certificate of origin.**

**(b) A manufacturer's certificate of origin or an importer's certificate of origin must include the following:**

**(1) A description of the watercraft. The description must include the following:**

- (A) The year.
- (B) The length.
- (C) Dry weight.
- (D) Series or model.
- (E) Make.
- (F) Horsepower rating.
- (G) Hull type.
- (H) Hull identification number.

**(2) A certification of the date of transfer of the watercraft to a distributor, ~~boat~~ watercraft dealer, or other person.**

**(3) The name and address of the distributor, ~~boat~~ watercraft dealer, or other person to whom the watercraft was transferred.**

**(4) A certification that the transfer is the first transfer of the watercraft in ordinary trade and commerce.**

**(5) The signature and address of a representative of the transferor.**

**(c) An assignment of a manufacturer's certificate or an importer's certificate must be printed on the reverse side of the certificate. The assignment must include the name and address of the transferee, a certification that the watercraft is new, and a warranty that the title at the time of delivery is subject only to liens and encumbrances that are set forth and fully described on the assignment.**

(Secretary of State; [75 IAC 5-2-2](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2356; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-3-2](#)) to the Secretary of State ([75 IAC 5-2-2](#)) by P.L.106-2008, SECTION 54, effective July 1, 2008.

SECTION 12. [75 IAC 5-2-3](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-2-3](#) Dealer registration; plates and restrictions**

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-31](#); [IC 9-32](#)

Sec. 3. (a) This section governs the issuance to, and maintenance by, a boat dealer of a dealer registration and two (2) dealer plates under [IC 9-31-3-19](#). A boat **Watercraft** dealer registration is effective for not more than twelve (12) months. **registrations and license plates expire according to the schedule in [IC 9-32-6-6.5](#).**

(b) In addition to the requirements for a certificate of **watercraft dealer** registration **cards and watercraft dealer license plates** under [IC 9-31-3](#), the following requirements must be met by a boat **watercraft** dealer who holds a **watercraft** dealer registration **card and watercraft dealer license plate**:

- (1) A boat **watercraft** dealer who wishes to receive a **watercraft** dealer registration **card and watercraft dealer license plate** shall be licensed and make an application for the **watercraft** dealer registration. A **card and watercraft dealer license plate on a form prescribed by the secretary. The fee of ten dollars (\$10) prescribed by [IC 9-31-3-19](#)** must accompany the application. ~~for a dealer registration.~~
- (2) A **watercraft** dealer registration ~~(and two (2) plates)~~ **card and set of two (2) watercraft dealer license plates** must not be used to test or demonstrate more than one (1) watercraft at a time.
- (3) A **Watercraft** dealer registration **cards and watercraft dealer license plates** must be used exclusively in the usual and customary conduct and operation of the business of the boat **watercraft** dealer.
- (4) A **Watercraft** dealer registration ~~must~~ **cards and watercraft dealer license plates may** not be used on a watercraft for which a boat **watercraft** dealer charges or receives compensation from a person other than an employee of the dealer.
- (5) A **Watercraft** dealer registration ~~must~~ **cards and watercraft dealer license plates may** not be used on a watercraft leased or rented by the boat **watercraft** dealer to another person.
- (6) A **Watercraft** dealer registration ~~must~~ **cards and watercraft dealer license plates may** not be used on a watercraft in excess of ten (10) days by a prospective buyer or service customer.
- (7) A **Watercraft** dealer registration ~~must~~ **cards and watercraft dealer license plates may** not be used for the personal use of a boat **watercraft** unless the boat **watercraft** dealer or an employee of the boat **watercraft** dealer is present on the watercraft during its operation. To qualify as an employee under this subdivision, a bona fide employment relationship must be established by the boat **watercraft** dealer with the individual who claims to be an employee.
- (8) A **Watercraft** dealer registration ~~must~~ **cards and watercraft dealer license plates shall** not be used to circumvent the watercraft registration requirements under [IC 9-31-4](#) and [140 IAC 9-4](#), including those requirements relating to taxation. An unlawful use of a **watercraft** dealer registration **card or watercraft dealer license plate** may be demonstrated by a boat **watercraft** dealer's possession of a watercraft on which a **watercraft** dealer registration **card or watercraft dealer license plate** is affixed:
  - (A) beyond the usual and customary period of time in the industry for holding a watercraft in inventory; or
  - (B) outside of the boat **watercraft** dealer's inventory for sale.
- (9) A **watercraft** dealer registration **card or watercraft dealer license plate** must not be loaned, leased, or sold to a person who is not authorized to use the **watercraft** dealer registration **card or watercraft dealer license plate** or to a person who has or could obtain a ~~classification of~~ **watercraft** dealer registration **card or watercraft dealer license plate** as a result of that person's business.

(Secretary of State; [75 IAC 5-2-3](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2356; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-3-3](#)) to the Secretary of State ([75 IAC 5-2-3](#)) by P.L. 106-2008, SECTION 54, effective July 1, 2008.

SECTION 13. [75 IAC 5-2-4](#) IS AMENDED TO READ AS FOLLOWS:

#### [75 IAC 5-2-4](#) Temporary license plates

Authority: [IC 9-32-3-1](#)

Affected: [IC 4-21.5-3-8](#); [IC 9-31-3-6](#); [IC 9-32](#)

Sec. 4. (a) This section governs the issuance and use of a temporary permit **license plate** by a boat **watercraft** dealer issued under [IC 9-31-3-6](#).

(b) A boat **watercraft** dealer shall not issue more than one (1) temporary permit **license plate** to the purchaser of a watercraft. A boat **watercraft** dealer cannot renew a temporary permit **license plate** issued under this subsection. ~~and a temporary permit must not be used for more than thirty-one (31) days.~~



(c) A ~~boat~~ **watercraft** dealer shall not apply a temporary ~~permit~~ **license plate** to a watercraft owned ~~by~~ or in the inventory of a ~~boat~~ **watercraft** dealer.

~~(d) A boat dealer who wishes to assign a temporary permit to another boat dealer shall, before making the assignment, record the temporary permit and registration in a log according to the control number on the temporary permit.~~

~~(e) A boat dealer who is assigned a temporary permit from another boat dealer must, upon receipt, record in a log the temporary permit and the name of the boat dealer who made the assignment.~~

~~(f) (d)~~ A ~~boat~~ **watercraft** dealer shall provide a bill of sale or another ownership document ~~which that~~ establishes the purchase date to the purchaser at the time of the issuance of a temporary ~~permit~~ **license plate**.

~~(g) (e)~~ A ~~boat~~ **watercraft** dealer shall pay a fee of one dollar (\$1) for each temporary ~~permit~~ **license plate** that is purchased.

~~(h) (f)~~ The log required under this section must be maintained ~~in the possession~~ **at the established place of business** of the ~~boat~~ **watercraft** dealer for at least ~~three (3)~~ **two (2)** years following the final entry made in that log. **Following the two (2) year period, records may be moved offsite but must be maintained for a period of five (5) years.** In addition to any other requirements contained in this section, the log must include the following information:

- (1) The temporary ~~permit~~ **license plate** number issued in its sequence.
- (2) The name and address of the person to whom the temporary ~~permit~~ **license plate** was issued.
- (3) The make, model, and year of the watercraft to which the temporary ~~permit~~ **license plate** is to be affixed.
- (4) The hull identification number.
- (5) The date of issuance of the temporary ~~permit~~ **license plate**.

**If permitted by the secretary, the watercraft dealer may maintain the log electronically in a format approved by the secretary.**

~~(i) Under [IC 4-21.5-3-8](#), the department may suspend the license of a boat dealer who misuses a temporary permit or registration.~~

*(Secretary of State; [75 IAC 5-2-4](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2356; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-3-4](#)) to the Secretary of State ([75 IAC 5-2-4](#)) by P.L. 106-2008, SECTION 54, effective July 1, 2008.*

SECTION 14. [75 IAC 5-2-5](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-2-5](#) Dealer certificates of registration or temporary license plates to be issued to a dealer or manufacturer**

**Authority:** [IC 9-32-3-1](#)

**Affected:** [IC 9-31](#); [IC 9-32](#)

Sec. 5. (a) The following table shall be used to establish the maximum **secretary of state retains the discretion to determine the** number of **watercraft** dealer certificates of registration **license plates** to be issued ~~on an annual basis:~~ **to a watercraft dealer.**

Dealer Registrations	
Annual Boat Sales	Maximum Number of Registrations
6–40	2
41–75	4
76–150	6
151–250	8
251–500	10
<del>(Maximum is thirty (30) registrations.)</del>	

Manufacturer Registrations	
Annual Boats Made	Maximum Number of Registrations
6-200	4
201-500	6
501-1,000	8
1,000-2,500	10
2,501-5,000	20

(Maximum is fifty (50) registrations.)

(b) The ~~commissioner of the bureau~~ **secretary of state** may also limit the number of registrations issued. **take the following formula into consideration when issuing watercraft dealer license plates to a watercraft dealer:**

**STEP ONE: Determine the total number of watercraft (both retail and wholesale) sold, or projected to be sold, by the applicant in a license year.**

**STEP TWO: Determine the number of licensed months the applicant was in business during the license year.**

**STEP THREE: Divide the number in STEP ONE by the number in STEP TWO.**

(c) The **secretary of state** may take the following into consideration when issuing watercraft manufacturer plates to a watercraft manufacturer:

(1) The type of watercraft the watercraft manufacturer constructs or assembles.

(2) How many watercraft the watercraft manufacturer produced in the previous twelve (12) months or calendar year.

(3) The watercraft manufacturer's intended primary use of the license plates.

(4) The nature of the watercraft manufacturer's business.

~~(e)~~ **(d)** The ~~commissioner of the bureau~~ **secretary retains the discretion to determine** the number of temporary permits **license plates** issued **to a properly licensed watercraft dealer or watercraft manufacturer** based upon **factors including, but not limited to**, the number of watercraft sold or based upon the extent of the **watercraft** dealer's projected sales.

(Secretary of State; [75 IAC 5-2-5](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2357; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-3-5](#)) to the Secretary of State ([75 IAC 5-2-5](#)) by P.L. 106-2008, SECTION 54, effective July 1, 2008.

SECTION 15. [75 IAC 5-2-8](#) IS AMENDED TO READ AS FOLLOWS:

#### [75 IAC 5-2-8](#) Determining the number of watercraft sold

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-31](#); [IC 9-32](#)

Sec. 8. For the purpose of determining the number of ~~boats or~~ watercraft sold, or anticipated to be sold, under [IC 9-31-4](#) or this rule, the period of twelve (12) months which immediately follows issuance of the boat dealer license **year** shall be used.

(Secretary of State; [75 IAC 5-2-8](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2358; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-3-8](#)) to the Secretary of State ([75 IAC 5-2-8](#)) by P.L. 106-2008, SECTION 54, effective July 1, 2008.

SECTION 16. [75 IAC 5-2-9](#) IS AMENDED TO READ AS FOLLOWS:

#### [75 IAC 5-2-9](#) Providing documentation to purchaser

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-31](#); [IC 9-32](#)



Sec. 9. A ~~boat~~ **watercraft** dealer shall provide each person who purchases a ~~boat or~~ watercraft from the dealership **watercraft dealer** with all documentation needed to transfer the title to the ~~boat or~~ watercraft to the purchaser. The documentation must be provided within ten (10) days of the sale or delivery of the watercraft.

(Secretary of State; [75 IAC 5-2-9](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2358; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-3-9](#)) to the Secretary of State ([75 IAC 5-2-9](#)) by P.L.106-2008, SECTION 54, effective July 1, 2008.

SECTION 17. [75 IAC 5-2-14](#) IS AMENDED TO READ AS FOLLOWS:

**[75 IAC 5-2-14](#) Issuance of cease and desist order by secretary**

Authority: [IC 9-32-3-1](#)

Affected: [IC 9-31](#); [IC 9-32](#)

Sec. 14. All ~~businesses engaged in the business activities as identified in [IC 9-31-4-2](#)~~ must be licensed to carry out such business activities and functions. Failure to obtain a license **under [IC 9-32-8](#)** or having **engaging in activities that require** a license **while a license issued under [IC 9-32-8](#)** is suspended or revoked by the ~~bureau~~ **secretary** shall be cause for an order to cease and desist all such ~~business~~ activities to be issued by the ~~bureau~~ **secretary**. The ~~bureau~~ **secretary** shall notify the superintendent of the Indiana state police of all such orders issued to cease and desist business.

(Secretary of State; [75 IAC 5-2-14](#); filed Jun 7, 1993, 10:00 a.m.: 16 IR 2359; readopted filed Jul 30, 2001, 10:31 a.m.: 24 IR 4232; readopted filed Nov 14, 2007, 1:31 p.m.: [20071212-IR-140070562RFA](#); readopted filed Nov 13, 2013, 3:25 p.m.: [20131211-IR-075130451RFA](#)) NOTE: Transferred from the Bureau of Motor Vehicles ([140 IAC 9-3-14](#)) to the Secretary of State ([75 IAC 5-2-14](#)) by P.L.106-2008, SECTION 54, effective July 1, 2008.

SECTION 18. THE FOLLOWING ARE REPEALED: [75 IAC 5-1-3](#); [75 IAC 5-1-4](#); [75 IAC 5-1-6](#); [75 IAC 5-1-7](#); [75 IAC 5-1-8](#); [75 IAC 5-1-11](#); [75 IAC 5-1-16](#); [75 IAC 5-1-17](#); [75 IAC 5-1-18](#); [75 IAC 5-1-19](#); [75 IAC 5-1-20](#); [75 IAC 5-1-22](#); [75 IAC 5-2-6](#); [75 IAC 5-2-7](#); [75 IAC 5-2-10](#); [75 IAC 5-2-11](#); [75 IAC 5-2-12](#); [75 IAC 5-2-13](#); [75 IAC 5-3-1](#).

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