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# HOUSE BILL No. 1153

AM115303 has been incorporated into introduced printing.

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**Synopsis:** Auto dealer matters.

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2026

IN 1153—LS 6705/DI 137



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Introduced

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1153

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 6-8.1-3-16, AS AMENDED BY P.L.1-2025,  
2        SECTION 101, IS AMENDED TO READ AS FOLLOWS  
3        [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) The department shall  
4        prepare a list of all outstanding tax warrants for listed taxes each  
5        month. The list shall identify each taxpayer liable for a warrant by  
6        name, address, amount of tax, and either Social Security number or  
7        employer identification number. Unless the department renews the  
8        warrant, the department shall exclude from the list a warrant issued  
9        more than ten (10) years before the date of the list. The department  
10      shall certify a copy of the list to the bureau of motor vehicles. **The**  
11      **department shall also certify a copy of all vehicle identification**  
12      **numbers associated with outstanding tax warrants and the**  
13      **corresponding tax warrant numbers to the dealer services division**  
14      **within the office of the secretary of state.**

15        (b) The department shall prescribe and furnish tax release forms

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1 for use by tax collecting officials. A tax collecting official who collects  
2 taxes in satisfaction of an outstanding warrant shall issue to the  
3 taxpayers named on the warrant a tax release stating that the tax has  
4 been paid. The department may also issue a tax release:

5 (1) to a taxpayer who has made arrangements satisfactory to the  
6 department for the payment of the tax; or  
7 (2) by action of the commissioner under IC 6-8.1-8-2(k).

8 (c) The department may not issue or renew:

9 (1) a certificate under IC 6-2.5-8 or IC 6-7-4;  
10 (2) a license under IC 6-6-1.1 or IC 6-6-2.5; or  
11 (3) a permit under IC 6-6-4.1;

12 to a taxpayer whose name appears on the most recent monthly warrant  
13 list, unless that taxpayer pays the tax, makes arrangements satisfactory  
14 to the department for the payment of the tax, or a release is issued  
15 under IC 6-8.1-8-2(k).

16 (d) The bureau of motor vehicles shall, before issuing the title to  
17 a motor vehicle under IC 9-17, determine whether the purchaser's or  
18 assignee's name is on the most recent monthly warrant list. If the  
19 purchaser's or assignee's name is on the list, the bureau shall enter as  
20 a lien on the title the name of the state as the lienholder unless the  
21 bureau has received notice from the commissioner under  
22 IC 6-8.1-8-2(k). The tax lien on the title:

23 (1) is subordinate to a perfected security interest (as defined and  
24 perfected in accordance with IC 26-1-9.1); and  
25 (2) shall otherwise be treated in the same manner as other title  
26 liens.

27 (e) The commissioner is the custodian of all titles for which the  
28 state is the sole lienholder under this section. Upon receipt of the title  
29 by the department, the commissioner shall notify the owner of the  
30 department's receipt of the title.

31 (f) The department shall reimburse the bureau of motor vehicles  
32 for all costs incurred in carrying out this section.

33 (g) Notwithstanding IC 6-8.1-8, a person who is authorized to  
34 collect taxes, interest, or penalties on behalf of the department under  
35 IC 6-3 or IC 6-3.6 may not, except as provided in subsection (h) or (i),  
36 receive a fee for collecting the taxes, interest, or penalties if:

37 (1) the taxpayer pays the taxes, interest, or penalties as  
38 consideration for the release of a lien placed under subsection  
39 (d) on a motor vehicle title; or  
40 (2) the taxpayer has been denied a certificate or license under  
41 subsection (c) within sixty (60) days before the date the taxes,



1 interest, or penalties are collected.

2 (h) In the case of a sheriff, subsection (g) does not apply if:

(2) the sheriff collects the taxes, interest, or penalties through the sale or redemption, in a court proceeding, of a motor vehicle that has a lien placed on its title under subsection (d).

9 (i) In the case of a person other than a sheriff:

10 (1) subsection (g)(2) does not apply if the person collects the  
11 taxes, interests, or penalties within sixty (60) days after the date  
12 the commissioner employs the person to make the collection;  
13 and

14 (2) subsection (g)(1) does not apply if the person collects the  
15 taxes, interest, or penalties through the sale or redemption, in a  
16 court proceeding, of a motor vehicle that has a lien placed on its  
17 title under subsection (d).

18 (j) IC 5-14-3-4, IC 6-8.1-7-1, and any other law exempting  
19 information from disclosure by the department do not apply to this  
20 subsection. The department shall prepare a list of retail merchants  
21 whose registered retail merchant certificate has not been renewed  
22 under IC 6-2.5-8-1(h) or whose registered retail merchant certificate  
23 has been revoked under IC 6-2.5-8-7 or whose electronic cigarette  
24 retail dealer's certificate has been revoked or suspended under  
25 IC 6-7-4-10. The list compiled under this subsection must identify each  
26 retail merchant by name (including any name under which the retail  
27 merchant is doing business), address, and county. The department shall  
28 publish the list compiled under this subsection on the department's  
29 website (as operated under IC 4-13.1-2) and make the list available for  
30 public inspection and copying under IC 5-14-3. The department or an  
31 agent, employee, or officer of the department is immune from liability  
32 for the publication of information under this subsection.

33 SECTION 2. IC 9-32-3-14 IS ADDED TO THE INDIANA CODE  
34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
35 1, 2026]: Sec. 14. A dealer must obtain and retain one (1) of the  
36 following from a potential purchaser:

37 (1) From an individual, a photocopy or electronic scan of the  
38 individual's driver's license or identification card.

39 (2) From a business, one (1) of the following:

40 (A) The business's federal employer identification  
41 number.



1                   **identification card, or other government issued**  
2                   **photographic identification card of an owner, officer, or**  
3                   **other individual authorized to act on behalf of the**  
4                   **business, together with the name of the business.**

5                   SECTION 3. IC 9-32-4-1, AS AMENDED BY P.L.137-2018,  
6                   SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7                   JULY 1, 2026]: Sec. 1. (a) As used in this section, "transferring party"  
8                   has the meaning set forth in IC 9-17-3-0.6.

9                   (b) If a motor vehicle or watercraft for which a certificate of title  
10                  has been issued is sold or if the ownership of the motor vehicle or  
11                  watercraft is transferred in any manner other than by a transfer on death  
12                  conveyance under IC 9-17-3-9, in addition to complying with  
13                  IC 9-17-3-3.4, the transferring party must do the following:

14                  (1) In the case of a sale or transfer between dealers licensed by  
15                  this state or another state **and auctions**, deliver or transmit the  
16                  certificate of title within thirty-one (31) days after the date of the  
17                  sale or transfer.

18                  (2) Deliver or transmit the certificate of title to the purchaser or  
19                  transferee within **thirty-one (31) forty-five (45)** days after the  
20                  date of sale or transfer to the purchaser or transferee of the motor  
21                  vehicle or watercraft, if all the following conditions exist:

22                  (A) The transferring party is a dealer licensed by the state  
23                  under this article.

24                  (B) The dealer is not able to deliver or transmit the  
25                  certificate of title at the time of sale or transfer.

26                  (C) The dealer provides the purchaser or transferee with an  
27                  affidavit under section 2 of this chapter.

28                  (D) The purchaser or transferee has made all agreed upon  
29                  initial payments for the motor vehicle or watercraft,  
30                  including delivery of a trade-in motor vehicle or watercraft  
31                  without hidden or undisclosed statutory liens.

32                  (3) Keep proof of delivery or transmission of the certificate of  
33                  title with the dealer records.

34                  (c) A dealer may offer for sale a motor vehicle or watercraft for  
35                  which the dealer does not possess a certificate of title, if the dealer can  
36                  comply with subsection (b)(1) or (b)(2) at the time of the sale.

37                  (d) A dealer that fails to deliver or transmit the certificate of title  
38                  within the time specified under subsection (b) is subject to the  
39                  following civil penalties:

40                  (1) One hundred dollars (\$100) for the first violation in a  
41                  calendar year.

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(2) Two hundred fifty dollars (\$250) for the second violation in a calendar year.

(3) Five hundred dollars (\$500) for all subsequent violations in a calendar year.

Payment shall be made to the secretary and deposited in the dealer enforcement account established under IC 9-32-7-2.

(e) If a purchaser or transferee does not receive a valid certificate of title within the time specified by this section, the purchaser or transferee has the right to return the motor vehicle or watercraft to the dealer ten (10) days after giving the dealer written notice demanding delivery or transmission of a valid certificate of title and the dealer's failure to deliver or transmit a valid certificate of title within that ten (10) day period. Upon return of the motor vehicle or watercraft to the dealer in the same or similar condition as delivered to the purchaser or transferee under this section, the dealer shall pay to the purchaser or transferee the purchase price plus sales taxes, finance expenses, insurance expenses, and any other amount paid to the dealer by the purchaser or transferee. The relief referenced in this subsection is relief for the purchaser or transferee only and does not preclude the ability of the division to collect civil penalties under subsection (d).

(f) For purposes of this subsection, "timely deliver", with respect to a third party, means to deliver or transmit to the purchaser or transferee by postmark dated mail, electronically dated transmission, or by hand delivery not more than ten (10) business days after there is no obligation secured by the motor vehicle or watercraft. If the dealer's inability to timely deliver or transmit a valid certificate of title results from the acts or omissions of a third party that has failed to timely deliver or transmit a valid certificate of title to the dealer, the dealer is entitled to claim against the third party one hundred dollars (\$100). If:

(1) the dealer's inability to timely deliver or transmit a valid certificate of title results from the acts or omissions of a third party that has failed to timely deliver or transmit the certificate of title in the third party's possession to the dealer; and

(2) the failure continues for ten (10) business days after the dealer gives the third party written notice of the failure;

the dealer is entitled to claim against the third party all damages sustained by the dealer in rescinding the dealer's sale with the purchaser or transferee, including the dealer's reasonable attorney's fees.

(g) If a motor vehicle or watercraft for which a certificate of title has been issued by another state is sold or delivered, the person selling



1 or delivering the motor vehicle or watercraft shall deliver or transmit  
2 to the purchaser or receiver of the motor vehicle or watercraft a proper  
3 certificate of title with an assignment of the certificate of title in a form  
4 prescribed by the bureau.

5 (h) A dealer shall make payment to a third party to satisfy any  
6 obligation secured by the motor vehicle or watercraft sold by or traded  
7 to the dealer not later than ten (10) days after the motor vehicle or  
8 watercraft is delivered to or sold by the dealer.

9 (i) Except as provided in subsection (j), a person that violates this  
10 section commits a Class C infraction.

11 (j) A person that knowingly or intentionally violates subsection  
12 (b)(1), (b)(2), or (e) commits a Class B misdemeanor.

13 (k) For purposes of this section, "deliver or transmit the certificate  
14 of title" means to deliver or transmit the certificate of title to the  
15 purchaser or transferee by postmark dated mail, certified mail with  
16 return receipt, electronic transmission through the bureau's file system,  
17 or hand delivery.

18 SECTION 4. IC 9-32-6-11, AS AMENDED BY P.L.20-2022,  
19 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2026]: Sec. 11. (a) The secretary may issue an interim license  
21 plate to the following persons licensed under this article:

- 22 (1) An automobile auction company.
- 23 (2) A converter manufacturer.
- 24 (3) A new motor vehicle dealer.
- 25 (4) A watercraft dealer.
- 26 (5) A manufacturer.
- 27 (6) A used motor vehicle dealer.

28 (b) The secretary shall prescribe the form of an interim license  
29 plate issued under this section. An interim license plate must bear the  
30 assigned registration number and provide sufficient space for the  
31 expiration date as provided in subsection (c).

32 (c) A dealer may provide a person with not more than one (1)  
33 interim license plate issued by the secretary at the time the dealer:

- 34 (1) sells or leases a motor vehicle to the person; or
- 35 (2) allows a person that buys a motor vehicle to take delivery of  
36 the motor vehicle before the sale of the motor vehicle is fully  
37 funded;

38 whichever occurs first. The dealer shall, in the manner provided by the  
39 secretary, affix on the plate in numerals and letters at least three (3)  
40 inches high the date on which the interim license plate expires.

41 (d) An interim license plate authorizes a person to operate the



1       motor vehicle until the earlier of the following dates:

2       (1) ~~Forty-five (45)~~ **Sixty (60)** days after the date of sale or lease  
3       of the motor vehicle to the person.

4       (2) The date on which a regular license plate is issued.

5       A person that violates this subsection commits a Class A infraction.

6       (e) A motor vehicle that is required by law to display license plates  
7       on the front and rear of the motor vehicle is required to display only a  
8       single interim license plate.

9       (f) An interim license plate shall be displayed:

10       (1) in the same manner required in IC 9-18-2-26 (before its  
11       expiration) or IC 9-18.1-4-3; or

12       (2) in a location on the left side of a window facing the rear of  
13       the motor vehicle that is clearly visible and unobstructed. The  
14       plate must be affixed to the window of the motor vehicle.

15       (g) The dealer must provide an ownership document to the person  
16       at the time of issuance of the interim license plate that must be kept in  
17       the motor vehicle during the period an interim license plate is used.

18       (h) All interim license plates not issued by the dealer must be  
19       retained in the possession of the dealer at all times.

20       (i) The fee for an interim dealer license plate is three dollars (\$3).  
21       The fee shall be distributed as follows:

22       (1) Forty percent (40%) to the crossroads 2000 fund established  
23       by IC 8-14-10-9.

24       (2) Forty-nine percent (49%) to the dealer compliance account  
25       established by IC 9-32-7-1.

26       (3) Eleven percent (11%) to the motor vehicle highway account  
27       under IC 8-14-1.

28       (j) The secretary may issue an interim license plate to a person that  
29       purchases a motor vehicle from a dealer if the dealer has not timely  
30       delivered or transmitted the certificate of title for the motor vehicle  
31       under IC 9-32-4-1.

32       (k) The secretary may design and issue to a dealer a motor driven  
33       cycle decal to be used in conjunction with an interim license plate upon  
34       the sale of a motor driven cycle.

35       (l) A new motor vehicle dealer may issue an interim license plate  
36       for use on a new motor vehicle that the new motor vehicle dealer  
37       delivers to a purchaser on behalf of a manufacturer or another new  
38       motor vehicle dealer if:

39       (1) there is a written courtesy agreement between the new motor  
40       vehicle dealer delivering the motor vehicle and the new motor  
41       vehicle dealer or manufacturer that sold the motor vehicle being

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1                   delivered; and  
 2                   (2) the new motor vehicle is transported directly from the  
 3                   manufacturer to the new motor vehicle dealer delivering the new  
 4                   motor vehicle to the purchaser.  
 5                   A person that violates this subsection commits a Class C infraction.  
 6                   (m) A person that fails to display an interim license plate as  
 7                   prescribed in subsection (f)(1) or (f)(2) commits a Class C infraction.  
 8                   SECTION 5. IC 9-32-7.5-2, AS AMENDED BY P.L.182-2021,  
 9                   SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10                  JULY 1, 2026]: Sec. 2. (a) This section does not apply to a vehicle  
 11                  registered as a recovery vehicle under IC 9-18.1-6.  
 12                  (b) A transport operator may, instead of registering each motor  
 13                  vehicle transported or disposable trailer used, make a verified  
 14                  application upon a form prescribed by the secretary and furnished by  
 15                  the secretary for a general distinctive registration number for:  
 16                   (1) all motor vehicles transported by the transport operator and  
 17                   used and operated for the purposes provided; or  
 18                   (2) all disposable trailers used and operated for the purpose of  
 19                   transporting sectionalized buildings.  
 20                  (c) The application must contain the following:  
 21                   (1) A brief description of:  
 22                      (A) each style or type of motor vehicle transported or the  
 23                      type of disposable trailer used to transport the sectionalized  
 24                      building, whichever is applicable; and  
 25                      (B) the manner in which the transport operator intends to  
 26                      use the plates.  
 27                   (2) The name and address of the transport operator.  
 28                   (3) For an application to use a disposable trailer, a statement that  
 29                      the disposable trailer will be disassembled after a single use.  
 30                   (4) Any other information the secretary requires.  
 31                  (d) The secretary may not issue transport operator license plates  
 32                  to a transport operator that has been convicted of violating this article  
 33                  until the secretary is satisfied that the transport operator is able to  
 34                  comply with the requirements of this section.  
 35                  (e) **Beginning July 1, 2026, a transport operator must either:**  
 36                   **(1) have an established place of business with a physical**  
 37                   **Indiana address; or**  
 38                   **(2) if the transport operator does not have an established**  
 39                   **place of business in Indiana, provide the secretary with proof**  
 40                   **of the transport operator's valid registration from the United**  
 41                   **States Department of Transportation authorizing the**  
 42                   **transport operator to transport within Indiana;**



1           **to make a verified application under this section.**

2           SECTION 6. IC 9-32-16-17 IS ADDED TO THE INDIANA  
 3           CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 4           [EFFECTIVE JULY 1, 2026]: **Sec. 17. (a) A dealership must be**  
 5           **licensed by the secretary of state under this article to operate in**  
 6           **Indiana.**

7           **(b) A dealership that violates this subsection commits a Class**  
 8           **A infraction.**

9           SECTION 7. IC 31-25-4-30, AS ADDED BY P.L.145-2006,  
 10           SECTION 271, IS AMENDED TO READ AS FOLLOWS  
 11           [EFFECTIVE JULY 1, 2026]: Sec. 30. (a) The bureau shall, each  
 12           month, prepare a list of each person against whom a child support  
 13           obligation lien is held under IC 31-16-16-3 (or IC 31-2-11-9 before its  
 14           repeal). The list must identify each person liable for a lien by name,  
 15           address, amount of lien, and either Social Security number or employer  
 16           identification number. The bureau shall certify a copy of the list to the  
 17           bureau of motor vehicles **and the secretary of state.**

18           (b) The bureau of motor vehicles shall, before issuing the title to  
 19           a motor vehicle under IC 9-17, determine whether the purchaser's or  
 20           assignee's name is on the most recent monthly lien list. If the  
 21           purchaser's or assignee's name is on the list, the bureau shall enter as  
 22           a lien on the title the name of the state as the lienholder. The state's lien  
 23           on a title under this section is subordinate to a prior perfected security  
 24           interest if the interest is defined and perfected under any of the  
 25           following:

- 26           (1) IC 26-1-9.1.
- 27           (2) IC 32-8 (before its repeal).
- 28           (3) IC 32-28.
- 29           (4) IC 32-29.
- 30           (5) IC 32-33.
- 31           (6) IC 32-34-10.

32           (c) A lien against the title under this section must be treated in the  
 33           same manner as any other subordinate title lien.

34           (d) The bureau shall prescribe and furnish release forms for use by  
 35           the bureau. When the amount of the lien is paid, the bureau shall issue  
 36           to the person against whom the lien was held a release stating that the  
 37           amount represented by the lien has been paid. The bureau may also  
 38           issue a release to a person against whom the lien is held if the person  
 39           has made arrangements, agreed to by the bureau, for the payment of the  
 40           amount represented by the lien.

41           (e) The director of the bureau or the director's designee is the



1        custodian of all titles having the state as the sole lienholder under this  
2        section. Upon receiving a title from the bureau of motor vehicles under  
3        this section, the director shall notify the owner of the motor vehicle.  
4                (f) The bureau shall reimburse the bureau of motor vehicles for all  
5        costs incurred by the bureau in implementing this section.

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