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HOUSE BILL No. 1153

Proposed Changes to introduced printing by AM115303

DIGEST OF PROPOSED AMENDMENT

Various changes. Amends the documentation that a dealer must collect from a business that is purchasing a vehicle. Increases the deadline for a transferring party to transfer a certificate of title to the purchaser or a transferee from 31 days to 45 days. Removes the language establishing a process for requesting an extension of the time period that an interim license plate is valid and the deadline for the transfer of a certificate of title. Increases the time period that an interim license plate is valid from 45 days to 60 days. Amends the requirements for a transport operator to file a verified application for a registration number.

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

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

(c) The department may not issue or renew:

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

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

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

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

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

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

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

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



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

(1) the sheriff collects the taxes, interest, or penalties within sixty (60) days after the date the sheriff receives the tax warrant; or

(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).

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

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

(2) subsection (g)(1) does not apply if the person 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).

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

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

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

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

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

(B) A photocopy or electronic scan of a driver's license, identification card, or other government issued



photographic identification card of an owner, officer, or other individual authorized to act on behalf of the business, together with the name of the business.]

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

(b) ~~<Except as provided in IC 9-32-4.5, i>~~ [] if a motor vehicle or watercraft for which a certificate of title has been issued is sold or if the ownership of the motor vehicle or watercraft is transferred in any manner other than by a transfer on death conveyance under IC 9-17-3-9, in addition to complying with IC 9-17-3-3.4, the transferring party must do the following:

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

34 (2) the failure continues for ten (10) business days after the
35 dealer gives the third party written notice of the failure;
36 the dealer is entitled to claim against the third party all damages
37 sustained by the dealer in rescinding the dealer's sale with the
38 purchaser or transferee, including the dealer's reasonable attorney's
39 fees.

40 (g) If a motor vehicle or watercraft for which a certificate of title
41 has been issued by another state is sold or delivered, the person selling
42 or delivering the motor vehicle or watercraft shall deliver or transmit



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to the purchaser or receiver of the motor vehicle or watercraft a proper certificate of title with an assignment of the certificate of title in a form prescribed by the bureau.

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

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

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

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

~~SECTION 4. IC 9-32-4.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:~~

~~Chapter 4.5. Extensions Due to Issue with Certificate of Title~~
~~Sec. 1. A dealer may apply to the secretary to request an extension of:~~

~~(1) the time period an interim license plate is valid under IC 9-32-6-11(d); and~~

~~(2) the time period the dealer has to deliver or transmit a certificate of title under IC 9-32-4-1(b);~~

~~if the dealer encounters an issue with obtaining a certificate of title for a motor vehicle:~~

~~Sec. 2. If the secretary grants a request under section 1 of this chapter, the following apply:~~

~~(1) The secretary must issue an additional interim license plate for the motor vehicle under IC 9-32-6-11. An interim license plate issued under this subdivision authorizes the person to operate the motor vehicle until the earlier of the following dates:~~

~~(A) Sixty (60) days after the interim license plate is issued by the secretary;~~

~~(B) The date on which a regular license plate is issued;~~

~~(2) The dealer has an additional forty-five (45) days from the date the secretary grants a request under section 1 of this chapter to deliver the certificate of title for the motor vehicle under IC 9-32-4-1(b).~~



~~Sec. 3. A dealer may request not more than twenty (20) extensions under section 1 of this chapter in a thirty (30) day period.~~

> SECTION ~~<5>~~[4]. IC 9-32-6-11, AS AMENDED BY P.L.20-2022, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The secretary may issue an interim license plate to the following persons licensed under this article:

- (1) An automobile auction company.
- (2) A converter manufacturer.
- (3) A new motor vehicle dealer.
- (4) A watercraft dealer.
- (5) A manufacturer.
- (6) A used motor vehicle dealer.

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

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

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

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

(d) ~~Except as provided in IC 9-32-4.5, a~~[A]n interim license plate authorizes a person to operate the motor vehicle until the earlier of the following dates:

- (1) ~~Forty-five (45)~~ [Sixty (60)] days after the date of sale or lease of the motor vehicle to the person.
- (2) The date on which a regular license plate is issued.

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

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

(f) An interim license plate shall be displayed:

- (1) in the same manner required in IC 9-18-2-26 (before its expiration) or IC 9-18.1-4-3; or
- (2) in a location on the left side of a window facing the rear of the motor vehicle that is clearly visible and unobstructed. The



- 1 plate must be affixed to the window of the motor vehicle.
- 2 (g) The dealer must provide an ownership document to the person
- 3 at the time of issuance of the interim license plate that must be kept in
- 4 the motor vehicle during the period an interim license plate is used.
- 5 (h) All interim license plates not issued by the dealer must be
- 6 retained in the possession of the dealer at all times.
- 7 (i) The fee for an interim dealer license plate is three dollars (\$3).
- 8 The fee shall be distributed as follows:
- 9 (1) Forty percent (40%) to the crossroads 2000 fund established
- 10 by IC 8-14-10-9.
- 11 (2) Forty-nine percent (49%) to the dealer compliance account
- 12 established by IC 9-32-7-1.
- 13 (3) Eleven percent (11%) to the motor vehicle highway account
- 14 under IC 8-14-1.
- 15 (j) The secretary may issue an interim license plate to a person that
- 16 purchases a motor vehicle from a dealer if the dealer has not timely
- 17 delivered or transmitted the certificate of title for the motor vehicle
- 18 under IC 9-32-4-1.
- 19 (k) The secretary may design and issue to a dealer a motor driven
- 20 cycle decal to be used in conjunction with an interim license plate upon
- 21 the sale of a motor driven cycle.
- 22 (l) A new motor vehicle dealer may issue an interim license plate
- 23 for use on a new motor vehicle that the new motor vehicle dealer
- 24 delivers to a purchaser on behalf of a manufacturer or another new
- 25 motor vehicle dealer if:
- 26 (1) there is a written courtesy agreement between the new motor
- 27 vehicle dealer delivering the motor vehicle and the new motor
- 28 vehicle dealer or manufacturer that sold the motor vehicle being
- 29 delivered; and
- 30 (2) the new motor vehicle is transported directly from the
- 31 manufacturer to the new motor vehicle dealer delivering the new
- 32 motor vehicle to the purchaser.
- 33 A person that violates this subsection commits a Class C infraction.
- 34 (m) A person that fails to display an interim license plate as
- 35 prescribed in subsection (f)(1) or (f)(2) commits a Class C infraction.
- 36 SECTION ~~6~~ [\[5\]](#). IC 9-32-7.5-2, AS AMENDED BY
- 37 P.L.182-2021, SECTION 11, IS AMENDED TO READ AS
- 38 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) This section does
- 39 not apply to a vehicle registered as a recovery vehicle under
- 40 IC 9-18.1-6.
- 41 (b) A transport operator may, instead of registering each motor
- 42 vehicle transported or disposable trailer used, make a verified



application upon a form prescribed by the secretary and furnished by the secretary for a general distinctive registration number for:

- (1) all motor vehicles transported by the transport operator and used and operated for the purposes provided; or
- (2) all disposable trailers used and operated for the purpose of transporting sectionalized buildings.

(c) The application must contain the following:

(1) A brief description of:

(A) each style or type of motor vehicle transported or the type of disposable trailer used to transport the sectionalized building, whichever is applicable; and

(B) the manner in which the transport operator intends to use the plates.

(2) The name and address of the transport operator.

(3) For an application to use a disposable trailer, a statement that the disposable trailer will be disassembled after a single use.

(4) Any other information the secretary requires.

(d) The secretary may not issue transport operator license plates to a transport operator that has been convicted of violating this article until the secretary is satisfied that the transport operator is able to comply with the requirements of this section.

(e) Beginning July 1, 2026, a transport operator must either:

(1) have an established place of business with a physical Indiana address[;] or

(2) if the transport operator does not have an established place of business in Indiana, provide the secretary with proof of the transport operator's valid registration from the United States Department of Transportation authorizing the transport operator to transport within Indiana;

to make a verified application under this section.

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

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

SECTION ~~8~~ [7]. IC 31-25-4-30, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 30. (a) The bureau shall, each month, prepare a list of each person against whom a child support obligation lien is held under IC 31-16-16-3 (or IC 31-2-11-9 before its**



1 repeal). The list must identify each person liable for a lien by name,
 2 address, amount of lien, and either Social Security number or employer
 3 identification number. The bureau shall certify a copy of the list to the
 4 bureau of motor vehicles **and the secretary of state.**

5 (b) The bureau of motor vehicles shall, before issuing the title to
 6 a motor vehicle under IC 9-17, determine whether the purchaser's or
 7 assignee's name is on the most recent monthly lien list. If the
 8 purchaser's or assignee's name is on the list, the bureau shall enter as
 9 a lien on the title the name of the state as the lienholder. The state's lien
 10 on a title under this section is subordinate to a prior perfected security
 11 interest if the interest is defined and perfected under any of the
 12 following:

13 (1) IC 26-1-9.1.

14 (2) IC 32-8 (before its repeal).

15 (3) IC 32-28.

16 (4) IC 32-29.

17 (5) IC 32-33.

18 (6) IC 32-34-10.

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

21 (d) The bureau shall prescribe and furnish release forms for use by
 22 the bureau. When the amount of the lien is paid, the bureau shall issue
 23 to the person against whom the lien was held a release stating that the
 24 amount represented by the lien has been paid. The bureau may also
 25 issue a release to a person against whom the lien is held if the person
 26 has made arrangements, agreed to by the bureau, for the payment of the
 27 amount represented by the lien.

28 (e) The director of the bureau or the director's designee is the
 29 custodian of all titles having the state as the sole lienholder under this
 30 section. Upon receiving a title from the bureau of motor vehicles under
 31 this section, the director shall notify the owner of the motor vehicle.

32 (f) The bureau shall reimburse the bureau of motor vehicles for all
 33 costs incurred by the bureau in implementing this section. [

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