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# HOUSE BILL No. 1184

Proposed Changes to introduced printing by AM118402

## DIGEST OF PROPOSED AMENDMENT

Collateral recovery agencies. Establishes requirements for the storage of collateral by collateral recovery agencies.

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 24-14-3-6, AS ADDED BY P.L.281-2019,  
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]: Sec. 6. A towing company that performs emergency  
4 towing under this chapter shall do the following:

5 (1) Properly secure all towed motor vehicles.  
6 (2) Take all reasonable efforts to prevent:  
7 (A) further damage (including weather damage) to; or  
8 (B) the theft of;  
9 all towed motor vehicles, including a towed motor vehicle's  
10 cargo and contents.

11 (3) **Reimburse the owner of the motor vehicle for any**  
12 **damage caused by the towing company.**

13 SECTION 2. IC 24-14-4-2, AS ADDED BY P.L.281-2019,  
14 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2026]: Sec. 2. (a) Except as provided in subsections (b) and  
16 (c), the owner of a commercial private property may establish a  
17 tow-away zone on the owner's property. A commercial private property  
18 owner that establishes a tow-away zone under this section must post a  
19 tow-away zone sign at the location of the tow-away zone that is **at a**  
20 **reasonable height**, conspicuous, and clearly visible to the public. A  
21 tow-away zone sign described under this section shall provide the

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1 following information:

2 (1) A statement that the area in the immediate vicinity of the sign  
 3 is a tow-away zone.  
 4 (2) Pertinent contact information.  
 5 (3) A description of any person permitted to park in the affected  
 6 area, if applicable.  
 7 (b) A commercial private property owner may have a motor  
 8 vehicle towed from the owner's commercial private property without  
 9 first displaying signage concerning the tow-away zone if the motor  
 10 vehicle is removed under IC 9-22-1-16.  
 11 (c) A unit (as defined in IC 36-1-2-23) may adopt an ordinance  
 12 that provides for different requirements than those provided in this  
 13 section.

14 SECTION 3. IC 24-14-4-6, AS ADDED BY P.L.281-2019,  
 15 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2026]: Sec. 6. A towing company that performs commercial  
 17 private property towing under this chapter shall do the following:

18 (1) Properly secure all towed motor vehicles.  
 19 (2) Take all reasonable efforts to prevent:  
 20 (A) further damage (including weather damage) to; or  
 21 (B) the theft of;  
 22 all towed motor vehicles, including a towed motor vehicle's  
 23 cargo and contents.  
 24 (3) **Reimburse the owner of the motor vehicle for any  
 25 damage caused by the towing company.**  
 26 SECTION 4. IC 26-2-11 IS ADDED TO THE INDIANA CODE  
 27 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2026]:

29 **Chapter 11. Collateral Recovery Agencies**

30 **Sec. 1. This chapter does not apply to the following persons  
 31 when engaged in an activity otherwise covered by this chapter:**

32 **(1) A financial institution or an employee of a financial  
 33 institution if the activity is conducted by the employee on  
 34 behalf of that financial institution.**

35 **(2) An automobile rental company or an employee of an  
 36 automobile rental company if the activity is conducted by the  
 37 employee on behalf of the automobile rental company.**

38 **(3) A retail seller of equipment (as defined in  
 39 IC 26-1-9.1-102), or an employee of a retail seller of  
 40 equipment, if the activity is limited to the repossession of the  
 41 type of goods routinely sold by the retail seller in the manner  
 42 authorized by IC 26-1-9.1-609 on behalf of the owner of a**



1                   security interest in that collateral.

2                   (4) An entity or an employee of an entity that primarily  

3                   finances wholesale and retail transactions related to the  

4                   purchase or lease of equipment manufactured by the entity's  

5                   affiliate if the activity is limited to the repossession of the  

6                   equipment.

7                   Sec. 2. As used in this chapter, "collateral" means any  

8                   personal property that is subject to a security, lease, or rental  

9                   agreement. The term does not include a recreational vehicle  

10                   permanently attached to a foundation and used as a primary  

11                   residence.

12                   Sec. 3. As used in this chapter, "collateral recovery agency"  

13                   means any person that, for consideration:

14                   (1) advertises as providing; or  

15                   (2) is engaged in the business of performing;  

16                   a repossession.

17                   Sec. 4. As used in this chapter, "hazardous material" means a  

18                   material or waste that has been determined to be hazardous or  

19                   potentially hazardous to human health, to property, or to the  

20                   environment by:

21                   (1) the United States:  

22                   (A) Environmental Protection Agency;  

23                   (B) Nuclear Regulatory Commission;  

24                   (C) Department of Transportation; or  

25                   (D) Occupational Safety and Health Administration; or  

26                   (2) the environmental rules board established by  

27                   IC 13-13-8-3.

28                   The term includes all of the hazardous materials identified in 49  

29                   CFR 172.101.

30                   Sec. 5. As used in this chapter, "repossession" means to take  

31                   physical possession of personal property that was used as  

32                   collateral.

33                   Sec. 6. A collateral recovery agency must store collateral at a  

34                   location within Indiana after repossession until the collateral is:

35                   (1) redeemed; or  

36                   (2) transferred to auction.

37                   Sec. 7. (a) A collateral recovery agency must include ten (10)  

38                   days of collateral storage in the collateral recovery agency's  

39                   standard repossession rate.

40                   (b) The legal owner or lien holder of the collateral must pay  

41                   the collateral recovery agency a fee of fifteen dollars (\$15) per day  

42                   for any collateral stored after the initial ten (10) days under



1       subsection (a). A collateral recovery agency may charge an  
2       additional fee for storing collateral that contains hazardous  
3       materials.  
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