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HOUSE BILL No. 1184

Proposed Changes to January 27, 2026 printing by AM118404

DIGEST OF PROPOSED AMENDMENT

Towing payment. Provides that a towing company or storage facility shall accept a credit card or debit card as forms of payment. Prohibits a towing company or storage facility from charging a credit card service fee of more than three percent (3%). Provides that a towing company or storage facility may not deny pickup of a motor vehicle because an appointment is not available or charge a storage fee for any day when an appointment is not available.

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 24-14-3-7 IS ADDED TO THE INDIANA CODE
- 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2026]: **Sec. 7. A towing company responding to a summons for**
- 4 **an emergency towing under this chapter may utilize the shoulder**
- 5 **of the roadway as necessary to reach the scene of the disabled**
- 6 **motor vehicle.**
- 7 SECTION 2. IC 24-14-4-2, AS ADDED BY P.L.281-2019,
- 8 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 9 JULY 1, 2026]: Sec. 2. (a) Except as provided in subsections (b) and
- 10 (c), the owner of a commercial private property may establish a
- 11 tow-away zone on the owner's property. A commercial private property
- 12 owner that establishes a tow-away zone under this section must post a
- 13 tow-away zone sign at the location of the tow-away zone that is **at a**
- 14 **height of more than five (5) feet and less than seven (7) feet from**
- 15 **the ground**, conspicuous, and clearly visible to the public. A tow-away
- 16 zone sign described under this section shall provide the following
- 17 information:

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- 1 (1) A statement that the area in the immediate vicinity of the sign
- 2 is a tow-away zone.
- 3 (2) Pertinent contact information.
- 4 (3) A description of any person permitted to park in the affected
- 5 area, if applicable.
- 6 (b) A commercial private property owner may have a motor
- 7 vehicle towed from the owner's commercial private property without
- 8 first displaying signage concerning the tow-away zone if the motor
- 9 vehicle is removed under IC 9-22-1-16.
- 10 (c) A unit (as defined in IC 36-1-2-23) may adopt an ordinance
- 11 that provides for different requirements than those provided in this
- 12 section.
- 13 **(d) Except as provided in subsection (b), a towing company**
- 14 **may not tow a motor vehicle from a tow-away zone if the tow-away**
- 15 **zone sign is not at the height required under subsection (a).**
- 16 SECTION 3. IC 24-14-4-6, AS ADDED BY P.L.281-2019,
- 17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 18 JULY 1, 2026]: Sec. 6. A towing company that performs commercial
- 19 private property towing under this chapter shall do the following:
- 20 (1) Properly secure all towed motor vehicles.
- 21 (2) Take all reasonable efforts to prevent:
- 22 (A) further damage (including weather damage) to; or
- 23 (B) the theft of;
- 24 all towed motor vehicles, including a towed motor vehicle's
- 25 cargo and contents.
- 26 **(3) Except for a towing performed under IC 9-22-1,**
- 27 **reimburse the owner of the motor vehicle for any damage**
- 28 **caused by the towing company.**
- 29 [SECTION 4. IC 24-14-7-2, AS ADDED BY P.L.281-2019,
- 30 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 31 JULY 1, 2026]: Sec. 2. (a) Upon payment of all costs relating to a tow,
- 32 the storage of a motor vehicle, and all allowable fees, as applicable, the
- 33 towing company or storage facility shall release the motor vehicle to a
- 34 properly identified person who owns or holds a lien on the motor
- 35 vehicle. Each release performed under this subsection shall comply
- 36 with the procedures and be subject to the same requirements set forth
- 37 in IC 9-22-1-8 with respect to abandoned motor vehicles.
- 38 (b) The owner, lienholder, or insurance company representative
- 39 responsible for releasing a motor vehicle under this section shall have
- 40 the right to inspect the motor vehicle during normal business hours
- 41 before accepting the release of the motor vehicle.
- 42 (c) A towing company or storage facility shall accept the following

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1 forms of payment:

- 2 (1) Cash.
- 3 (2) Certified check.
- 4 (3) Insurance check.
- 5 (4) Money order.
- 6 **(5) Credit card.**
- 7 **(6) Debit card.**

8 A towing service or storage facility may elect to accept payment by
9 means of a credit card or debit card.

10 **(d) A towing company or storage facility may not charge a**
11 **credit card service fee of more than three percent (3%).**

12 ~~(d)~~ **(e) A towing company or storage facility, upon receiving**
13 **payment for all costs and fees assessed against a motor vehicle, shall**
14 **provide an itemized receipt that includes the information described**
15 **under IC 24-14-5 if the information is available.**

16 ~~(e)~~ **(f) A towing company or storage facility shall comply with**
17 **IC 9-22-1-8.**

18 **(g) A towing company or storage facility may not:**

- 19 **(1) deny pickup of a motor vehicle because there is no**
20 **available appointment; or**
- 21 **(2) charge a storage fee for a day when there is no available**
22 **appointment.**

23] SECTION ~~4~~[5]. IC 26-2-11 IS ADDED TO THE INDIANA
24 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2026]:

26 **Chapter 11. Collateral Recovery Agencies**

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

- 29 **(1) A financial institution or an employee of a financial**
30 **institution if the activity is conducted by the employee on**
31 **behalf of that financial institution.**
- 32 **(2) An automobile rental company or an employee of an**
33 **automobile rental company if the activity is conducted by the**
34 **employee on behalf of the automobile rental company.**
- 35 **(3) A retail seller of equipment (as defined in**
36 **IC 26-1-9.1-102), or an employee of a retail seller of**
37 **equipment, if the activity is limited to the repossession of the**
38 **type of goods routinely sold by the retail seller in the manner**
39 **authorized by IC 26-1-9.1-609 on behalf of the owner of a**
40 **security interest in that collateral.**
- 41 **(4) An entity or an employee of an entity that primarily**
42 **finances wholesale and retail transactions related to the**

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1 purchase or lease of equipment manufactured by the entity's
 2 affiliate if the activity is limited to the repossession of the
 3 equipment.

4 **Sec. 2.** As used in this chapter, "collateral" means any
 5 personal property that is subject to a security, lease, or rental
 6 agreement. The term does not include a recreational vehicle
 7 permanently attached to a foundation and used as a primary
 8 residence.

9 **Sec. 3.** As used in this chapter, "collateral recovery agency"
 10 means any person that, for consideration:

- 11 (1) advertises as providing; or
 12 (2) is engaged in the business of performing;
 13 a repossession.

14 **Sec. 4.** As used in this chapter, "hazardous material" means a
 15 material or waste that has been determined to be hazardous or
 16 potentially hazardous to human health, to property, or to the
 17 environment by:

- 18 (1) the United States:
 19 (A) Environmental Protection Agency;
 20 (B) Nuclear Regulatory Commission;
 21 (C) Department of Transportation; or
 22 (D) Occupational Safety and Health Administration; or
 23 (2) the environmental rules board established by
 24 IC 13-13-8-3.

25 The term includes all of the hazardous materials identified in 49
 26 CFR 172.101.

27 **Sec. 5.** As used in this chapter, "repossession" means to take
 28 physical possession of personal property that was used as
 29 collateral.

30 **Sec. 6.** A collateral recovery agency must store collateral at a
 31 location within Indiana after repossession until the collateral is:

- 32 (1) redeemed; or
 33 (2) transferred to auction.

34 **Sec. 7. (a)** A collateral recovery agency must include ten (10)
 35 days of collateral storage in the collateral recovery agency's
 36 standard repossession rate.

37 (b) The legal owner or lien holder of the collateral must pay
 38 the collateral recovery agency a fee of fifteen dollars (\$15) per day
 39 for any collateral stored after the initial ten (10) days under
 40 subsection (a). A collateral recovery agency may charge an
 41 additional fee for storing collateral that contains hazardous
 42 materials.

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