

HOUSE BILL No. 1272

DIGEST OF INTRODUCED BILL

Citations Affected: IC 25-0.5; IC 25-30; IC 26-2-10; IC 34-30-2.1-384.3.

Synopsis: Collateral recovery services. Renames the private investigator and security guard licensing board as the private investigator, security guard, and collateral recovery agency licensing board, and adds two additional members to the board. Establishes licensure for a collateral recovery agency. Requires a person to be licensed as a collateral recovery agency to repossess collateral, attempt to repossess collateral, hold one's self out as being in the business of repossessing collateral, or use license plate recognition. Provides certain requirements: (1) for an applicant seeking licensure as a collateral recovery agency; (2) for a licensee to maintain licensure; and (3) for a legal owner when personal effects are in or on the collateral at the time of repossession. Requires equipment used to repossess collateral to meet certain criteria. Makes conforming changes.

Effective: July 1, 2026.

Shonkwiler

January 6, 2026, read first time and referred to Committee on Employment, Labor and Pensions.



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. 1272

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

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

1 SECTION 1. IC 25-0.5-3-19, AS ADDED BY P.L.3-2014,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 19. IC 25-1-2-6(b) applies to the private
4 investigator, ~~and~~ security guard, **and collateral recovery agency**
5 licensing board.

6 SECTION 2. IC 25-0.5-4-26, AS ADDED BY P.L.3-2014,
7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2026]: Sec. 26. The private investigator, ~~and~~ security guard,
9 **and collateral recovery agency** licensing board (IC 25-30-1-5.2) is a
10 board under IC 25-1-4.

11 SECTION 3. IC 25-0.5-7-11, AS ADDED BY P.L.3-2014,
12 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 11. The Indiana professional licensing agency
14 shall perform administrative functions, duties, and responsibilities for
15 the private investigator, ~~and~~ security guard, **and collateral recovery**
16 **agency** licensing board (IC 25-30-1-5.2) under IC 25-1-6-3(a).

17 SECTION 4. IC 25-0.5-8-23, AS ADDED BY P.L.3-2014,



1 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]: Sec. 23. An occupation for which a person is licensed,
3 certified, or registered by the private investigator, ~~and~~ security guard,
4 **and collateral recovery agency** licensing board (IC 25-30-1-5.2) is a
5 regulated occupation under IC 25-1-7.

6 SECTION 5. IC 25-0.5-9-24, AS ADDED BY P.L.3-2014,
7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2026]: Sec. 24. The private investigator, ~~and~~ security guard,
9 **and collateral recovery agency** licensing board (IC 25-30-1-5.2) is a
10 board under IC 25-1-8.

11 SECTION 6. IC 25-0.5-10-26, AS ADDED BY P.L.3-2014,
12 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 26. The private investigator, ~~and~~ security guard,
14 **and collateral recovery agency** licensing board (IC 25-30-1-5.2) is a
15 board under IC 25-1-8-6.

16 SECTION 7. IC 25-0.5-12-12, AS ADDED BY P.L.3-2014,
17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2026]: Sec. 12. The private investigator, ~~and~~ security guard,
19 **and collateral recovery agency** licensing board (IC 25-30-1-5.2) is a
20 board under IC 25-1-11.

21 SECTION 8. IC 25-30-1-2, AS AMENDED BY P.L.3-2008,
22 SECTION 196, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2026]: Sec. 2. As used in this chapter:

24 (1) "Person" means an individual, a firm, a company, an
25 association, an organization, a partnership, or a corporation.

26 (2) "Licensee" means a person licensed under this chapter.

27 (3) "Private investigator firm" means the business of:

28 (A) making, for hire or reward, investigation or investigations
29 for the purpose of obtaining information with reference to:

30 (i) a crime against the state or wrongs done or threatened;

31 (ii) the habits, conduct, movements, whereabouts,
32 association, transactions, reputation, or character of a
33 person;

34 (iii) credibility of witnesses or other persons;

35 (iv) the location or recovery of lost, abandoned, unclaimed,
36 or stolen property;

37 (v) the causes, origin, or responsibility for fires or accidents
38 or injuries to real or personal property; or

39 (vi) the truth or falsity of a statement or representation;

40 (B) securing, for hire or reward, evidence to be used for
41 authorized investigation committees or boards of award or
42 arbitration or in the trial of civil or criminal cases; or



(C) providing, for hire or reward, undercover investigators to detect and prevent fraud and theft in the workplace or elsewhere.

(4) "Board" refers to the private investigator, and security guard, and collateral recovery agency licensing board established under section 5.2 of this chapter.

(5) "Licensing agency" refers to the Indiana professional licensing agency established under IC 25-1-5-3.

(6) "Business entity" means a firm, a company, an association, an organization, a partnership, or a corporation.

(7) "Collateral recovery agency" refers to a person licensed under IC 25-30-3.

SECTION 9. IC 25-30-1-5.2, AS AMENDED BY P.L.249-2019, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5.2. (a) The private investigator, and security guard, and collateral recovery agency licensing board is established.

(b) The board consists of:

(1) the superintendent of the state police department or the superintendent's designee; and

(2) subject to IC 25-1-6.5-3, the following four (4) six (6) members appointed by the governor:

(A) One (1) individual who is associated with a private investigator firm licensed under this article.

(B) One (1) individual who is associated with a security guard agency licensed under this article.

(C) One (1) local law enforcement official.

(D) One (1) person who is not associated with the private investigator firm or security guard agency other than as a consumer.

(E) Two (2) individuals who are associated with a collateral recovery agency.

(c) Each member of the board appointed by the governor shall serve a term under IC 25-1-6.5.

(d) The governor may remove a board member appointed by the governor under IC 25-1-6.5-4.

(e) A vacancy in the membership of the board shall be filled by appointment by the governor under IC 25-1-6.5.

(f) Each member of the board is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and



1 approved by the budget agency.

2 SECTION 10. IC 25-30-1-6.5, AS AMENDED BY P.L.249-2019,
 3 SECTION 124, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2026]: Sec. 6.5. (a) The board shall meet upon
 5 the call of the board president.

6 (b) ~~Three (3)~~ **Four (4)** members of the board constitute a quorum.

7 SECTION 11. IC 25-30-1.3-1, AS ADDED BY P.L.185-2007,
 8 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2026]: Sec. 1. As used in this chapter, "board" refers to the
 10 private investigator, ~~and~~ security guard, ~~and~~ **collateral recovery**
 11 **agency** licensing board established under IC 25-30-1-5.2.

12 SECTION 12. IC 25-30-3 IS ADDED TO THE INDIANA CODE
 13 AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2026]:

15 **Chapter 3. Collateral Recovery Agency Licensing**

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

18 **(1) A financial institution or an employee of a financial
 19 institution if the activity is conducted by the employee on
 20 behalf of that financial institution.**

21 **(2) An automobile rental company or an employee of an
 22 automobile rental company if the activity is conducted by the
 23 employee on behalf of the automobile rental company.**

24 **(3) A retail seller of equipment (as defined in IC 26-1-9.1-102),
 25 or an employee of a retail seller of equipment, if the activity
 26 is limited to the repossession of the type of goods routinely
 27 sold by the retail seller in the manner authorized by
 28 IC 26-1-9.1-609 on behalf of the owner of a security interest
 29 in that collateral.**

30 **(4) An entity or an employee of an entity that primarily
 31 finances wholesale and retail transactions related to the
 32 purchase or lease of equipment manufactured by the entity's
 33 affiliate if the activity is limited to the repossession of the
 34 equipment.**

35 **Sec. 2. For purposes of this chapter, the following definitions
 36 apply:**

37 **(1) "Assignment" means a written authorization by a legal
 38 owner, lien holder, lessor, lessee, or licensed collateral
 39 recovery agency to locate or reposess, involuntarily or
 40 voluntarily, any collateral that:**

41 **(A) is subject to a security agreement that contains a
 42 repossession clause; or**



(B) is the subject of a rental or lease agreement.

The term includes written authorization by an employer to recover any collateral entrusted to an employee or former employee if the possessor is wrongfully in possession of the collateral. A photocopy, facsimile copy, or electronic copy of an assignment has the same force and effect as an original written assignment.

(2) "Automobile rental company" means a person whose primary business is renting motor vehicles to the public for thirty (30) days or less.

(3) "Board" refers to the private investigator, security guard, and collateral recovery agency licensing board established by IC 25-30-1-5.2.

(4) "Collateral" means any personal property that is subject to a security, lease, or rental agreement. The term does not include a recreational vehicle permanently attached to a foundation and used as a primary residence.

(5) "Collateral recovery agency" means any person that, for consideration:

(A) advertises as providing; or

(B) is engaged in the business of performing;

a repossession. The term includes a person that uses license plate recognition for the purpose of performing a repossession.

(6) "Conviction" means an adjudication of guilt by a federal or state court resulting from plea or trial, regardless of whether imposition of sentence was suspended.

(7) "Debtor" means any person obligated under a lease, rental, or security agreement.

(8) "Felony" means a criminal conviction for which the convicted person might have been imprisoned for more than one (1) year.

(9) "Financial institution" has the meaning set forth in IC 28-1-1-3.

(10) "Hazardous material" means a material or waste that has been determined to be hazardous or potentially hazardous to human health, to property, or to the environment by:

(A) the United States:

(i) Environmental Protection Agency:

(ii) Nuclear Regulatory Commission;

(iii) Department of Transportation; or

(iv) Occupational Safety and Health Administration; or



(B) the environmental rules board established by IC 13-13-8-3.

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

(11) "Indemnification" means any agreement that seeks to indemnify and insure another against any type of claim, loss, liability, recovery, or damages.

(12) "Legal owner" means a person holding:

(A) a security interest in any collateral that is subject to a security agreement;

(B) a lien against any collateral; or

(C) an interest in any collateral that is subject to a lease or rental agreement.

(13) "Licensee" means any person licensed as a collateral recovery agency under this chapter.

(14) "License plate recognition" means a technology that uses a camera and software to:

(A) identify and read a vehicle's license plate;

(B) compare images of license plates to a data base; and

(C) provide both live and historical data.

(15) "Person" means an individual, a firm, a company, an agency, an organization, a partnership, or a corporation.

(16) "Personal effects" means:

(A) any property contained within or on the reposessed collateral; or

(B) property that is not permanently affixed to the repossession collateral;

that is not the property of the legal owner, including hazardous materials.

(17) "Personal information" means:

(A) information that identifies or reasonably can be used to identify an individual, such as first and last name in combination with the individual's:

(i) Social Security number or other government issued number or identifier;

(ii) date of birth;

(iii) home or physical address;

(iv) electronic mail address or other online contact information or Internet provider address;

(v) financial account number or credit or debit card number;

(vi) biometric data, health or medical data, or insurance



**information; or
(vii) passwords or other credentials that permit access to
an online or other account;**

(B) personally identifiable financial or insurance information, including nonpublic personal information defined by applicable federal law; and

(C) any combination of data that, if accessed, disclosed, modified, or destroyed without authorization of the owner of the data or if lost or misused, would require notice or reporting under IC 4-1-11 and federal privacy and data security law, whether or not the attorney general or the attorney general's agent is subject to the law.

(18) "Principal officer" means an individual who holds the office of owner, president, vice president, secretary, or treasurer in a business.

(19) "Remote storage location" means a licensee's secured storage facility that:

(A) is designated for the storage of collateral; and

(B) is either a secure building or has a perimeter that is secured with a fencing construction that makes the area not accessible to the public.

(20) "Repossession" means to take physical possession of personal property that was used as collateral.

Sec. 3. Unless licensed under this chapter, a person may not:

(1) repossess collateral in Indiana;

(2) attempt to repossess collateral in Indiana;

(3) hold one's self out to be a collateral recovery agency; or

(4) use license plate recognition to repossess collateral in Indiana.

Sec. 4. (a) An application for licensure as a collateral recovery agency must be on a form prescribed by the board accompanied by the license fee established by the board under IC 25-1-8.

(b) The application for licensure as a collateral recovery agency must include the following:

(1) The applicant's full name and business's street address.

(2) The business name under which the app business as a collateral recovery agency.

(3) The full name and residential address of each of the collateral recovery agency's members, partners, directors, and managers.

(4) The applicant's:

(A) Social Security number, if an individual; or





1 **Sec. 5. A licensee must maintain the following:**

2 (1) **A physical location with signage within Indiana.**
 3 (2) **The ability to store a vehicle that has been repossessed.**
 4 (3) **The ability to store personal effects in a secured area out**
 5 **of the elements.**
 6 (4) **Reasonable hours that allow an individual ample**
 7 **opportunity to retrieve the individual's personal effects or**
 8 **collateral.**
 9 (5) **Required insurance under section 6 of this chapter.**

10 **Sec. 6. (a) A licensee shall provide the board with a certification**
 11 **of insurance evidencing coverage in the amount required under**
 12 **this section.**

13 **(b) The coverage must:**

14 (1) **include the board as an additional insured for the purpose**
 15 **of receiving all notices of any modification or cancellation of**
 16 **the insurance;**
 17 (2) **be written by an insurance company that is lawfully**
 18 **engaged to provide insurance coverage in Indiana;**
 19 (3) **provide for a combined single limit policy in the amount of**
 20 **at least one million dollars (\$1,000,000) per occurrence and a**
 21 **three million dollar (\$3,000,000) aggregate policy, which**
 22 **must:**
 23 (A) **include commercial general liability for wrongful**
 24 **repossession, garage keepers, on hook, and drive away;**
 25 **and**
 26 (B) **be a direct primary policy;**
 27 (4) **provide for a dishonesty bond policy in the amount of at**
 28 **least one million dollars (\$1,000,000); and**
 29 (5) **insure for the liability of all employees licensed or**
 30 **registered by the state while acting in the course of the**
 31 **employee's employment.**

32 **(c) The licensee shall notify the board immediately upon**
 33 **cancellation of the insurance policy, whether the cancellation was**
 34 **initiated by the insurance company or the licensee.**

35 **(d) The board shall suspend the licensee's license on the date of**
 36 **cancellation of the policy, unless new evidence of insurance is**
 37 **provided to the board before the effective date of cancellation.**

38 **Sec. 7. An individual who has been convicted of a felony does not**
 39 **qualify for a collateral recovery agency license under this chapter.**

40 **Sec. 8. This chapter does not preclude a domestic or foreign**
 41 **limited liability company from being licensed as a collateral**
 42 **recovery agency under this chapter.**



1 **Sec. 9. At all times, a licensee's license must be conspicuously
2 displayed at the licensee's location on record with the board.**

3 **Sec. 10. (a) Equipment used for repossession must:**

- 4 (1) be registered in the state of Indiana;
- 5 (2) display the company name and Indiana department of
6 transportation number;
- 7 (3) bear a state licensing placard; and
- 8 (4) be inspected annually and maintain a valid Federal Motor
9 Carrier Safety Administration inspection.

10 (b) A licensee shall provide the board with evidence of
11 applicable insurance for the licensee's remote storage location that
12 specifies the licensee as the primary policy holder.

13 **Sec. 11. (a) A licensee must store collateral in a secure location
14 within Indiana after repossession until the collateral is either:**

- 15 (1) redeemed; or
- 16 (2) transferred to auction.

17 (b) The licensee may charge a reasonable fee for storing
18 collateral in the secure location. However, the licensee may charge
19 an additional fee for collateral that contains hazardous materials.

20 (c) The fee described in subsection (b) may be charged to either
21 the:

- 22 (1) debtor; or
- 23 (2) legal owner.

24 (d) If personal effects are contained in or on collateral at the
25 time of repossession, the licensee shall inventory and store the
26 personal effects until either:

- 27 (1) returned to the debtor; or
- 28 (2) disposed of in accordance with this section.

29 (e) If personal effects contained in or on collateral at the time of
30 repossession have an estimated value of at least ten dollars (\$10),
31 the legal owner of the collateral shall provide the debtor with
32 written notice of the following:

- 33 (1) A list of each item of personal effects having an estimated
34 value of at least five dollars (\$5).
- 35 (2) The estimated aggregate of all the items of personal
36 effects.
- 37 (3) A statement that if the debtor does not claim the property
38 not more than thirty (30) days after the notice was sent, the
39 personal effects will become the property of the licensee with
40 no right of redemption by the debtor.

41 The notice under this subsection must be sent by certified mail.

42 (f) If personal effects are not claimed by the debtor not more



1 **than thirty (30) days after the legal owner sends notice under**
 2 **subsection (e), the licensee may dispose of the personal effects.**
 3 **However, the licensee shall:**

- 4 **(1) surrender illegal items or contraband to local law**
 5 **enforcement; and**
- 6 **(2) retain a receipt or other proof of surrender as part of the**
 7 **licensee's records.**

8 **Sec. 12. (a) If the licensee has reason to believe that the**
 9 **collateral collects or stores personal information, the licensee shall**
 10 **eliminate the personal information collected or stored in the**
 11 **collateral by using a standardized electronic solution:**

- 12 **(1) as soon as practicable after repossession; and**
- 13 **(2) before releasing the collateral from the licensee's**
 14 **possession.**

15 **(b) A licensee who complies with this section is not subject to**
 16 **civil liability.**

17 SECTION 13. IC 26-2-10-0.5 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. As used in this chapter,**
 20 **"collateral recovery agency" means a person licensed under**
 21 **IC 25-30-3.**

22 SECTION 14. IC 26-2-10-2 IS REPEALED [EFFECTIVE JULY 1,
 23 2026]. **See. 2. As used in this chapter, "motor vehicle repossession**
 24 **agent" means a person who physically repossesses a motor vehicle or**
 25 **watercraft on behalf of another person or on the person's own behalf.**

26 SECTION 15. IC 26-2-10-6, AS ADDED BY P.L.38-2009,
 27 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2026]: **Sec. 6. (a) A motor vehicle repossession agent who**
 29 **collateral recovery agency that repossesses or intends to repossess a**
 30 **motor vehicle or watercraft must provide the following information, if**
 31 **available, to the sheriff's department of the county having jurisdiction**
 32 **in the location where the motor vehicle repossession agent collateral**
 33 **recovery agency believes that the motor vehicle or watercraft will be**
 34 **found:**

- 35 **(1) The identity of the repossession company: collateral recovery**
 36 **agency.**
- 37 **(2) A description of the motor vehicle or watercraft.**
- 38 **(3) The name and address of the person believed to be currently**
 39 **in possession of the motor vehicle or watercraft (if the**
 40 **repossession has not yet occurred), or believed to have been in**
 41 **possession of the motor vehicle (if the repossession has already**
 42 **occurred).**



(4) The address where the **motor vehicle repossession agent collateral recovery agency** believes that the motor vehicle or watercraft will be found (if the repossession has not yet occurred), or the address where the motor vehicle was found when it was repossessed.

(b) A motor vehicle repossession agent **collateral recovery agency** must provide the information described in subsection (a):

(1) before the repossession occurs; or

(2) not later than two (2) hours after the repossession.

10 SECTION 16. IC 26-2-10-7, AS ADDED BY P.L.38-2009,
11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2026]: Sec. 7. A ~~motor vehicle repossession agent who~~
13 ~~collateral recovery agency that~~ violates section 6 of this chapter
14 commits a Class C infraction.

15 SECTION 17. IC 34-30-2.1-384.3 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2026]: **Sec. 384.3. IC 25-30-3-12 (Concerning**
18 **the elimination of personal information by a collateral recovery**
19 **agency).**

