

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.



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,



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

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

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

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

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

- (1) "Person" means an individual, a firm, a company, an association, an organization, a partnership, or a corporation.
- (2) "Licensee" means a person licensed under this chapter.
- (3) "Private investigator firm" means the business of:
 - (A) making, for hire or reward, investigation or investigations for the purpose of obtaining information with reference to:
 - (i) a crime against the state or wrongs done or threatened;
 - (ii) the habits, conduct, movements, whereabouts, association, transactions, reputation, or character of a person;
 - (iii) credibility of witnesses or other persons;
 - (iv) the location or recovery of lost, abandoned, unclaimed, or stolen property;
 - (v) the causes, origin, or responsibility for fires or accidents or injuries to real or personal property; or
 - (vi) the truth or falsity of a statement or representation;
 - (B) securing, for hire or reward, evidence to be used for authorized investigation committees or boards of award or arbitration or in the trial of civil or criminal cases; or



- 1 (C) providing, for hire or reward, undercover investigators to
 2 detect and prevent fraud and theft in the workplace or
 3 elsewhere.
- 4 (4) "Board" refers to the private investigator, ~~and~~ security guard,
 5 **and collateral recovery agency** licensing board established
 6 under section 5.2 of this chapter.
- 7 (5) "Licensing agency" refers to the Indiana professional licensing
 8 agency established under IC 25-1-5-3.
- 9 (6) "Business entity" means a firm, a company, an association, an
 10 organization, a partnership, or a corporation.
- 11 **(7) "Collateral recovery agency" refers to a person licensed**
 12 **under IC 25-30-3.**
- 13 SECTION 9. IC 25-30-1-5.2, AS AMENDED BY P.L.249-2019,
 14 SECTION 123, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2026]: Sec. 5.2. (a) The private investigator,
 16 ~~and~~ security guard, **and collateral recovery agency** licensing board is
 17 established.
- 18 (b) The board consists of:
- 19 (1) the superintendent of the state police department or the
 20 superintendent's designee; and
- 21 (2) subject to IC 25-1-6.5-3, the following ~~four (4)~~ **six (6)**
 22 members appointed by the governor:
- 23 (A) One (1) individual who is associated with a private
 24 investigator firm licensed under this article.
- 25 (B) One (1) individual who is associated with a security guard
 26 agency licensed under this article.
- 27 (C) One (1) local law enforcement official.
- 28 (D) One (1) person who is not associated with the private
 29 investigator firm or security guard agency other than as a
 30 consumer.
- 31 **(E) Two (2) individuals who are associated with a**
 32 **collateral recovery agency.**
- 33 (c) Each member of the board appointed by the governor shall serve
 34 a term under IC 25-1-6.5.
- 35 (d) The governor may remove a board member appointed by the
 36 governor under IC 25-1-6.5-4.
- 37 (e) A vacancy in the membership of the board shall be filled by
 38 appointment by the governor under IC 25-1-6.5.
- 39 (f) Each member of the board is entitled to reimbursement for
 40 traveling expenses and other expenses actually incurred in connection
 41 with the member's duties, as provided in the state travel policies and
 42 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 repossess, involuntarily or
40 voluntarily, any collateral that:

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



- 1 **(B) is the subject of a rental or lease agreement.**
 2 **The term includes written authorization by an employer to**
 3 **recover any collateral entrusted to an employee or former**
 4 **employee if the possessor is wrongfully in possession of the**
 5 **collateral. A photocopy, facsimile copy, or electronic copy of**
 6 **an assignment has the same force and effect as an original**
 7 **written assignment.**
 8 **(2) "Automobile rental company" means a person whose**
 9 **primary business is renting motor vehicles to the public for**
 10 **thirty (30) days or less.**
 11 **(3) "Board" refers to the private investigator, security guard,**
 12 **and collateral recovery agency licensing board established by**
 13 **IC 25-30-1-5.2.**
 14 **(4) "Collateral" means any personal property that is subject**
 15 **to a security, lease, or rental agreement. The term does not**
 16 **include a recreational vehicle permanently attached to a**
 17 **foundation and used as a primary residence.**
 18 **(5) "Collateral recovery agency" means any person that, for**
 19 **consideration:**
 20 **(A) advertises as providing; or**
 21 **(B) is engaged in the business of performing;**
 22 **a repossession. The term includes a person that uses license**
 23 **plate recognition for the purpose of performing a**
 24 **repossession.**
 25 **(6) "Conviction" means an adjudication of guilt by a federal**
 26 **or state court resulting from plea or trial, regardless of**
 27 **whether imposition of sentence was suspended.**
 28 **(7) "Debtor" means any person obligated under a lease,**
 29 **rental, or security agreement.**
 30 **(8) "Felony" means a criminal conviction for which the**
 31 **convicted person might have been imprisoned for more than**
 32 **one (1) year.**
 33 **(9) "Financial institution" has the meaning set forth in**
 34 **IC 28-1-1-3.**
 35 **(10) "Hazardous material" means a material or waste that**
 36 **has been determined to be hazardous or potentially hazardous**
 37 **to human health, to property, or to the environment by:**
 38 **(A) the United States:**
 39 **(i) Environmental Protection Agency;**
 40 **(ii) Nuclear Regulatory Commission;**
 41 **(iii) Department of Transportation; or**
 42 **(iv) Occupational Safety and Health Administration; or**



- 1 (B) the environmental rules board established by
 2 IC 13-13-8-3.
 3 The term includes all of the hazardous materials identified in
 4 49 CFR 172.101.
 5 (11) "Indemnification" means any agreement that seeks to
 6 indemnify and insure another against any type of claim, loss,
 7 liability, recovery, or damages.
 8 (12) "Legal owner" means a person holding:
 9 (A) a security interest in any collateral that is subject to a
 10 security agreement;
 11 (B) a lien against any collateral; or
 12 (C) an interest in any collateral that is subject to a lease or
 13 rental agreement.
 14 (13) "Licensee" means any person licensed as a collateral
 15 recovery agency under this chapter.
 16 (14) "License plate recognition" means a technology that uses
 17 a camera and software to:
 18 (A) identify and read a vehicle's license plate;
 19 (B) compare images of license plates to a data base; and
 20 (C) provide both live and historical data.
 21 (15) "Person" means an individual, a firm, a company, an
 22 agency, an organization, a partnership, or a corporation.
 23 (16) "Personal effects" means:
 24 (A) any property contained within or on the repossessed
 25 collateral; or
 26 (B) property that is not permanently affixed to the
 27 repossessed collateral;
 28 that is not the property of the legal owner, including
 29 hazardous materials.
 30 (17) "Personal information" means:
 31 (A) information that identifies or reasonably can be used
 32 to identify an individual, such as first and last name in
 33 combination with the individual's:
 34 (i) Social Security number or other government issued
 35 number or identifier;
 36 (ii) date of birth;
 37 (iii) home or physical address;
 38 (iv) electronic mail address or other online contact
 39 information or Internet provider address;
 40 (v) financial account number or credit or debit card
 41 number;
 42 (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 applicant intends to do 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 (B) federal employer identification number.
- 2 (5) The following information concerning an owner or officer
- 3 in control or management of the collateral recovery agency:
- 4 (A) Name and any aliases.
- 5 (B) Age and date of birth.
- 6 (C) Place of birth.
- 7 (D) Social Security number or alien registration number,
- 8 whichever is applicable.
- 9 (E) Current residence address and mailing address.
- 10 (F) A statement of all criminal convictions, findings of
- 11 guilt, and pleas of guilty or nolo contendere, regardless of
- 12 adjudication of guilt.
- 13 (G) One (1) passport type color photograph taken not more
- 14 than six (6) months immediately preceding submission of
- 15 the application.
- 16 (H) A personal inquiry waiver that allows the board to
- 17 conduct necessary investigations to satisfy the
- 18 requirements of this chapter.
- 19 (I) Any further facts as may be required by the board to
- 20 show that the individual signing the application is of good
- 21 moral character and qualified by experience and training
- 22 to satisfy the requirements of this chapter.
- 23 (6) Proof of certification and training from a nationally
- 24 recognized program, such as:
- 25 (A) the American Recovery Association's Certified
- 26 Collateral Recovery Specialist (CCRS) program; or
- 27 (B) the Recovery Industry Services Company's (RISC)
- 28 training program.
- 29 (7) Evidence demonstrating that the applicant maintains a
- 30 remote storage location.
- 31 (8) Any other information required by the board.
- 32 (c) The board may not issue a license in any:
- 33 (1) fictitious name that may be confused with or is similar to
- 34 any federal, state, county, or municipal agency;
- 35 (2) name that may give an individual the impression that the
- 36 applicant engages in a business in which the applicant does
- 37 not engage;
- 38 (3) name that is the same as or is similar to the name of an
- 39 existing licensed collateral recovery agency; or
- 40 (4) name that is deceptive or misleading.
- 41 (d) The board may not issue a license to an applicant if the
- 42 applicant does not maintain a remote storage location.



Sec. 5. A licensee must maintain the following:

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

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

(b) The coverage must:

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

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

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

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

Sec. 8. This chapter does not preclude a domestic or foreign limited liability company from being licensed as a collateral 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 repossessions 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**



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

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

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

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

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

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

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

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

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

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

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

