

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## HOUSE ENROLLED ACT No. 1511

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AN ACT to amend the Indiana Code concerning motor vehicles.

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

SECTION 1. IC 9-22-1-3, AS AMENDED BY P.L.191-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. As used in this chapter, "public agency" means a local **or state** agency given the responsibility by statute or ordinance for the removal, storage, and disposal of abandoned vehicles.

SECTION 2. IC 9-22-1-4, AS AMENDED BY P.L.125-2012, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) Except as provided in subsection (c), the owner of an abandoned vehicle or parts is:

- (1) responsible for the abandonment; and
- (2) liable for all of the costs incidental to the removal, storage, and disposal;

of the vehicle or the parts under this chapter.

(b) The costs for storage of an abandoned vehicle may not exceed ~~one thousand five hundred dollars (\$1,500)~~: **two thousand dollars (\$2,000)**.

(c) If an abandoned vehicle is sold by a person who removed, towed, or stored the vehicle, the person who previously owned the vehicle is not responsible for storage fees.

(d) If an abandoned vehicle is sold by a person who removed, towed, or stored the vehicle, and proceeds from the sale of the vehicle covered the removal, towing, **sale disposal**, and storage expenses, any

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remaining proceeds from the sale of the vehicle shall be returned to the previous owner of the vehicle if the previous owner is known: **as described in this chapter or IC 9-22-6, whichever is applicable.**

SECTION 3. IC 9-22-1-19, AS AMENDED BY P.L.62-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 19. (a) Within seventy-two (72) hours after removal of a vehicle to a storage yard or towing service under section 13, 14, ~~or 16, or 31~~ of this chapter **or IC 9-22-6**, the public agency or towing service shall conduct a search of national data bases, including a data base of vehicle identification numbers, to attempt to obtain the last state of record of the vehicle in order to attempt to ascertain the name and address of the person who owns or holds a lien on the vehicle.

(b) A public agency or towing service that obtains the name and address of the owner of or lienholder on a vehicle shall, not later than seventy-two (72) hours after obtaining the name and address, notify the person who owns or holds a lien on the vehicle of the **following:**

- (1) **The name, address, and telephone number of the public agency or towing service.**
- (2) ~~address; and~~ **That storage charges are being accrued and the vehicle is subject to sale if the vehicle is not claimed and the charges are not paid.**
- (3) ~~telephone number;~~ **The earliest possible date and location of the public sale or auction.**

~~of the public agency or towing service.~~ The notice must be made by certified mail or a certificate of mailing or by means of an electronic service approved by the bureau. Notwithstanding section 4 of this chapter, a public agency or towing service that fails to notify the owner of or lienholder on the vehicle as set forth in this subsection may not collect additional storage costs incurred after the date of receipt of the name and address obtained.

SECTION 4. IC 9-22-1-21.5, AS AMENDED BY P.L.198-2016, SECTION 369, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 21.5. (a) A person that provides towing services for a vehicle:

- (1) ~~at the request of the person that owns the vehicle;~~
- (2) **(1)** at the request of a person on whose property an abandoned vehicle is located; or
- (3) **(2)** in accordance with this chapter;

has a lien on the vehicle for the reasonable value of the charges for the towing services and other related costs in accordance with IC 9-22-6.

(b) **Subject to subsection (c)**, a person that obtains a lien for an



abandoned vehicle under this section must comply with sections 16, 17, and 19, and **23** of this chapter. ~~and IC 9-22-6.~~ **After the requirements of this subsection have been met, a vehicle may be sold at public sale or public auction.**

(c) **If the vehicle is determined in a commercially reasonable manner to have a fair market value of more than three thousand five hundred dollars (\$3,500) by the person that obtains a lien for the abandoned vehicle, the lienholder shall comply with:**

- (1) **section 16 of this chapter;**
- (2) **section 17 of this chapter;**
- (3) **section 19 of this chapter; and**
- (4) **IC 9-22-6.**

**After the requirements of this subsection have been met, a vehicle may be sold at public auction.**

(d) **A person that violates subsection (b) or (c) is liable for civil damages to any person that suffers harm because of the violation.**

SECTION 5. IC 9-22-1-23, AS AMENDED BY P.L.147-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 23. (a) This section applies to a **unit or holder of a mechanic's lien under this chapter, including a towing service,** city, town, or county.

(b) Except as provided in subsection (c), if the person who owns or holds a lien upon a vehicle does not appear within twenty (20) days after the mailing of a notice or the notification made by electronic service under section 19 of this chapter, the **unit holder of a mechanic's lien** may sell the vehicle or parts by either of the following methods:

- (1) The **unit holder of a mechanic's lien** may sell the vehicle or parts to the highest bidder at a public sale **or public auction**. Notice of the sale **or auction** shall be given under IC 5-3-1, except that only one (1) insertion in an appropriate publication one (1) week before the public sale **or auction** is required.
- (2) The unit may sell the vehicle or part as unclaimed property under IC 36-1-11. The twenty (20) day period for the property to remain unclaimed is sufficient for a sale under this subdivision.

(c) This subsection applies to a consolidated city or county containing a consolidated city. If the person who owns or holds a lien upon a vehicle does not appear within fifteen (15) days after the mailing of a notice or the notification made by electronic service under section 19 of this chapter, the **unit holder of a mechanic's lien** may sell the vehicle or parts by either of the following methods:

- (1) The **unit holder of a mechanic's lien** may sell the vehicle or



parts to the highest bidder at a public sale. Notice of the sale shall be given under IC 5-3-1, except that only one (1) newspaper insertion one (1) week before the public sale is required.

(2) The unit may sell the vehicle or part as unclaimed property under IC 36-1-11. The fifteen (15) day period for the property to remain unclaimed is sufficient for a sale under this subdivision.

SECTION 6. IC 9-22-6-2, AS AMENDED BY P.L.198-2016, SECTION 416, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) A person that performs labor, furnishes materials or storage, or does repair work on a vehicle at the request of the owner of the vehicle has a mechanic's lien on the vehicle for the reasonable value of the charges for the labor, materials, storage, or repairs.

(b) A person that provides towing services for a vehicle at the request of the owner of the vehicle has a mechanic's lien on the vehicle for the reasonable value of the charges for the towing services and other related costs.

(c) A person that has a mechanic's lien on a vehicle under subsection (a) or (b) may advertise the vehicle for sale if **the person followed the procedures described in IC 9-22-1-19 and if:**

- (1) the charges made under subsection (a) or (b) are not paid; and
- (2) the vehicle is not claimed;

within thirty (30) days after the date on which the vehicle is left in or comes into the possession of the person for repairs, storage, towing, or the furnishing of materials. The vehicle may not be sold until the later of fifteen (15) days after the date the advertisement required by subsection (d) has been placed or fifteen (15) days after notice required by subsection (e) has been sent.

(d) Before a vehicle may be sold under subsection (c) **or under IC 9-22-1-21.5**, an advertisement must be placed in a newspaper that is printed in English and of general circulation in the city or town in which the lienholder's place of business is located. If the lienholder is located outside the corporate limits of a city or a town, the advertisement must be placed in a newspaper of general circulation in the county in which the place of business of the lienholder is located. The advertisement must contain at least the following information:

- (1) A description of the vehicle, including make, ~~type~~, year, and manufacturer's identification number.
- (2) The amount of the unpaid charges.
- (3) The time, place, and date of the sale.

(e) In addition to the advertisement required under subsection (d), the person that holds the mechanic's lien **under this section or under**



**IC 9-22-1-21.5(c)** must notify the owner of the vehicle and any other person that holds a lien of record, **as indicated on the certificate of title of the vehicle or discovered as a result of the search described in IC 9-22-1-19**, by certified mail, return receipt requested, at the last known address of the owner or person, as applicable, that the vehicle will be sold at public auction on a specified date to satisfy the mechanic's lien imposed by this section. **If the person who holds the mechanic's lien has proof that the notice was mailed to the owner of the vehicle in accordance with this subsection, actual receipt of the notice by the owner of the vehicle is not required. Actual receipt of the notice by any other person that holds a lien of record is required unless a properly addressed notice is refused by the addressee or is otherwise returned to the sender as undeliverable.**

(f) A person that holds a mechanic's lien of record on a vehicle subject to sale under this section **or under IC 9-22-1-21.5** may pay the storage, repair, towing, or service charges due. If the person that holds the mechanic's lien of record elects to pay the charges due, the person is entitled to possession of the vehicle and becomes the holder of the mechanic's lien imposed by this section.

(g) If the person that owns a vehicle **or the lienholder of a vehicle** subject to sale under this section **or under IC 9-22-1-21.5** does not claim the vehicle and satisfy the mechanic's lien on the vehicle, the vehicle may be sold at public **sale or public** auction to the highest and best bidder. A person that holds a mechanic's lien under this section may purchase a vehicle subject to sale under this section.

(h) A person that holds a mechanic's lien under this section **or under IC 9-22-1-21.5** may deduct and retain the amount of the mechanic's lien, **the sale disposal costs**, and the cost of the advertisement required under subsection (d) from the purchase price received for a vehicle sold under this section. After deducting from the purchase price the amount of the mechanic's lien, **the sale disposal costs**, and the cost of the advertisement, the person shall pay the surplus of the purchase price to the ~~owner~~ **person that holds the first lien of record, as indicated on the certificate of title**, of the vehicle. ~~if the owner's address or whereabouts are known. If there is no lien of record, the person shall pay the surplus of the purchase price to the owner of the vehicle, if the owner's address or whereabouts are known. If the address or whereabouts are not known and there is no lien of record, the surplus of the purchase price shall be sent to:~~

- (1) the abandoned vehicle fund of the city, county, or town from which the vehicle was towed, for vehicles subject to IC 9-22-1; or



**(2) the clerk of courts, for all other vehicles, in the jurisdiction in which the business of the person that holds the mechanic's lien is located, for the use and benefit of the owner of the vehicle.**

**(i) The person that holds the first lien of record may deduct and retain the amount of the lien of record from the surplus purchase price transferred to the person under subsection (h). After deducting the amount of the lien of record from the surplus purchase price transferred to the person under subsection (h), the person that holds the first lien of record shall pay any remaining surplus to the owner of the vehicle, if the owner's address or whereabouts are known. If the address or whereabouts of the owner of the vehicle are not known, the surplus of the purchase price shall be sent to:**

**(1) the abandoned vehicle fund of the city, county, or town from which the vehicle was towed, for vehicles subject to IC 9-22-1; or**

**(2) the clerk of the courts for all other vehicles, in the jurisdiction in which the business of the person that holds the mechanic's lien is located, for the use and benefit of the owner of the vehicle.**

If the address or whereabouts of the owner of the vehicle are not known, the surplus of the purchase price shall be paid over to the clerk of the circuit court of the county in which the person that holds the mechanic's lien has a place of business, for the use and benefit of the owner of the vehicle:

**(j) A person that holds a mechanic's lien under this section shall execute and deliver to the purchaser of a vehicle under this section or under IC 9-22-1-21.5 a sales certificate in the form designated by the bureau, setting forth the following information:**

**(1) The facts of the sale.**

**(2) The vehicle identification number.**

**(3) The certificate of title if available.**

**(4) A certification from the newspaper showing that the advertisement was made as required under subsection (d).**

**(5) Any other information that the bureau requires.**

Whenever the bureau receives from the purchaser an application for certificate of title accompanied by these items, the bureau shall issue a certificate of title for the vehicle under IC 9-17.

**(k) A person that violates this section commits a Class A infraction.**



\_\_\_\_\_  
Speaker of the House of Representatives

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
President Pro Tempore

\_\_\_\_\_  
Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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