



February 15, 2019

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## HOUSE BILL No. 1237

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DIGEST OF HB 1237 (Updated February 13, 2019 9:55 am - DI 75)

**Citations Affected:** IC 9-32.

**Synopsis:** Subscription auto sales. Prohibits a manufacturer or distributor from using or entering into subscription programs. Extends the subscription program prohibition to May 1, 2020. Makes conforming amendments.

**Effective:** Upon passage.

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January 10, 2019, read first time and referred to Committee on Roads and Transportation.  
February 14, 2019, amended, reported — Do Pass.

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HB 1237—LS 7392/DI 123





February 15, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## HOUSE BILL No. 1237

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

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

1       SECTION 1. IC 9-32-11-20, AS AMENDED BY P.L.112-2018,  
2       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 20. (a) This section does not apply to:

- 4               (1) a manufacturer of a trailer or semitrailer; or  
5               (2) a manufacturer that produces fewer than one thousand (1,000)  
6               units per year.

7               (b) Except as provided in subsection (c), a manufacturer or  
8       distributor may not engage in sales directly to the general public in  
9       Indiana.

10              (c) A manufacturer or distributor may engage in sales directly to the  
11       general public in Indiana only if:

- 12              (1) the manufacturer or distributor was granted an initial license  
13              to sell new motor vehicles before July 1, 2015; and  
14              (2) the manufacturer or distributor establishes at least one (1)  
15              physical location in Indiana that is a warranty repair service  
16              center before January 1, 2018.

17              (d) A manufacturer or distributor described in subsection (c) must

**HB 1237—LS 7392/DI 123**



1 stop engaging in sales directly to the general public in Indiana if the  
2 manufacturer or distributor sells, transfers, or conveys a majority  
3 interest in the manufacturer or distributor to another person that is  
4 required to be licensed under this chapter.

5 (e) For purposes of this subsection, ~~"vehicle right of use~~  
6 "subscription program" means a subscription service that, for a  
7 recurring fee and for a limited period of time, allows a participating  
8 person exclusive use of a motor vehicle owned by an entity that  
9 controls or contracts with the subscription service. The term does not  
10 include leases, short term motor vehicle rentals, or services that allow  
11 short term sharing of a motor vehicle. ~~Vehicle right of use~~ Subscription  
12 programs are prohibited in Indiana. **A vehicle manufacturer or**  
13 **distributor may not use or enter into a subscription program.** This  
14 subsection expires on May 1, ~~2019~~ 2020.

15 SECTION 2. **An emergency is declared for this act.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1237, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 12.

Page 2, line 24, after "Indiana." insert " **A vehicle manufacturer or distributor may not use or enter into a subscription program.**".

Page 2, line 24, reset in roman "This subsection expires on May 1,".

Page 2, line 25, delete "A vehicle manufacturer or distributor may not use or enter" insert "**2020.**".

Page 2, delete line 26

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1237 as introduced.)

SULLIVAN

Committee Vote: yeas 12, nays 0.

