

## **IC 24-5-13.5**

### **Chapter 13.5. Buyback Vehicle Disclosure**

#### **IC 24-5-13.5-1**

##### **Application of chapter**

Sec. 1. This chapter applies to all motor vehicles that are sold, leased, transferred, or replaced by a dealer or manufacturer in Indiana.

*As added by P.L.65-1992, SEC.3.*

#### **IC 24-5-13.5-2**

##### **"Bureau"**

Sec. 2. As used in this chapter, "bureau" refers to the bureau of motor vehicles created by IC 9-14-7-1.

*As added by P.L.65-1992, SEC.3. Amended by P.L.198-2016, SEC.657.*

#### **IC 24-5-13.5-3**

##### **"Buyback vehicle"**

Sec. 3. As used in this chapter, "buyback vehicle" means a motor vehicle that has been replaced or repurchased by a manufacturer or a nonresident manufacturer's agent or an authorized dealer, either under this chapter or IC 24-5-13 by judgment, decree, arbitration award, settlement agreement, or voluntary agreement in Indiana or another state, but does not include a motor vehicle that was repurchased pursuant to a guaranteed repurchase or satisfaction program advertised by the manufacturer and was not alleged or found to have a nonconformity as defined in IC 24-5-13-6.

*As added by P.L.65-1992, SEC.3. Amended by P.L.118-1993, SEC.2.*

#### **IC 24-5-13.5-4**

##### **"Buyer"**

Sec. 4. As used in this chapter, "buyer" means a person who, for purposes other than resale or sublease, enters into an agreement or a contract within Indiana for the transfer, lease, or purchase of a buyback vehicle.

*As added by P.L.65-1992, SEC.3.*

#### **IC 24-5-13.5-5**

##### **"Dealer"**

Sec. 5. As used in this chapter, "dealer" means a person engaged in the business of buying, selling, leasing, or exchanging motor vehicles. A person is a "dealer" under this section if the person sells, leases, or advertises the sale or lease of more than four (4) motor vehicles within a twelve (12) month period.

*As added by P.L.65-1992, SEC.3.*

#### **IC 24-5-13.5-6**

**"Manufacturer"**

Sec. 6. As used in this chapter, "manufacturer" has the meaning set forth in IC 24-5-13-4.

*As added by P.L.65-1992, SEC.3.*

**IC 24-5-13.5-7**

**"Motor vehicle"**

Sec. 7. As used in this chapter, "motor vehicle" has the meaning set forth in IC 24-5-13-5.

*As added by P.L.65-1992, SEC.3.*

**IC 24-5-13.5-8**

**"Nonconformity"**

Sec. 8. As used in this chapter, "nonconformity" has the meaning set forth in IC 24-5-13-6.

*As added by P.L.65-1992, SEC.3.*

**IC 24-5-13.5-9**

**"Warranty"**

Sec. 9. As used in this chapter, "warranty" means:

- (1) a written warranty issued by the manufacturer; or
- (2) an affirmation of fact or promise made by the manufacturer, excluding statements made by the dealer;

in connection with the sale or lease of a motor vehicle to a consumer that relates to the nature of the material or workmanship and affirms or promises that such material or workmanship is free of defects or will meet a specified level of performance.

*As added by P.L.65-1992, SEC.3.*

**IC 24-5-13.5-10**

**Resale; conditions**

Sec. 10. A buyback motor vehicle may not be resold in Indiana unless the following conditions have been met:

- (1) The manufacturer provides the same express warranty the manufacturer provided to the original purchaser, except that the term of the warranty need only last for twelve thousand (12,000) miles or twelve (12) months after the date of resale.
- (2) The following disclosure language must be conspicuously contained in a contract for the sale or lease of a buyback vehicle to a consumer or contained in a form affixed to the contract:

**"IMPORTANT**

This vehicle was previously sold as new. It was subsequently returned to the manufacturer or authorized dealer in exchange for a replacement vehicle or a refund because it did not conform to the manufacturer's express warranty and the nonconformity was not cured within a reasonable time as provided by Indiana law."

- (3) The manufacturer provides the dealer a separate document

with a written statement identifying the vehicle conditions that formed the basis for the previous owner's or lessee's dissatisfaction and the steps taken to deal with that dissatisfaction in 10-point all capital type.

*As added by P.L. 65-1992, SEC.3. Amended by P.L. 118-1993, SEC.3.*

#### **IC 24-5-13.5-11**

##### **Express warranty; written statement of disclosure; buyer's acknowledgment of disclosure**

Sec. 11. Before reselling a buyback motor vehicle in Indiana, a dealer must provide to the buyer the express warranty required by section 10(1) of this chapter and the written statement of disclosure required by section 10(3) of this chapter and obtain the buyer's acknowledgment of this disclosure at the time of sale or lease as evidenced by the buyer's signature on the statement of disclosure.

*As added by P.L. 65-1992, SEC.3. Amended by P.L. 118-1993, SEC.4.*

#### **IC 24-5-13.5-12**

##### **Manufacturer's acceptance of return of buyback vehicle; duties**

Sec. 12. A manufacturer who accepts return of a motor vehicle that is considered a buyback vehicle under this chapter shall do the following:

- (1) Before transferring ownership of the buyback vehicle, stamp the words "Manufacturer Buyback – Disclosure on File" on the face of the original certificate of title.
- (2) Not more than thirty-one (31) days after receipt of the certificate of title, apply to the bureau for a certificate of title in the name of the manufacturer and provide to the bureau a copy of the disclosure document required by section 10(3) of this chapter.

*As added by P.L. 65-1992, SEC.3. Amended by P.L. 118-1993, SEC.5.*

#### **IC 24-5-13.5-13**

##### **Failure to comply; liability; actual damages; privity; prima facie evidence of violation; limitation of actions**

Sec. 13. (a) A person who fails to comply with section 10, 11, or 12 of this chapter is liable for the following:

- (1) Actual damages or the value of the consideration, at the election of the buyer.
- (2) The costs of an action to recover damages and reasonable attorney's fees.
- (3) Not more than three (3) times the value of the actual damages or the consideration as exemplary damages.
- (4) Other equitable relief, including restitution, as is considered proper in addition to damages and costs.

(b) Actual damages under this section include the following:

- (1) The difference between the actual market value of the vehicle at the time of purchase and the contract price of the

vehicle.

- (2) Towing, repair, and storage expenses.
- (3) Rental of substitute transportation.
- (4) Food and lodging expenses.
- (5) Lost wages.
- (6) Finance charges.
- (7) Sales or use tax or other governmental fees.
- (8) Lease charges.
- (9) Other incidental and consequential damages.

(c) Lack of privity is not a bar to an action under this section.

(d) This subsection does not apply to consent orders or stipulated judgments in which there is no admission of liability by the defendant. A permanent injunction, final judgment, or final order of the court obtained by the attorney general under section 14 of this chapter is prima facie evidence in an action brought under this section that the defendant has violated section 10, 11, or 12 of this chapter.

(e) An action to enforce liability under this section may be brought within two (2) years from the date of discovery by the buyer. *As added by P.L. 65-1992, SEC.3. Amended by P.L. 1-1993, SEC.195; P.L. 118-1993, SEC.6.*

#### **IC 24-5-13.5-14**

##### **Deceptive acts; remedies and penalties**

Sec. 14. A manufacturer or dealer who fails to comply with section 10, 11, or 12 of this chapter, as applicable to the manufacturer or dealer, commits a deceptive act that is actionable by the attorney general under IC 24-5-0.5-4 and is subject to the remedies and penalties set forth in IC 24-5-0.5.

*As added by P.L. 65-1992, SEC.3. Amended by P.L. 118-1993, SEC.7.*