

IC 9-32-4

Chapter 4. Obtaining, Expiration, Replacement, and Transfer of Certificate of Title

IC 9-32-4-1

Transfer of title; sale of motor vehicle without certificate of title; failure to deliver certificate of title; timely payment to third party

Sec. 1. (a) If a motor vehicle for which a certificate of title has been issued is sold or if the ownership of the motor vehicle is transferred in any manner other than by a transfer on death conveyance under IC 9-17-3-9, in addition to complying with IC 9-17-3-3.4, the person that holds the certificate of title must do the following:

(1) In the case of a sale or transfer between dealers licensed by this state or another state, deliver the certificate of title within thirty-one (31) days after the date of the sale or transfer.

(2) Deliver the certificate of title to the purchaser or transferee within thirty-one (31) days after the date of sale or transfer to the purchaser or transferee of the motor vehicle, if all the following conditions exist:

(A) The seller or transferor is a dealer licensed by the state under this article.

(B) The dealer is not able to deliver the certificate of title at the time of sale or transfer.

(C) The dealer provides the purchaser or transferee with an affidavit under section 2 of this chapter.

(D) The purchaser or transferee has made all agreed upon initial payments for the motor vehicle, including delivery of a trade-in motor vehicle without hidden or undisclosed statutory liens.

(3) Keep proof of delivery of the certificate of title with the dealer records.

(b) A dealer may offer for sale a motor vehicle for which the dealer does not possess a certificate of title, if the dealer can comply with subsection (a)(1) or (a)(2) at the time of the sale.

(c) A dealer that fails to deliver the certificate of title within the time specified under subsection (a) is subject to the following civil penalties:

(1) One hundred dollars (\$100) for the first violation in a calendar year.

(2) Two hundred fifty dollars (\$250) for the second violation in a calendar year.

(3) Five hundred dollars (\$500) for all subsequent violations in a calendar year.

Payment shall be made to the secretary and deposited in the dealer enforcement account established under IC 9-32-7-2.

(d) If a purchaser or transferee does not receive a valid certificate of title within the time specified by this section, the purchaser or

transferee has the right to return the motor vehicle to the dealer ten (10) days after giving the dealer written notice demanding delivery of a valid certificate of title and the dealer's failure to deliver a valid certificate of title within that ten (10) day period. Upon return of the motor vehicle to the dealer in the same or similar condition as delivered to the purchaser or transferee under this section, the dealer shall pay to the purchaser or transferee the purchase price plus sales taxes, finance expenses, insurance expenses, and any other amount paid to the dealer by the purchaser or transferee. The relief referenced in this subsection is relief for the purchaser or transferee only and does not preclude the ability of the division to collect civil penalties under subsection (c).

(e) For purposes of this subsection, "timely deliver", with respect to a third party, means to deliver to the purchaser or transferee with a postmark dated or hand delivered not more than ten (10) business days after there is no obligation secured by the motor vehicle. If the dealer's inability to timely deliver a valid certificate of title results from the acts or omissions of a third party that has failed to timely deliver a valid certificate of title to the dealer, the dealer is entitled to claim against the third party one hundred dollars (\$100). If:

(1) the dealer's inability to timely deliver a valid certificate of title results from the acts or omissions of a third party that has failed to timely deliver the certificate of title in the third party's possession to the dealer; and

(2) the failure continues for ten (10) business days after the dealer gives the third party written notice of the failure;

the dealer is entitled to claim against the third party all damages sustained by the dealer in rescinding the dealer's sale with the purchaser or transferee, including the dealer's reasonable attorney's fees.

(f) If a motor vehicle for which a certificate of title has been issued by another state is sold or delivered, the person selling or delivering the motor vehicle shall deliver to the purchaser or receiver of the vehicle a proper certificate of title with an assignment of the certificate of title in a form prescribed by the bureau.

(g) A dealer shall make payment to a third party to satisfy any obligation secured by the motor vehicle within ten (10) days after the date of sale.

(h) Except as provided in subsection (i), a person that violates this section commits a Class C infraction.

(i) A person that knowingly or intentionally violates subsection (a)(1), (a)(2), or (d) commits a Class B misdemeanor.

(j) For purposes of this section, "deliver the certificate of title" means to deliver the certificate of title to the purchaser or transferee by postmark dated mail, certified mail with return receipt, or hand delivery.

As added by P.L.92-2013, SEC.78. Amended by P.L.262-2013, SEC.139; P.L.217-2014, SEC.163; P.L.151-2015, SEC.39;

IC 9-32-4-2

Affidavit form

Sec. 2. The affidavit required by section 1(a)(2)(C) of this chapter must be printed in the following form:

STATE OF INDIANA)
) ss:
COUNTY OF _____)

I affirm under the penalties for perjury that all of the following are true:

- (1) That I am a dealer licensed under IC 9-32.
- (2) That I cannot deliver a valid certificate of title to the retail purchaser of the motor vehicle described in paragraph (3) at the time of sale of the motor vehicle to the retail purchaser. The identity of the previous seller or transferor is _____. Payoff of lien was made on (date) _____. I expect to deliver a valid and transferable certificate of title not later than (date) _____ from the State of (state) _____ to the purchaser.
- (3) That I will undertake reasonable commercial efforts to produce the valid certificate of title. The vehicle identification number is _____.

Signed _____, Dealer

By _____

Dated _____, _____

CUSTOMER ACKNOWLEDGES RECEIPT OF A COPY OF THIS AFFIDAVIT.

Customer Signature

NOTICE TO THE CUSTOMER

If you do not receive a valid certificate of title within thirty-one (31) days after the date of sale, you have the right to return the motor vehicle to the dealer ten (10) days after giving the dealer written notice demanding delivery of a valid certificate of title and after the dealer's failure to deliver a valid certificate of title within that ten (10) day period. Upon return of the motor vehicle to the dealer in the same or similar condition as when it was delivered to you, the dealer shall pay you the purchase price plus sales taxes, finance expenses, insurance expenses, and any other amount that you paid to the dealer. If a lien is present on the previous owner's certificate of title, it is the responsibility of the third party lienholder to timely deliver the certificate of title in the third party's possession to the dealer not more than ten (10) business days after there is no obligation secured by the motor vehicle. If the dealer's inability to deliver a valid certificate of title to you within the above-described ten (10) day period results from the acts or omissions of a third party that has failed to timely deliver the certificate of title in the third party's

possession to the dealer, the dealer may be entitled to claim against the third party the damages allowed by law.

As added by P.L.92-2013, SEC.78. Amended by P.L.262-2013, SEC.140; P.L.174-2016, SEC.49.