



DRIVER'S ED "LOANER" CARS

For years many ADAI member dealers have participated in a program whereby they 'loan' new vehicles in their inventory at no expense or for a \$1.00 lease to local school corporations and high schools for use in their student driver education training courses. This was done without titling the new vehicles and simply registering the vehicles in the school's name and obtaining a 'training car' plate from the BMV.

On June 5, 2007 the Bureau of Motor Vehicles' Dealer/Special Sales Division reviewed that policy and issued a memo to all license branch managers regarding Drivers Education Training Car plates. That memo stated the following (*with emphasis added*):

"It has come to our attention that there is a lot of confusion in reference to whether a municipally-owned school qualifies to receive Driver Ed plates.

*Indiana Statute requires that a vehicle used upon the roads must be titled prior to being registered. STARS is programmed to follow these laws. Therefore if there is no title there can be no registration issued. As a result, the **Driver Education Training Car plates can only be used on vehicles that are owned and titled to the school, or if the dealerships wishes to continue to provide the use of their vehicles, they are required to title the vehicles in the dealership name and the lease them to the school or register the vehicles with a designee plate and pay all required registration fees.***

Drivers Ed Training Car Plates are available only through the Special Sales Department and are issued directly to the customer. These plates are not sent to the license branches."

The BMV cites supporting Indiana Code as IC 9-17-2-13(a) which basically states a person may not operate a vehicle under an Indiana license plate unless a certificate of title has been issued on that vehicle; IC 9-18-2-29 which states before a vehicle may be operated on the highway the owner must register the vehicle and pay the applicable registration fees; and IC 9-18-26-8 which allow dealer plate use by designee of a dealer and sets standards for the rules governing issuance of dealer designee plates.

ADAI advises its dealer members to observe the BMV's requirements when considering providing cars for driver's education purposes. Members may wish to advise school corporations to contact the Department of Education and/or the Bureau of Motor Vehicles if they'd like the State to make allowances or adopt policies regarding the old, more community supportive, 'loaner' system of provision of vehicles for driver education/training purposes.