



January 27, 2017

HOUSE BILL No. 1002

DIGEST OF HB 1002 (Updated January 25, 2017 8:19 pm - DI 113)

Citations Affected: IC 2-5; IC 6-2.5; IC 6-3.5; IC 6-6; IC 6-8.1; IC 8-2.1; IC 8-14; IC 8-14.5; IC 8-15; IC 8-23; IC 9-18.1; IC 9-20; IC 36-9; noncode.

Synopsis: Transportation infrastructure funding. Provides for a one-time fuel tax rate increase using a multiyear index factor based on the last time the particular fuel tax rate was increased and the current fuel tax rate per gallon. (Gasoline tax is currently \$0.18, special fuel tax is currently \$0.16, and motor carrier surcharge tax is currently \$0.11.) Limits the one-time increase to \$0.10 per gallon. Provides for an annual rate increase in fuel tax rates based on an annual index factor. Limits the annual rate increase based on an annual index factor to \$0.01 per gallon. Increases alternative fuel decal fees by 50%. Specifies that the motor carrier fuel surcharge tax must be paid on special fuel that is not an alternative fuel at the time of purchase (the same time the special fuel tax is paid), instead of being entirely paid using a quarterly return. (The surcharge tax applies only to motor fuel used by a carrier in Indiana.) Establishes a \$15 transportation infrastructure
(Continued next page)

Effective: Upon passage; March 23, 2016 (retroactive); June 30, 2017; July 1, 2017.

**Soliday, Brown T, Steuerwald,
Sullivan, Frye R**

January 4, 2017, read first time and referred to Committee on Roads and Transportation.
January 26, 2017, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

HB 1002—LS 7350/DI 58



Digest Continued

improvement fee that applies to the registration of all motor vehicles except motor vehicles with a declared gross weight that exceeds 26,000 pounds. Increases annual registration fees for certain motor vehicles with a declared gross weight that equals or exceeds 26,000 pounds. Requires a person who registers an electric vehicle to pay a supplemental registration fee of \$150 with an increase every five years based on an index factor. Provides that the gasoline use tax is distributed to highway funds over a phase-in period. Repeals restrictions on when a tolling project can be undertaken. Requires the Indiana department of transportation (INDOT) to seek a Federal Highway Administration waiver to toll interstate highways. Imposes other duties on INDOT. Amends the assessment procedures for motor carrier civil penalties under IC 9-20-18-14.5. Establishes the weigh-in-motion pilot program. Makes various changes to the local road and bridge matching grant program. Allows INDOT to approve certain railroad crossing projects, and authorizes the Indiana finance authority to finance an approved project subject to a maximum annual debt service limit of \$10,000,000. Annually appropriates \$250,000 to INDOT for the local technical assistance program to develop and maintain a centralized electronic statewide asset management database. Makes various changes to the transportation funding exchange program between the state and counties and municipalities. Adds various study requirements. Continues the funding Indiana's roads for a stronger, safer tomorrow task force through December 31, 2018.



January 27, 2017

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 BILL No. 1002

A BILL FOR AN ACT to amend the Indiana Code concerning transportation and to make an appropriation.

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

1 SECTION 1. IC 2-5-41 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JUNE
3 30, 2017]:

4 **Chapter 41. Funding Indiana's Roads for a Stronger, Safer**
5 **Tomorrow Task Force**

6 **Sec. 1. As used in this chapter, "task force" refers to the funding**
7 **Indiana's roads for a stronger, safer tomorrow task force**
8 **established by HEA 1001-2016, SECTION 21, subsection (b).**

9 **Sec. 2. The funding Indiana's roads for a stronger, safer**
10 **tomorrow task force is continued through December 31, 2018.**

11 **Sec. 3. (a) The task force consists of the members serving ex**
12 **officio and those individuals who were appointed under HEA**
13 **1001-2016, SECTION 21. Ex officio members become members on**
14 **the date of any change in the position and members may be**
15 **appointed by the appointing authority at the appointing authority's**

HB 1002—LS 7350/DI 58



- 1 **discretion. The members are as follows:**
2 **(1) The chairperson of the house of representatives ways and**
3 **means committee.**
4 **(2) The chairperson of the senate appropriations committee.**
5 **(3) The chairperson of the senate tax and fiscal policy**
6 **committee.**
7 **(4) The chairperson of the house of representatives roads and**
8 **transportation committee.**
9 **(5) The chairperson of the senate homeland security and**
10 **transportation committee.**
11 **(6) The director of the office of management and budget.**
12 **(7) The public finance director of the Indiana finance**
13 **authority.**
14 **(8) One (1) member who represents counties and is appointed**
15 **by the governor after considering the recommendation of the**
16 **Association of Indiana Counties.**
17 **(9) One (1) member who represents municipalities and is**
18 **appointed by the governor after considering the**
19 **recommendation of the Indiana Association of Cities and**
20 **Towns.**
21 **(10) One (1) member appointed by the governor after**
22 **considering the recommendation of the Build Indiana**
23 **Council.**
24 **(11) One (1) member appointed by the governor who is an**
25 **employee of the Indiana department of transportation.**
26 **(12) One (1) member appointed by the governor who is a**
27 **member of the Indiana Motor Truck Association.**
28 **(13) One (1) member appointed by the governor who**
29 **represents taxpayers.**
30 **(14) One (1) member of the general assembly who is a**
31 **member of the majority party of the house of representatives**
32 **and is appointed by the speaker of the house of**
33 **representatives.**
34 **(15) One (1) member of the general assembly who is a**
35 **member of the minority party of the house of representatives**
36 **and is appointed by the speaker of the house of**
37 **representatives in consultation with the minority leader of the**
38 **house of representatives.**
39 **(16) One (1) member of the general assembly who is a**
40 **member of the minority party of the senate and is appointed**
41 **by the president pro tempore of the senate in consultation**
42 **with the minority leader of the senate.**



1 **(b) The chairperson of the house of representatives ways and**
 2 **means committee and the chairperson of the senate appropriations**
 3 **committee shall serve as co-chairpersons of the task force.**

4 **Sec. 4. The task force shall review and study funding for**
 5 **transportation infrastructure.**

6 **Sec. 5. The legislative services agency shall provide staff support**
 7 **to the task force.**

8 **Sec. 6. This chapter expires June 30, 2019.**

9 SECTION 2. IC 6-2.5-10-1, AS AMENDED BY P.L.146-2016,
 10 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2017]: Sec. 1. (a) The department shall account for all state
 12 gross retail and use taxes that it collects.

13 (b) Of all the state gross retail and use taxes that the department
 14 collects, the department shall determine separately the parts that:

- 15 (1) the department collects under IC 6-2.5-3.5 (**gasoline use tax**);
 16 and
 17 (2) the department collects under this article, less the amount
 18 described in subdivision (1).

19 (c) The department shall deposit the collections described in
 20 subsection (b)(1) in the following manner:

- 21 (1) For state fiscal year 2017, the following:
 22 (A) Fourteen and two hundred eighty-six thousandths percent
 23 (14.286%) of the collections shall be deposited in the motor
 24 vehicle highway account ~~established under~~ (IC 8-14-1).
 25 (B) Eighty-five and seven hundred fourteen thousandths
 26 percent (85.714%) to the state general fund.
 27 (2) For state fiscal year 2018, the following:
 28 (A) Fourteen and two hundred eighty-six thousandths percent
 29 (14.286%) of the collections shall be deposited in the motor
 30 vehicle highway account ~~established under~~ (IC 8-14-1).
 31 (B) Fourteen and two hundred eighty-six thousandths percent
 32 (14.286%) of the collections shall be deposited in the local
 33 road and bridge matching grant fund ~~established under~~
 34 (IC 8-23-30).
 35 (C) Seventy-one and four hundred twenty-eight thousandths
 36 percent (71.428%) to the state general fund.
 37 (3) For state fiscal year 2019, ~~and thereafter~~, the following:
 38 (A) Fourteen and two hundred eighty-six thousandths percent
 39 (14.286%) of the collections shall be deposited in the motor
 40 vehicle highway account ~~established under~~ (IC 8-14-1).
 41 (B) Twenty-one and four hundred twenty-nine thousandths
 42 percent (21.429%) of the collections shall be deposited in the



- 1 local road and bridge matching grant fund established under
 2 (IC 8-23-30).
- 3 **(C) Thirty-five and seven hundred fourteen thousandths**
 4 **percent (35.714%) of the collections shall be deposited in**
 5 **the state highway fund (IC 8-23-9-54).**
- 6 ~~(C) (D) Sixty-four and two hundred eighty-five thousandths~~
 7 ~~percent (64.285%) to Twenty-eight and five hundred~~
 8 ~~seventy-one thousandths percent (28.571%) shall be~~
 9 ~~deposited in the state general fund.~~
- 10 **(4) For state fiscal year 2020, the following:**
- 11 **(A) Fourteen and two hundred eighty-six thousandths**
 12 **percent (14.286%) of the collections shall be deposited in**
 13 **the motor vehicle highway account (IC 8-14-1).**
- 14 **(B) Twenty-one and four hundred twenty-nine thousandths**
 15 **percent (21.429%) of the collections shall be deposited in**
 16 **the local road and bridge matching grant fund**
 17 **(IC 8-23-30-2).**
- 18 **(C) Fifty percent (50%) of the collections shall be deposited**
 19 **in the state highway fund (IC 8-23-9-54).**
- 20 **(D) Fourteen and two hundred eighty-five thousandths**
 21 **percent (14.285%) shall be deposited in the state general**
 22 **fund.**
- 23 **(5) For state fiscal year 2021 and thereafter, the following:**
- 24 **(A) Fourteen and two hundred eighty-six thousandths**
 25 **percent (14.286%) of the collections shall be deposited in**
 26 **the motor vehicle highway account (IC 8-14-1).**
- 27 **(B) Twenty-one and four hundred twenty-nine thousandths**
 28 **percent (21.429%) of the collections shall be deposited in**
 29 **the local road and bridge matching grant fund**
 30 **(IC 8-23-30-2).**
- 31 **(C) Sixty-four and two hundred eighty-five thousandths**
 32 **percent (64.285%) of the collections shall be deposited in**
 33 **the state highway fund (IC 8-23-9-54).**
- 34 (d) The department shall deposit those collections described in
 35 subsection (b)(2) in the following manner:
- 36 (1) Ninety-nine and eight hundred thirty-eight thousandths
 37 percent (99.838%) of the collections shall be paid into the state
 38 general fund.
- 39 (2) Thirty-one thousandths of one percent (0.031%) of the
 40 collections shall be deposited into the industrial rail service fund
 41 established under IC 8-3-1.7-2.
- 42 (3) One hundred thirty-one thousandths of one percent (0.131%)



1 of the collections shall be deposited into the commuter rail service
 2 fund established under IC 8-3-1.5-20.5.

3 SECTION 3. IC 6-3.5-4-3, AS AMENDED BY P.L.205-2013,
 4 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2017]: Sec. 3. If an adopting entity adopts an ordinance
 6 imposing the surtax after December 31 but before ~~July~~ **September 1** of
 7 the following year, a motor vehicle is subject to the tax if it is registered
 8 in the county after December 31 of the year in which the ordinance is
 9 adopted. If an adopting entity adopts an ordinance imposing the surtax
 10 after ~~June 30~~ **August 31** but before the following January 1, a motor
 11 vehicle is subject to the tax if it is registered in the county after
 12 December 31 of the year following the year in which the ordinance is
 13 adopted. However, in the first year the surtax is effective, the surtax
 14 does not apply to the registration of a motor vehicle for the registration
 15 year that commenced in the calendar year preceding the year the surtax
 16 is first effective.

17 SECTION 4. IC 6-3.5-4-4, AS AMENDED BY P.L.205-2013,
 18 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2017]: Sec. 4. (a) After January 1 but before ~~July~~ **September**
 20 1 of any year, the adopting entity may, subject to the limitations
 21 imposed by subsection (b), adopt an ordinance to rescind the surtax. If
 22 the adopting entity adopts such an ordinance, the surtax does not apply
 23 to a motor vehicle registered after December 31 of the year the
 24 ordinance is adopted.

25 (b) The adopting entity may not adopt an ordinance to rescind the
 26 surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to
 27 rescind the wheel tax. In addition, the adopting entity may not adopt an
 28 ordinance to rescind the surtax if:

29 (1) any portion of a loan obtained by the county under IC 8-14-8
 30 is unpaid; or
 31 (2) any bonds issued by the county under IC 8-14-9 are
 32 outstanding.

33 SECTION 5. IC 6-3.5-4-5, AS AMENDED BY P.L.205-2013,
 34 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2017]: Sec. 5. (a) The adopting entity may, subject to the
 36 limitations imposed by subsection (b), adopt an ordinance to increase
 37 or decrease the surtax rate or amount. The new surtax rate or amount
 38 must be within the range of rates or amounts prescribed by section 2 of
 39 this chapter. A new rate or amount that is established by an ordinance
 40 that is adopted after December 31 but before ~~July~~ **September 1** of the
 41 following year applies to motor vehicles registered after December 31
 42 of the year in which the ordinance to change the rate or amount is



1 adopted. A new rate or amount that is established by an ordinance that
 2 is adopted after ~~June 30~~ **August 31** but before January 1 of the
 3 following year applies to motor vehicles registered after December 31
 4 of the year following the year in which the ordinance is adopted.

5 (b) The adopting entity may not adopt an ordinance to decrease the
 6 surtax rate or amount under this section if:

7 (1) any portion of a loan obtained by the county under IC 8-14-8
 8 is unpaid; or

9 (2) any bonds issued by the county under IC 8-14-9 are
 10 outstanding.

11 SECTION 6. IC 6-3.5-4-6, AS AMENDED BY P.L.205-2013,
 12 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2017]: Sec. 6. If an adopting entity adopts an ordinance to
 14 impose, rescind, or change the rate or amount of the surtax, the
 15 adopting entity shall send a copy of the ordinance to the commissioner
 16 of the bureau of motor vehicles. **To be put into effect the following**
 17 **year, the ordinance must be received by the bureau of motor**
 18 **vehicles before September 15 of the year the ordinance is adopted.**
 19 **An ordinance that is received by the bureau of motor vehicles after**
 20 **the September 15 deadline is to be treated as an ordinance adopted**
 21 **after September 1 of that year.**

22 SECTION 7. IC 6-3.5-4-14 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 14. (a) On or before
 24 ~~August~~ **October** 1 of each year, the auditor of a county that contains a
 25 consolidated city of the first class and that has adopted the surtax shall
 26 provide the county council with an estimate of the surtax revenues to
 27 be received by the county during the next calendar year. The county
 28 shall show the estimated surtax revenues in its budget estimate for the
 29 calendar year.

30 (b) On or before ~~August~~ **October** 1 of each year, the auditor of a
 31 county that does not contain a consolidated city of the first class and
 32 that has adopted the surtax shall provide the county and each city and
 33 town in the county with an estimate of the surtax revenues to be
 34 distributed to that unit during the next calendar year. The county, city,
 35 or town shall show the estimated surtax revenues in its budget estimate
 36 for the calendar year.

37 SECTION 8. IC 6-3.5-5-5, AS AMENDED BY P.L.205-2013,
 38 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2017]: Sec. 5. If an adopting entity adopts an ordinance
 40 imposing the wheel tax after December 31 but before ~~July~~ **September**
 41 1 of the following year, a vehicle described in section 2(a) of this
 42 chapter is subject to the tax if it is registered in the county after



1 December 31 of the year in which the ordinance is adopted. If an
 2 adopting entity adopts an ordinance imposing the wheel tax after ~~June~~
 3 ~~30 August 31~~ but before the following January 1, a vehicle described
 4 in section 2(a) of this chapter is subject to the tax if it is registered in
 5 the county after December 31 of the year following the year in which
 6 the ordinance is adopted. However, in the first year the tax is effective,
 7 the tax does not apply to the registration of a motor vehicle for the
 8 registration year that commenced in the calendar year preceding the
 9 year the tax is first effective.

10 SECTION 9. IC 6-3.5-5-6, AS AMENDED BY P.L.205-2013,
 11 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2017]: Sec. 6. (a) After January 1 but before ~~July~~ **September**
 13 1 of any year, the adopting entity may, subject to the limitations
 14 imposed by subsection (b), adopt an ordinance to rescind the wheel tax.
 15 If the adopting entity adopts such an ordinance, the wheel tax does not
 16 apply to a vehicle registered after December 31 of the year the
 17 ordinance is adopted.

18 (b) The adopting entity may not adopt an ordinance to rescind the
 19 wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4
 20 to rescind the annual license excise surtax. In addition, the adopting
 21 entity may not adopt an ordinance to rescind the wheel tax if:

- 22 (1) any portion of a loan obtained by the county under IC 8-14-8
 23 is unpaid; or
 24 (2) any bonds issued by the county under IC 8-14-9 are
 25 outstanding.

26 SECTION 10. IC 6-3.5-5-7, AS AMENDED BY P.L.205-2013,
 27 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2017]: Sec. 7. (a) The adopting entity may, subject to the
 29 limitations imposed by subsection (b), adopt an ordinance to increase
 30 or decrease the wheel tax rates. The new wheel tax rates must be within
 31 the range of rates prescribed by section 2 of this chapter. New rates that
 32 are established by an ordinance that is adopted after December 31 but
 33 before ~~July~~ **September** 1 of the following year apply to vehicles
 34 registered after December 31 of the year in which the ordinance to
 35 change the rates is adopted. New rates that are established by an
 36 ordinance that is adopted after ~~June 30 August 31~~ but before ~~July 1~~ of
 37 the following year **January 1** apply to motor vehicles registered after
 38 December 31 of the year following the year in which the ordinance is
 39 adopted.

40 (b) The adopting entity may not adopt an ordinance to decrease the
 41 wheel tax rate under this section if:

- 42 (1) any portion of a loan obtained by the county under IC 8-14-8



1 is unpaid; or

2 (2) any bonds issued by the county under IC 8-14-9 are
3 outstanding.

4 SECTION 11. IC 6-3.5-5-8, AS AMENDED BY P.L.205-2013,
5 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2017]: Sec. 8. If an adopting entity adopts an ordinance to
7 impose, rescind, or change the rates of the wheel tax, the adopting
8 entity shall send a copy of the ordinance to:

9 (1) the commissioner of the bureau of motor vehicles; and

10 (2) the department of state revenue.

11 **To be put into effect the following year, the ordinance must be**
12 **received by the bureau of motor vehicles before September 15 of**
13 **the year the ordinance is adopted. An ordinance that is received by**
14 **the bureau of motor vehicles after the September 15 deadline is to**
15 **be treated as an ordinance adopted after September 1 of that year.**

16 SECTION 12. IC 6-3.5-5-16 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 16. (a) On or before
18 ~~August~~ **October** 1 of each year, the auditor of a county that contains a
19 consolidated city of the first class and that has adopted the wheel tax
20 shall provide the county council with an estimate of the wheel tax
21 revenues to be received by the county during the next calendar year.
22 The county shall show the estimated wheel tax revenues in its budget
23 estimate for the calendar year.

24 (b) On or before ~~August~~ **October** 1 of each year, the auditor of a
25 county that does not contain a consolidated city of the first class and
26 that has adopted the wheel tax shall provide the county and each city
27 and town in the county with an estimate of the wheel tax revenues to be
28 distributed to that unit during the next calendar year. The county, city,
29 or town shall show the estimated wheel tax revenues in its budget
30 estimate for the calendar year.

31 SECTION 13. IC 6-3.5-10-1, AS ADDED BY P.L.146-2016,
32 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 1. The following definitions apply throughout
34 this chapter:

35 (1) "Adopting municipality" means an eligible municipality that
36 has adopted the surtax.

37 (2) "Eligible municipality" means a municipality having a
38 population of at least ~~ten~~ **five** thousand (~~10,000~~): **(5,000)**.

39 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.

40 (4) "Fiscal officer" has the meaning set forth in IC 36-1-2-7.

41 (5) "Motor vehicle" means a vehicle that is subject to the annual
42 license excise tax imposed under IC 6-6-5.



1 (6) "Municipality" has the meaning set forth in IC 36-1-2-11.

2 (7) "Surtax" means the annual license excise surtax imposed by
3 the fiscal body of an eligible municipality under this chapter.

4 (8) "Transportation asset management plan" includes planning for
5 drainage systems and rights-of-way that affect transportation
6 assets.

7 SECTION 14. IC 6-3.5-10-3, AS ADDED BY P.L.146-2016,
8 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2017]: Sec. 3. If the fiscal body of an eligible municipality
10 adopts an ordinance imposing the surtax after December 31 but before
11 ~~July~~ **September** 1 of the following year, a motor vehicle is subject to
12 the tax if the motor vehicle is registered in the adopting municipality
13 after December 31 of the year in which the ordinance is adopted. If the
14 fiscal body of an eligible municipality adopts an ordinance imposing
15 the surtax after ~~June 30~~ **August 31** but before the following January 1,
16 a motor vehicle is subject to the tax if the motor vehicle is registered in
17 the adopting municipality after December 31 of the year following the
18 year in which the ordinance is adopted. However, in the first year the
19 surtax is effective, the surtax does not apply to the registration of a
20 motor vehicle for the registration year that commenced in the calendar
21 year preceding the year the surtax is first effective.

22 SECTION 15. IC 6-3.5-10-4, AS ADDED BY P.L.146-2016,
23 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2017]: Sec. 4. (a) After January 1 but before ~~July~~ **September**
25 1 of any year, the fiscal body of an adopting municipality may, subject
26 to the limitations imposed by subsection (b), adopt an ordinance to
27 rescind the surtax. If a fiscal body adopts an ordinance to rescind the
28 surtax, the surtax does not apply to a motor vehicle registered after
29 December 31 of the year in which the ordinance is adopted.

30 (b) A fiscal body may not adopt an ordinance to rescind the surtax
31 unless the fiscal body concurrently adopts an ordinance under
32 IC 6-3.5-11 to rescind the municipal wheel tax.

33 SECTION 16. IC 6-3.5-10-5, AS ADDED BY P.L.146-2016,
34 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2017]: Sec. 5. The fiscal body of an adopting municipality
36 may adopt an ordinance to increase or decrease the surtax amount. The
37 new surtax amount must be within the range of amounts prescribed by
38 section 2 of this chapter. A new amount that is established by an
39 ordinance that is adopted after December 31 but before ~~July~~
40 **September** 1 of the following year applies to motor vehicles registered
41 after December 31 of the year in which the ordinance to change the
42 amount is adopted. A new amount that is established by an ordinance



1 that is adopted after ~~June 30~~ **August 31** but before January 1 of the
 2 following year applies to motor vehicles registered after December 31
 3 of the year following the year in which the ordinance is adopted.

4 SECTION 17. IC 6-3.5-10-6, AS ADDED BY P.L.146-2016,
 5 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]: Sec. 6. If the fiscal body of an eligible municipality
 7 adopts an ordinance to impose, rescind, or change the amount of the
 8 surtax, the fiscal body shall send a copy of the ordinance to the
 9 commissioner of the bureau of motor vehicles. **To be put into effect**
 10 **the following year, the ordinance must be received by the bureau**
 11 **of motor vehicles before September 15 of the year the ordinance is**
 12 **adopted. An ordinance that is received by the bureau of motor**
 13 **vehicles after the September 15 deadline is to be treated as an**
 14 **ordinance adopted after September 1 of that year.**

15 SECTION 18. IC 6-3.5-10-11, AS ADDED BY P.L.146-2016,
 16 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2017]: Sec. 11. On or before ~~August~~ **October** 1 of each year,
 18 the fiscal officer of an adopting municipality shall provide the fiscal
 19 body of the adopting municipality with an estimate of the surtax
 20 revenues to be received by the adopting municipality during the next
 21 calendar year. The adopting municipality shall include the estimated
 22 surtax revenues in the adopting municipality's budget estimate for the
 23 calendar year.

24 SECTION 19. IC 6-3.5-11-1, AS ADDED BY P.L.146-2016,
 25 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2017]: Sec. 1. The following definitions apply throughout this
 27 chapter:

- 28 (1) "Adopting municipality" means an eligible municipality that
 29 has adopted the wheel tax.
 30 (2) "Branch office" means a branch office of the bureau of motor
 31 vehicles.
 32 (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).
 33 (4) "Commercial vehicle" has the meaning set forth in
 34 IC 6-6-5.5-1(c).
 35 (5) "Department" refers to the department of state revenue.
 36 (6) "Eligible municipality" means a municipality having a
 37 population of at least ~~ten five thousand (10,000)~~ **(5,000)**.
 38 (7) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).
 39 (8) "Political subdivision" has the meaning set forth in
 40 IC 34-6-2-110.
 41 (9) "Recreational vehicle" has the meaning set forth in
 42 IC 9-13-2-150.



1 (10) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

2 (11) "State agency" has the meaning set forth in IC 34-6-2-141.

3 (12) "Tractor" has the meaning set forth in IC 9-13-2-180.

4 (13) "Trailer" has the meaning set forth in IC 9-13-2-184(a).

5 (14) "Transportation asset management plan" includes planning
6 for drainage systems and rights-of-way that affect transportation
7 assets.

8 (15) "Truck" has the meaning set forth in IC 9-13-2-188(a).

9 (16) "Wheel tax" means the tax imposed under this chapter.

10 SECTION 20. IC 6-3.5-11-5, AS ADDED BY P.L.146-2016,
11 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2017]: Sec. 5. If the fiscal body of an eligible municipality
13 adopts an ordinance imposing the wheel tax after December 31 but
14 before ~~July~~ **September** 1 of the following year, a vehicle described in
15 section 2(a) of this chapter is subject to the tax if the vehicle is
16 registered in the adopting municipality after December 31 of the year
17 in which the ordinance is adopted. If a fiscal body adopts an ordinance
18 imposing the wheel tax after ~~June 30~~ **August 31** but before the
19 following January 1, a vehicle described in section 2(a) of this chapter
20 is subject to the tax if the vehicle is registered in the adopting
21 municipality after December 31 of the year following the year in which
22 the ordinance is adopted. However, in the first year the tax is effective,
23 the tax does not apply to the registration of a motor vehicle for the
24 registration year that commenced in the calendar year preceding the
25 year the tax is first effective.

26 SECTION 21. IC 6-3.5-11-6, AS ADDED BY P.L.146-2016,
27 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2017]: Sec. 6. (a) After January 1 but before ~~July~~ **September**
29 1 of any year, the fiscal body of an adopting municipality may, subject
30 to the limitations imposed by subsection (b), adopt an ordinance to
31 rescind the wheel tax. If a fiscal body adopts an ordinance to rescind
32 the wheel tax, the wheel tax does not apply to a vehicle registered after
33 December 31 of the year the ordinance is adopted.

34 (b) The fiscal body of an adopting municipality may not adopt an
35 ordinance to rescind the wheel tax unless the fiscal body concurrently
36 adopts an ordinance under IC 6-3.5-10 to rescind the annual license
37 excise surtax.

38 SECTION 22. IC 6-3.5-11-7, AS ADDED BY P.L.146-2016,
39 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2017]: Sec. 7. The fiscal body of an adopting municipality
41 may adopt an ordinance to increase or decrease the wheel tax rates. The
42 new wheel tax rates must be within the range of rates prescribed by



1 section 2 of this chapter. New rates that are established by an ordinance
 2 that is adopted after December 31 but before ~~July~~ **September** 1 of the
 3 following year apply to vehicles registered after December 31 of the
 4 year in which the ordinance to change the rates is adopted. New rates
 5 that are established by an ordinance that is adopted after ~~June 30~~
 6 **August 31** but before July 1 of the following year apply to motor
 7 vehicles registered after December 31 of the year following the year in
 8 which the ordinance is adopted.

9 SECTION 23. IC 6-3.5-11-8, AS ADDED BY P.L.146-2016,
 10 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2017]: Sec. 8. If the fiscal body of an eligible municipality
 12 adopts an ordinance to impose, rescind, or change the rates of the
 13 wheel tax, the fiscal body shall send a copy of the ordinance to:

- 14 (1) the commissioner of the bureau of motor vehicles; and
- 15 (2) the department of state revenue.

16 **To be put into effect the following year, the ordinance must be**
 17 **received by the bureau of motor vehicles before September 15 of**
 18 **the year the ordinance is adopted. An ordinance that is received by**
 19 **the bureau of motor vehicles after the September 15 deadline is to**
 20 **be treated as an ordinance adopted after September 1 of that year.**

21 SECTION 24. IC 6-3.5-11-15, AS ADDED BY P.L.146-2016,
 22 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2017]: Sec. 15. On or before ~~August~~ **October** 1 of each year,
 24 the fiscal officer of an adopting municipality shall provide the fiscal
 25 body of the adopting municipality with an estimate of the wheel tax
 26 revenues to be received by the adopting municipality during the next
 27 calendar year. The adopting municipality shall include the estimated
 28 wheel tax revenues in the adopting municipality's budget estimate for
 29 the calendar year.

30 SECTION 25. IC 6-6-1.1-201 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. **(a)** A license
 32 tax of ~~eighteen cents (\$0.18) per gallon~~ is imposed on the use of all
 33 gasoline used in Indiana **at the applicable rate specified in subsection**
 34 **(b)**, except as otherwise provided by this chapter. The distributor shall
 35 initially pay the tax on the billed gallonage of all gasoline the
 36 distributor receives in this state, less any deductions authorized by this
 37 chapter. The distributor shall then add the per gallon amount of tax to
 38 the selling price of each gallon of gasoline sold in this state and
 39 collected from the purchaser so that the ultimate consumer bears the
 40 burden of the tax.

41 **(b) The license tax described in subsection (a) is imposed at the**
 42 **following applicable rate per gallon:**

HB 1002—LS 7350/DI 58



- 1 (1) Before July 1, 2017, eighteen cents (\$0.18).
- 2 (2) For July 1, 2017, through June 30, 2018, the lesser of:
- 3 (A) the rate resulting from using the factors determined
- 4 under IC 6-6-1.6-2; or
- 5 (B) twenty-eight cents (\$0.28).
- 6 (3) Beginning July 1, 2018, and each July 1 thereafter, the
- 7 department shall determine an applicable rate equal to the
- 8 product of:
- 9 (A) the rate in effect on June 30; multiplied by
- 10 (B) the factor determined under IC 6-6-1.6-3.

11 **The rate shall be rounded to the nearest cent (\$0.01). However,**
 12 **after June 30, 2018, the new applicable rate may not exceed the**
 13 **rate in effect on June 30 plus one cent (\$0.01). The department**
 14 **shall publish the rate that will take effect on July 1 on the**
 15 **department's Internet web site not later than June 1.**

16 SECTION 26. IC 6-6-1.1-801.5 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 801.5. (a) The
 18 administrator shall transfer ~~one-ninth (1/9)~~ **the first seventy million**
 19 **dollars (\$70,000,000)** of the taxes that are collected under this chapter
 20 **during a state fiscal year** to the state highway road construction and
 21 improvement fund.

22 (b) The administrator shall transfer ~~one-eighteenth (1/18)~~ of the
 23 taxes that are collected under this chapter to the state highway fund.

24 (c) The administrator shall transfer ~~one-eighteenth (1/18)~~ of the
 25 taxes that are collected under this chapter to the auditor of state for
 26 distribution to counties, cities, and towns. The auditor of state shall
 27 distribute the amounts transferred under this subsection to each of the
 28 counties, cities, and towns eligible to receive a distribution from the
 29 motor vehicle highway account under IC 8-14-1 and in the same
 30 proportion among the counties, cities, and towns as funds are
 31 distributed from the motor vehicle highway account under IC 8-14-1.
 32 Money distributed under this subsection may be used only for purposes
 33 that money distributed from the motor vehicle highway account may be
 34 expended under IC 8-14-1.

35 (d) (b) After the ~~transfers~~ **transfer** required by subsections
 36 **subsection (a), through (c),** the administrator shall transfer the next
 37 twenty-five million dollars (\$25,000,000) of the taxes that are collected
 38 under this chapter and received during a period beginning July 1 of a
 39 year and ending June 30 of the immediately succeeding year **state**
 40 **fiscal year** to the auditor of state for distribution in the following
 41 manner:

- 42 (1) Thirty percent (30%) to each of the counties, cities, and towns



1 eligible to receive a distribution from the local road and street
 2 account under IC 8-14-2 and in the same proportion among the
 3 counties, cities, and towns as funds are distributed under
 4 IC 8-14-2-4.

5 (2) Thirty percent (30%) to each of the counties, cities, and towns
 6 eligible to receive a distribution from the motor vehicle highway
 7 account under IC 8-14-1 and in the same proportion among the
 8 counties, cities, and towns as funds are distributed from the motor
 9 vehicle highway account under IC 8-14-1. ~~and~~

10 (3) Forty percent (40%) to the Indiana department of
 11 transportation.

12 ~~(e)~~ (c) The auditor of state shall hold all amounts of collections
 13 received under subsection ~~(d)~~ (b) from the administrator that are made
 14 during a particular month and shall distribute all of those amounts
 15 pursuant to subsection ~~(d)~~ (b) on the fifth day of the immediately
 16 succeeding month.

17 ~~(f)~~ (d) All amounts distributed under subsection ~~(d)~~ (b) may only be
 18 used for purposes that money distributed from the motor vehicle
 19 highway account may be expended under IC 8-14-1.

20 SECTION 27. IC 6-6-1.6 IS ADDED TO THE INDIANA CODE
 21 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]:

23 **Chapter 1.6. Fuel Tax Index Factors**

24 **Sec. 1. The following definitions apply throughout this chapter:**

25 (1) "CPI-U" means the Consumer Price Index for all Urban
 26 Consumers, U.S. city average, all items, using the index base
 27 period of 1982-84 equal to one hundred (100), as published by
 28 the Bureau of Labor Statistics of the United States
 29 Department of Labor.

30 (2) "Department" refers to the department of state revenue.

31 (3) "IPI" means Indiana personal income.

32 **Sec. 2. (a) The department shall determine a new tax rate for**
 33 **gasoline, special fuel, and the motor carrier surcharge tax to take**
 34 **effect July 1, 2017. The department shall determine the new rate**
 35 **before June 1, 2017. The new rate shall be determined by using**
 36 **annual factors and applying a method that is based on an annual**
 37 **factor being in place each year from the beginning of the period**
 38 **specified for each factor and that uses the resulting rounded rate**
 39 **for purposes of determining the following year rate change.**

40 (b) The gasoline tax index factor to be used each year equals the
 41 following:

42 **STEP ONE: Determine the year over year change in the**



- 1 **CPI-U beginning in 2003 through 2016.**
 2 **STEP TWO: Determine the year over year change in the IPI**
 3 **beginning in 2003 through 2016.**
 4 **STEP THREE: Add for each year:**
 5 **(A) the STEP ONE result; and**
 6 **(B) the STEP TWO result.**
 7 **STEP FOUR: Divide the STEP THREE result by two (2).**
 8 **(c) The special fuel index factor and motor carrier surcharge tax**
 9 **index factor to be used each year equals the following:**
 10 **STEP ONE: Determine the year over year change in the**
 11 **CPI-U beginning in 1989 through 2016.**
 12 **STEP TWO: Determine the year over year change in the IPI**
 13 **beginning in 1989 through 2016.**
 14 **STEP THREE: Add for each year:**
 15 **(A) the STEP ONE result; and**
 16 **(B) the STEP TWO result.**
 17 **STEP FOUR: Divide the STEP THREE result by two (2).**
 18 **Sec. 3. (a) The department shall calculate an annual index factor**
 19 **to be used for the rate to take effect each July 1 beginning in 2018.**
 20 **The department shall determine the index factor before June 1 of**
 21 **each year using the method described in subsection (b).**
 22 **(b) The annual gasoline tax index factor, special fuel index**
 23 **factor, and motor carrier surcharge tax index factor equals the**
 24 **following:**
 25 **STEP ONE: Divide the annual CPI-U for the year preceding**
 26 **the determination year by the annual CPI-U for the year**
 27 **immediately preceding that year.**
 28 **STEP TWO: Divide the annual IPI for the year preceding the**
 29 **determination year by the annual IPI for the year**
 30 **immediately preceding that year.**
 31 **STEP THREE: Add:**
 32 **(A) the STEP ONE result; and**
 33 **(B) the STEP TWO result.**
 34 **STEP FOUR: Divide the STEP THREE result by two (2).**
 35 **SECTION 28. IC 6-6-2.5-22.5 IS ADDED TO THE INDIANA**
 36 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 37 **[EFFECTIVE UPON PASSAGE]: Sec. 22.5. As used in this chapter,**
 38 **"special fuel gallon" means:**
 39 **(1) except as provided in subdivisions (2) and (3), a gallon of**
 40 **special fuel;**
 41 **(2) a diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in**
 42 **the case of a special fuel that is liquid natural gas; or**



1 **(3) a gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)),**
 2 **in the case of a special fuel that is compressed natural gas.**

3 SECTION 29. IC 6-6-2.5-28, AS AMENDED BY P.L.190-2014,
 4 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 28. (a) A license tax of sixteen cents (~~\$0.16~~)
 6 per:

7 ~~(1) gallon;~~

8 ~~(2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)); in the~~
 9 ~~case of a special fuel that is liquid natural gas; or~~

10 ~~(3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)); in~~
 11 ~~the case of a special fuel that is compressed natural gas;~~

12 is imposed on all special fuel sold or used in producing or generating
 13 power for propelling motor vehicles, except fuel used under section
 14 30(a)(8) or 30.5 of this chapter, **at the applicable rate specified in**
 15 **subsection (b).** The tax shall be paid at those times, in the manner, and
 16 by those persons specified in this section and section 35 of this chapter.

17 **(b) The license tax described in subsection (a) is imposed at the**
 18 **following applicable rate per special fuel gallon:**

19 **(1) Before July 1, 2017, sixteen cents (\$0.16).**

20 **(2) For July 1, 2017, through June 30, 2018, the lesser of:**

21 **(A) the rate resulting from using the factors determined**
 22 **under IC 6-6-1.6-2; or**

23 **(B) twenty-six cents (\$0.26).**

24 **(3) Beginning July 1, 2018, and each July 1 thereafter, the**
 25 **department shall determine an applicable rate equal to the**
 26 **product of:**

27 **(A) the rate in effect on June 30; multiplied by**

28 **(B) the factor determined under IC 6-6-1.6-3.**

29 **The rate shall be rounded to the nearest cent (\$0.01). However,**
 30 **after June 30, 2018, the new applicable rate may not exceed the**
 31 **rate in effect on June 30 plus one cent (\$0.01). The department**
 32 **shall publish the rate that will take effect on July 1 on the**
 33 **department's Internet web site not later than June 1.**

34 ~~(b)~~ **(c)** The department shall consider it a rebuttable presumption
 35 that all undyed or unmarked special fuel, or both, received in Indiana
 36 is to be sold for use in propelling motor vehicles.

37 ~~(c)~~ **(d)** Except as provided in subsection ~~(d)~~, **(e)**, the tax imposed on
 38 special fuel by subsection (a) shall be measured by invoiced gallons (or
 39 diesel or gasoline gallon equivalents in the case of a special fuel
 40 described in ~~subsection (a)(2) or (a)(3)~~ **section 22.5(2) or 22.5(3) of**
 41 **this chapter** of nonexempt special fuel received by a licensed supplier
 42 in Indiana for sale or resale in Indiana or with respect to special fuel



1 subject to a tax precollection agreement under section 35(d) of this
 2 chapter, such special fuel removed by a licensed supplier from a
 3 terminal outside of Indiana for sale for export or for export to Indiana
 4 and in any case shall generally be determined in the same manner as
 5 the tax imposed by Section 4081 of the Internal Revenue Code and
 6 Code of Federal Regulations.

7 ~~(d)~~ (e) The tax imposed by subsection (a) on special fuel imported
 8 into Indiana, other than into a terminal, is imposed at the time the
 9 product is entered into Indiana and shall be measured by invoiced
 10 gallons received at a terminal or at a bulk plant.

11 ~~(e)~~ (f) In computing the tax, all special fuel in process of transfer
 12 from tank steamers at boat terminal transfers and held in storage
 13 pending wholesale bulk distribution by land transportation, or in tanks
 14 and equipment used in receiving and storing special fuel from interstate
 15 pipelines pending wholesale bulk reshipment, shall not be subject to
 16 tax.

17 ~~(f)~~ (g) The department shall consider it a rebuttable presumption
 18 that special fuel consumed in a motor vehicle plated for general
 19 highway use is subject to the tax imposed under this chapter. A person
 20 claiming exempt use of special fuel in such a vehicle must maintain
 21 adequate records as required by the department to document the
 22 vehicle's taxable and exempt use.

23 ~~(g)~~ (h) A person that engages in blending fuel for taxable sale or use
 24 in Indiana is primarily liable for the collection and remittance of the tax
 25 imposed under subsection (a). The person shall remit the tax due in
 26 conjunction with the filing of a monthly report in the form prescribed
 27 by the department.

28 ~~(h)~~ (i) A person that receives special fuel that has been blended for
 29 taxable sale or use in Indiana is secondarily liable to the state for the
 30 tax imposed under subsection (a).

31 ~~(i)~~ (j) A person may not use special fuel on an Indiana public
 32 highway if the special fuel contains a sulfur content that exceeds five
 33 one-hundredths of one percent (0.05%). A person who knowingly:

- 34 (1) violates; or
- 35 (2) aids or abets another person to violate;

36 this subsection commits a Class A infraction. However, the violation
 37 is a Class A misdemeanor if the person has committed one (1) prior
 38 unrelated violation of this subsection, and a Level 6 felony if the person
 39 has committed more than one (1) unrelated violation of this subsection.

40 SECTION 30. IC 6-6-2.5-62, AS AMENDED BY P.L.158-2013,
 41 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 62. (a) No person shall import, sell, use,



1 deliver, or store in Indiana special fuel in bulk as to which dye or a
 2 marker, or both, has not been added in accordance with section 31 of
 3 this chapter, or as to which the tax imposed by this chapter has not
 4 been paid to or accrued by a licensed supplier or licensed permissive
 5 supplier as shown by a notation on a terminal-issued shipping paper
 6 subject to the following exceptions:

7 (1) A supplier shall be exempt from this provision with respect to
 8 special fuel manufactured in Indiana or imported by pipeline or
 9 waterborne barge and stored within a terminal in Indiana.

10 (2) An end user shall be exempt from this provision with respect
 11 to special fuel in a vehicle supply tank when the fuel was placed
 12 in the vehicle supply tank outside of Indiana.

13 (3) A licensed importer, and transporter operating on the
 14 importer's behalf, that transports in vehicles with a capacity of
 15 more than five thousand four hundred (5,400) gallons shall be
 16 exempt from this prohibition if the importer or the transporter has
 17 met all of the following conditions:

18 (A) The importer or the transporter before entering onto the
 19 highways of Indiana has obtained an import verification
 20 number from the department not earlier than twenty-four (24)
 21 hours before entering Indiana.

22 (B) The import verification number must be set out
 23 prominently and indelibly on the face of each copy of the
 24 terminal-issued shipping paper carried on board the transport
 25 truck.

26 (C) The terminal origin and the importer's name and address
 27 must be set out prominently on the face of each copy of the
 28 terminal-issued shipping paper.

29 (D) The terminal-issued shipping paper data otherwise
 30 required by this chapter is present.

31 (E) All tax imposed by this chapter with respect to previously
 32 requested import verification number activity on the account
 33 of the importer or the transporter has been timely remitted.

34 In every case, a transporter acting in good faith is entitled to rely upon
 35 representations made to the transporter by the fuel supplier or importer
 36 and when acting in good faith is not liable for the negligence or
 37 malfeasance of another person. A person who knowingly violates or
 38 knowingly aids and abets another person in violating this subsection
 39 commits a Level 6 felony.

40 (b) No person shall export special fuel from Indiana unless that
 41 person has obtained an exporter's license or a supplier's license or has
 42 paid the destination state special fuel tax to the supplier and can



1 demonstrate proof of export in the form of a destination state bill of
 2 lading. A person who knowingly violates or knowingly aids and abets
 3 another person in violating this subsection commits a Level 6 felony.

4 (c) No person shall operate or maintain a motor vehicle on any
 5 public highway in Indiana with special fuel contained in the fuel supply
 6 tank for the motor vehicle that contains dye or a marker, or both, as
 7 provided under section 31 of this chapter. This provision does not
 8 apply to persons operating motor vehicles that have received fuel into
 9 their fuel tanks outside of Indiana in a jurisdiction that permits
 10 introduction of dyed or marked, or both, special fuel of that color and
 11 type into the motor fuel tank of highway vehicles or to a person that
 12 qualifies for the federal fuel tax exemption under Section 4082 of the
 13 Internal Revenue Code and that is registered with the department as a
 14 dyed fuel user. A person who knowingly:

15 (1) violates; or

16 (2) aids and abets another person in violating;

17 this subsection commits a Class A infraction. However, the violation
 18 is a Class A misdemeanor if the person has committed one (1) prior
 19 unrelated violation of this subsection, and a Level 6 felony if the person
 20 has committed more than one (1) prior unrelated violation of this
 21 subsection.

22 (d) No person shall engage in any business activity in Indiana as to
 23 which a license is required by section 41 of this chapter unless the
 24 person shall have first obtained the license. A person who knowingly
 25 violates or knowingly aids and abets another person in violating this
 26 subsection commits a Level 6 felony.

27 (e) No person shall operate a motor vehicle with a capacity of more
 28 than five thousand four hundred (5,400) gallons that is engaged in the
 29 shipment of special fuel on the public highways of Indiana and that is
 30 destined for a delivery point in Indiana, as shown on the
 31 terminal-issued shipping papers, without having on board a
 32 terminal-issued shipping paper indicating with respect to any special
 33 fuel purchased:

34 (1) under claim of exempt use, a notation describing the load or
 35 the appropriate portion of the load as Indiana tax exempt special
 36 fuel;

37 (2) if not purchased under a claim of exempt use, a notation
 38 describing the load or the appropriate portion thereof as Indiana
 39 taxed or pretaxed special fuel; or

40 (3) if imported by or on behalf of a licensed importer instead of
 41 the pretaxed notation, a valid verification number provided before
 42 entry into Indiana by the department or the department's designee



1 or appointee, and the valid verification number may be
 2 handwritten on the shipping paper by the transporter or importer.
 3 A person is in violation of subdivision (1) or (2) (whichever applies) if
 4 the person boards the vehicle with a shipping paper that does not meet
 5 the requirements described in the applicable subdivision (1) or (2). A
 6 person in violation of this subsection commits a Class A infraction (as
 7 defined in IC 34-28-5-4).

8 (f) A person may not sell or purchase any product for use in the
 9 supply tank of a motor vehicle for general highway use that does not
 10 meet ASTM standards as published in the annual Book of Standards
 11 and its supplements unless amended or modified by rules adopted by
 12 the department under IC 4-22-2. The transporter and the transporter's
 13 agent and customer have the exclusive duty to dispose of any product
 14 in violation of this section in the manner provided by federal and state
 15 law. A person who knowingly:

- 16 (1) violates; or
- 17 (2) aids and abets another in violating;

18 this subsection commits a Level 6 felony.

19 (g) This subsection does not apply to the following:

- 20 (1) A person that:
 - 21 (A) inadvertently manipulates the dye or marker concentration
 - 22 of special fuel or coloration of special fuel; and
 - 23 (B) contacts the department within one (1) business day after
 - 24 the date on which the contamination occurs.
- 25 (2) A person that affects the dye or marker concentration of
- 26 special fuel by engaging in the blending of the fuel, if the blender:
 - 27 (A) collects or remits, or both, all tax due as provided in
 - 28 section ~~28(g)~~ **28(h)** of this chapter;
 - 29 (B) maintains adequate records as required by the department
 - 30 to account for the fuel that is blended and its status as a
 - 31 taxable or exempt sale or use; and
 - 32 (C) is otherwise in compliance with this subsection.

33 A person may not manipulate the dye or marker concentration of a
 34 special fuel or the coloration of special fuel after the special fuel is
 35 removed from a terminal or refinery rack for sale or use in Indiana. A
 36 person who knowingly violates or aids and abets another person to
 37 violate this subsection commits a Level 6 felony.

38 (h) This subsection does not apply to a person that receives blended
 39 fuel from a person in compliance with subsection (g)(2). A person may
 40 not sell or consume special fuel if the special fuel dye or marker
 41 concentration or coloration has been manipulated, inadvertently or
 42 otherwise, after the special fuel has been removed from a terminal or



1 refinery rack for sale or use in Indiana. A person who knowingly:

2 (1) violates; or

3 (2) aids and abets another to violate;

4 this subsection commits a Level 6 felony.

5 (i) A person may not engage in blending fuel for taxable use in
6 Indiana without collecting and remitting the tax due on the untaxed
7 portion of the fuel that is blended. A person who knowingly:

8 (1) violates; or

9 (2) aids and abets another to violate;

10 this subsection commits a Level 6 felony.

11 SECTION 31. IC 6-6-2.5-64 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 64. (a) If any
13 person liable for the tax files a false or fraudulent return, there shall be
14 added to the tax an amount equal to the tax the person evaded or
15 attempted to evade.

16 (b) The department shall impose a civil penalty of one thousand
17 dollars (\$1,000) for a person's first occurrence of transporting special
18 fuel without adequate shipping papers as required under sections 40,
19 41(g), and 62(e) of this chapter, unless the person shall have complied
20 with rules adopted under IC 4-22-2. Each subsequent occurrence
21 described in this subsection is subject to a civil penalty of five thousand
22 dollars (\$5,000).

23 (c) The department shall impose a civil penalty on the operator of
24 a vehicle of two hundred dollars (\$200) for the initial occurrence, two
25 thousand five hundred dollars (\$2,500) for the second occurrence, and
26 five thousand dollars (\$5,000) for the third and each subsequent
27 occurrence of a violation of either:

28 (1) the prohibition of use of dyed or marked special fuel, or both,
29 on the Indiana public highways, except for a person that qualifies
30 for the federal fuel tax exemption under Section 4082 of the
31 Internal Revenue Code and that is registered with the department
32 as a dyed fuel user; or

33 (2) the use of special fuel in violation of section ~~28(i)~~ 28(j) of this
34 chapter.

35 (d) A supplier that makes sales for export to a person:

36 (1) who does not have an appropriate export license; or

37 (2) without collection of the destination state tax on special fuel
38 nonexempt in the destination state;

39 shall be subject to a civil penalty equal to the amount of Indiana's
40 special fuel tax in addition to the tax due.

41 (e) The department may impose a civil penalty of one thousand
42 dollars (\$1,000) for each occurrence against every terminal operator



1 that fails to meet shipping paper issuance requirements under section
2 40 of this chapter.

3 (f) Each importer or transporter who knowingly imports undyed or
4 unmarked special fuel, or both, in a transport truck without:

5 (1) a valid importer license;

6 (2) a supplier license;

7 (3) an import verification number, if transporting in a vehicle with
8 a capacity of more than five thousand four hundred (5,400)
9 gallons; or

10 (4) a shipping paper showing on the paper's face as required under
11 this chapter that Indiana special fuel tax is not due;

12 is subject to a civil penalty of ten thousand dollars (\$10,000) for each
13 occurrence described in this subsection.

14 (g) This subsection does not apply to a person if section 62(g) of this
15 chapter does not apply to the person. A:

16 (1) person that manipulates the dye or marker concentration of
17 special fuel or the coloration of special fuel after the special fuel
18 is removed from a terminal or refinery rack for sale or use in
19 Indiana; and

20 (2) person that receives the special fuel;

21 are jointly and severally liable for the special fuel tax due on the
22 portion of untaxed fuel plus a penalty equal to the greater of one
23 hundred percent (100%) of the tax due or one thousand dollars
24 (\$1,000).

25 (h) A person that engages in blending fuel for taxable sale or use in
26 Indiana and does not collect and remit all tax due on untaxed fuel that
27 is blended is liable for the tax due plus a penalty that is equal to the
28 greater of one hundred percent (100%) of the tax due or one thousand
29 dollars (\$1,000).

30 SECTION 32. IC 6-6-4.1-4, AS AMENDED BY P.L.277-2013,
31 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2017]: Sec. 4. (a) A tax is imposed on the consumption of
33 motor fuel by a carrier in its operations on highways in Indiana. The
34 rate of this tax is determined as follows:

35 (1) When imposed upon the consumption of gasoline or special
36 fuel (other than a special fuel that is an alternative fuel), the tax
37 rate is the same rate per gallon as the rate per gallon at which
38 special fuel is taxed under IC 6-6-2.5 **plus, for a carrier that has
39 paid the surcharge tax at the time of purchasing special fuel
40 that is not an alternative fuel, the surcharge tax rate under
41 section 4.5 of this chapter for those gallons purchased.**

42 (2) When imposed upon the consumption of a special fuel that is



1 an alternative fuel, the tax rate is either of the following:

2 (A) The same rate per diesel gallon equivalent as the rate per
3 gallon at which special fuel is taxed under IC 6-6-2.5, in the
4 case of liquid natural gas.

5 (B) The same rate per gasoline gallon equivalent at which
6 special fuel is taxed under IC 6-6-2.5, in the case of
7 compressed natural gas or an alternative fuel commonly or
8 commercially known or sold as butane or propane.

9 The tax shall be paid quarterly by the carrier to the department on or
10 before the last day of the month immediately following the quarter.

11 (b) The amount of motor fuel consumed by a carrier in its operations
12 on highways in Indiana is the total amount of motor fuel consumed in
13 its entire operations within and without Indiana, multiplied by a
14 fraction. The numerator of the fraction is the total number of miles
15 traveled on highways in Indiana, and the denominator of the fraction is
16 the total number of miles traveled within and without Indiana.

17 (c) The amount of tax that a carrier shall pay for a particular quarter
18 under this section equals the product of the tax rate in effect for that
19 quarter, multiplied by the amount of motor fuel consumed by the
20 carrier in its operation on highways in Indiana and upon which the
21 carrier has not paid tax imposed under IC 6-6-1.1, ~~or~~ IC 6-6-2.5, **or**
22 **section 4.5 of this chapter.**

23 (d) Subject to section 4.8 of this chapter, a carrier is entitled to a
24 proportional use credit against the tax imposed under this section for
25 that portion of motor fuel used to propel equipment mounted on a
26 motor vehicle having a common reservoir for locomotion on the
27 highway and the operation of the equipment, as determined by rule of
28 the commissioner. An application for a proportional use credit under
29 this subsection shall be filed on a quarterly basis on a form prescribed
30 by the department.

31 SECTION 33. IC 6-6-4.1-4.5, AS AMENDED BY P.L.277-2013,
32 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 4.5. (a) **As used in this section, "surcharge**
34 **gallon" means, as applicable:**

35 **(1) a gallon of gasoline or special fuel (other than natural gas**
36 **or an alternative fuel commonly or commercially known or**
37 **sold as butane or propane);**

38 **(2) a diesel gallon equivalent of a special fuel that is liquid**
39 **natural gas; or**

40 **(3) a gasoline gallon equivalent of a special fuel that is**
41 **compressed natural gas or an alternative fuel commonly or**
42 **commercially known or sold as butane or propane.**



1 (a) ~~(b)~~ A surcharge tax is imposed on the consumption of motor fuel
 2 by a carrier in its operations on highways in Indiana **at the applicable**
 3 **rate specified in subsection (c)**. The rate of this surcharge tax is
 4 eleven cents (~~\$0.11~~) per:

5 (1) gallon of gasoline or special fuel (other than natural gas or an
 6 alternative fuel commonly or commercially known or sold as
 7 butane or propane);

8 (2) diesel gallon equivalent of a special fuel that is liquid natural
 9 gas; or

10 (3) gasoline gallon equivalent of a special fuel that is compressed
 11 natural gas or an alternative fuel commonly or commercially
 12 known or sold as butane or propane.

13 **Beginning July 1, 2017, the surcharge tax that applies to special**
 14 **fuel that is not an alternative fuel shall be collected and remitted in**
 15 **the manner specified for the special fuel tax under IC 6-6-2.5 as**
 16 **required by the department. A carrier shall reconcile the amount**
 17 **owed under this section as part of the carrier's motor fuel use tax**
 18 **reconciliation under this chapter. However, for a carrier that has**
 19 **not paid any surcharge tax at the time of purchase, the tax shall be**
 20 **paid quarterly by the carrier to the department on or before the last day**
 21 **of the month immediately following the quarter.**

22 **(c) The surcharge tax described in subsection (b) is imposed at**
 23 **the following applicable rate:**

24 (1) Before July 1, 2017, eleven cents (~~\$0.11~~) per surcharge
 25 gallon.

26 (2) For July 1, 2017, through June 30, 2018, the lesser of:

27 (A) the rate resulting from using the factors determined
 28 under IC 6-6-1.6-2; or

29 (B) twenty-one cents (~~\$0.21~~).

30 (3) Beginning July 1, 2018, and each July 1 thereafter, the
 31 department shall determine an applicable rate equal to the
 32 product of:

33 (A) the rate in effect on June 30; multiplied by

34 (B) the factor determined under IC 6-6-1.6-3.

35 **The rate shall be rounded to the nearest cent (~~\$0.01~~). However,**
 36 **after June 30, 2018, the new applicable rate may not exceed the**
 37 **rate in effect on June 30 plus one cent (~~\$0.01~~). The department**
 38 **shall publish the rate that will take effect on July 1 on the**
 39 **department's Internet web site not later than June 1.**

40 ~~(b)~~ (d) The amount of motor fuel consumed by a carrier in its
 41 operations on highways in Indiana is the total amount of motor fuel
 42 consumed in its entire operations within and without Indiana,



1 multiplied by a fraction. The numerator of the fraction is the total
 2 number of miles traveled on highways in Indiana, and the denominator
 3 of the fraction is the total number of miles traveled within and without
 4 Indiana.

5 ~~(c)~~ (e) The amount of tax that a carrier shall pay for a particular
 6 quarter under this section equals the product of the tax rate in effect for
 7 that quarter, multiplied by the amount of motor fuel consumed by the
 8 carrier in its operation on highways in Indiana.

9 ~~(d)~~ (f) Subject to section 4.8 of this chapter, a carrier is entitled to
 10 a proportional use credit against the tax imposed under this section for
 11 that portion of motor fuel used to propel equipment mounted on a
 12 motor vehicle having a common reservoir for locomotion on the
 13 highway and the operation of this equipment as determined by rule of
 14 the commissioner. An application for a proportional use credit under
 15 this subsection shall be filed on a quarterly basis on a form prescribed
 16 by the department.

17 SECTION 34. IC 6-6-4.1-4.7 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.7. (a) This section
 19 applies only to a claim for a proportional use credit under section 4(d)
 20 or ~~4.5(d)~~ **4.5(f)** of this chapter for taxes first due and payable after July
 21 31, 1999.

22 (b) A carrier must be certified by the department in order to qualify
 23 for a proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 24 chapter.

25 (c) A carrier must apply to the department for certification before
 26 April 1 of the first calendar year for which the proportional use credit
 27 will be claimed. An application for certification must be in writing
 28 upon forms prescribed by the department and must be signed and
 29 verified by the carrier. The department must include on all application
 30 forms suitable spaces for a listing of the following:

- 31 (1) The carrier's federal Social Security number or federal tax
 32 identification number.
- 33 (2) The address of the carrier's principal place of business.
- 34 (3) A description of each of the carrier's vehicles that has a
 35 common fuel supply reservoir for both locomotion on a public
 36 highway and a commercial purpose.
- 37 (4) The vehicle identification number for each vehicle described
 38 in subdivision (3).

39 (d) The department may certify that a carrier is qualified to claim a
 40 proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 41 chapter only upon payment by the carrier to the department of a one (1)
 42 time fee of seven dollars (\$7). The carrier must pay the fee at the time



1 the application for certification is submitted to the department. The
 2 department shall deposit the fee in the motor carrier regulation fund
 3 established by IC 8-2.1-23-1.

4 (e) A carrier must notify the department, on forms prescribed by the
 5 department, of any change of address by the carrier. The carrier must
 6 provide the notice not more than ten (10) days after the change of
 7 address. The department may revoke or suspend the certification of a
 8 carrier that fails to comply with this subsection.

9 (f) All certificates issued under this section are personal and may
 10 not be transferred.

11 (g) The department may require a carrier that has been issued a
 12 certificate under this section to submit additional information from
 13 time to time at reasonable intervals, as determined by the department.

14 (h) The department may adopt rules under IC 4-22-2 to carry out
 15 this section.

16 SECTION 35. IC 6-6-4.1-4.8, AS AMENDED BY P.L.176-2006,
 17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2017]: Sec. 4.8. (a) This section applies only to a claim for a
 19 proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 20 chapter for taxes first due and payable after July 31, 1999.

21 (b) In order to obtain a proportional use credit against taxes imposed
 22 under section 4 or 4.5 of this chapter, a carrier must file a claim with
 23 the department. The claim must be submitted on a form prescribed by
 24 the department and must be filed with the quarterly return for the
 25 taxable period for which the proportional use credit is claimed. A
 26 carrier is not entitled to a proportional use credit under section 4(d) or
 27 ~~4.5(d)~~ **4.5(f)** of this chapter unless the carrier:

- 28 (1) has paid in full the taxes to which the credit applies; and
- 29 (2) has filed a claim for the credit on or before the due date of the
 30 corresponding quarterly return for the taxable period for which
 31 the proportional use credit is claimed.

32 A credit approved under this section shall, subject to this section, be
 33 refunded to the carrier without interest.

34 (c) The department shall determine the aggregate amount of
 35 proportional use credits claimed under section 4(d) or ~~4.5(d)~~ **4.5(f)** of
 36 this chapter for each quarter. The department may approve the full
 37 amount of a proportional use credit claimed by a carrier if the
 38 aggregate amount of proportional use credits claimed for the quarter
 39 and for the fiscal year do not exceed the limits set forth in subsection
 40 (d). If the aggregate amount of proportional use credits claimed in a
 41 quarter exceeds the limits set forth in subsection (d), the department
 42 shall pay the claims for that quarter on a pro rata basis.



1 (d) The department may not approve more than three million five
 2 hundred thousand dollars (\$3,500,000) of proportional use credits
 3 under this section in a state fiscal year. In addition, the amount of
 4 proportional use credits the department may approve under this section
 5 for a quarter may not exceed the following:

6 (1) For the quarter ending September 30 of a year, an amount
 7 equal to one million three hundred seventy-five thousand dollars
 8 (\$1,375,000).

9 (2) For the quarter ending December 31 of a year, an amount
 10 equal to:

11 (A) six hundred twenty-five thousand dollars (\$625,000); plus

12 (B) the greater of zero (0) or the result of:

13 (i) the limit determined for the previous quarter under this
 14 subsection; minus

15 (ii) the aggregate amount of claims approved for the
 16 previous quarter.

17 (3) For the quarter ending March 31 of a year, an amount equal
 18 to:

19 (A) six hundred twenty-five thousand dollars (\$625,000); plus

20 (B) the greater of zero (0) or the result of:

21 (i) the limit determined for the previous quarter under this
 22 subsection; minus

23 (ii) the aggregate amount of claims approved for the
 24 previous quarter.

25 (4) For the quarter ending June 30 of a year, an amount equal to:

26 (A) eight hundred seventy-five thousand dollars (\$875,000);

27 plus

28 (B) the greater of zero (0) or the result of:

29 (i) the limit determined for the previous quarter under this
 30 subsection; minus

31 (ii) the aggregate amount of claims approved for the
 32 previous quarter.

33 SECTION 36. IC 6-6-4.1-5 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) The department
 35 shall deposit revenue collected under sections 4 and 12 of this chapter
 36 in the state highway fund (IC 8-23-9-54).

37 (b) The department shall deposit revenue collected under section 4.5
 38 of this chapter as follows:

39 (1) ~~Forty-five and one-half percent (45.5%)~~ **Forty-seven and**
 40 **seventy-five hundredths percent (47.75%)** in the state highway
 41 fund (IC 8-23-9-54).

42 (2) ~~Forty-five and one-half percent (45.5%)~~ **Forty-seven and**



- 1 **seventy-five hundredths percent (47.75%)** in the motor vehicle
 2 highway account (IC 8-14-1).
 3 (3) ~~Nine percent (9%)~~ **Four and five-tenths percent (4.5%)** in
 4 the motor carrier regulation fund administered by the department.
 5 (c) The department shall deposit revenue collected under section 13
 6 of this chapter as follows:
 7 (1) Thirty-five percent (35%) in the motor vehicle highway
 8 account (IC 8-14-1).
 9 (2) Sixty-five percent (65%) in the state highway fund
 10 (IC 8-23-9-54).
 11 SECTION 37. IC 6-6-4.1-6 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) A carrier is
 13 entitled to a credit against the tax imposed under section 4 of this
 14 chapter if the carrier, or a lessor operating under the carrier's annual
 15 permit, has:
 16 (1) paid the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 **and**
 17 **section 4.5 of this chapter** on motor fuel purchased in Indiana;
 18 (2) consumed the motor fuel outside Indiana; and
 19 (3) paid a gasoline, special fuel, or road tax with respect to the
 20 fuel in one (1) or more other states or jurisdictions.
 21 (b) The amount of credit for a quarter is equal to the tax paid under
 22 IC 6-6-1.1 and IC 6-6-2.5 on motor fuel that:
 23 (1) was purchased in Indiana;
 24 (2) was consumed outside Indiana; and
 25 (3) with respect to which the carrier paid a gasoline, special fuel,
 26 or road tax to another state or jurisdiction.
 27 (c) To qualify for the credit, the carrier shall submit any evidence
 28 required by the department of payment of the tax imposed under
 29 IC 6-6-1.1 or IC 6-6-2.5 **and section 4.5 of this chapter**.
 30 (d) A credit earned by a carrier in a particular quarter shall be
 31 applied against the carrier's tax liability under this chapter for that
 32 quarter before any credit carryover is applied against that liability
 33 under section 7 of this chapter.
 34 SECTION 38. IC 6-6-4.1-7 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) As used in this
 36 section, the credit of a carrier for any quarter is the amount by which
 37 the credit to which the carrier is entitled under section 6 of this chapter
 38 for that quarter exceeds the tax liability of the carrier under ~~section~~
 39 **sections 4 and 4.5** of this chapter for that quarter.
 40 (b) The credit for any quarter shall be allowed as a credit against the
 41 tax for which the carrier would otherwise be liable in the quarter in
 42 which the credit accrued.



1 (c) A carrier is entitled to the refund of any credit not previously
 2 used to offset a tax liability or for any erroneously paid tax or penalty.
 3 To obtain the refund, the carrier shall submit to the department a
 4 properly completed application in accordance with rules adopted by the
 5 department under IC 4-22-2. The application must be submitted within
 6 three (3) years after the end of:

- 7 (1) the quarter in which the credit accrued; or
 8 (2) the calendar year that contains the taxable period in which the
 9 tax or penalty was erroneously paid.

10 Along with the application, the carrier shall submit any evidence
 11 required by the department and any reports required by the department
 12 under this chapter.

13 (d) The department shall pay interest on any part of a refund that is
 14 not made within ninety (90) days after the date on which all of the
 15 following have been completed:

- 16 (1) The filing of:
 17 (A) the properly completed application for refund; or
 18 (B) the quarterly return on which a refund is claimed.
 19 (2) The submission of any evidence required by the department
 20 of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 **and**
 21 **section 4.5 of this chapter.**
 22 (3) The submission of reports required by the department under
 23 this chapter.
 24 (4) The furnishing of a surety bond, letter of credit, or cash
 25 deposit under section 8 of this chapter.

26 (e) The department shall pay interest at the rate established under
 27 IC 6-8.1-9 from the date of:

- 28 (1) the refund application;
 29 (2) the due date of a timely filed quarterly return on which a
 30 refund is claimed; or
 31 (3) the filing date of a quarterly return on which a refund is
 32 claimed, if the quarterly refund is filed after the due date of the
 33 quarterly return;

34 to a date determined by the department that does not precede the date
 35 on which the refund is made by more than thirty (30) days.

36 SECTION 39. IC 6-6-4.1-28 IS ADDED TO THE INDIANA CODE
 37 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
 38 1, 2017]: **Sec. 28. (a) A person that:**

- 39 **(1) is not a carrier; and**
 40 **(2) owns a vehicle and purchases special fuel that is not an**
 41 **alternative fuel for the vehicle upon which the surcharge tax**
 42 **imposed by section 4.5 of this chapter is included;**



1 is entitled to an annual refund for surcharge taxes paid on the
2 special fuel consumed by that vehicle.

3 (b) The bureau of motor vehicles shall provide an annual refund
4 of one hundred dollars (\$100) to each person for each vehicle
5 described in subsection (a) at the time the owner registers the
6 vehicle under IC 9-18.1.

7 (c) An owner of a vehicle described in subsection (a) who:

8 (1) is not required to register the owner's vehicle under
9 IC 9-18.1; or

10 (2) pays more than one hundred dollars (\$100) in surcharge
11 taxes for a particular vehicle during the previous registration
12 year;

13 may claim a refund for annual surcharge taxes paid with regard to
14 that vehicle. To obtain the refund, the person shall submit to the
15 bureau of motor vehicles a properly completed refund claim in
16 accordance with rules adopted by the bureau of motor vehicles
17 commission under IC 4-22-2. A refund shall be paid from the funds
18 and using the ratios specified in section 5(b) of this chapter.

19 (d) Refunds made under this section are not to be considered a
20 reduction in the registration fees or excise taxes for a vehicle for
21 purposes of allocating revenue from the fees and excise taxes for
22 that vehicle. If necessary, the auditor of state shall monthly
23 reconcile the appropriate funds that should be charged for the
24 refund using the funds named in section 5(b) of this chapter and
25 using the ratios specified in section 5(b) of this chapter.

26 SECTION 40. IC 6-6-14-4, AS ADDED BY P.L.212-2014,
27 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2017]: Sec. 4. (a) The owner of one (1) of the following motor
29 vehicles that is registered in Indiana and that is propelled by alternative
30 fuel shall obtain an alternative fuel decal for the motor vehicle and pay
31 an annual fee in accordance with the following schedule:

32 SCHEDULE

33 Motor Vehicle	34 Annual Fee
35 A passenger motor vehicle, truck, or bus, 36 the declared gross weight of which is 37 equal to or less than 9,000 pounds.	38 \$100 \$150
39 A recreational vehicle.	40 \$100 \$150
41 A truck or bus, the declared gross 42 weight of which is greater than 9,000 pounds but equal to or less than 11,000 pounds.	\$175 \$262.50
An alternative fuel delivery truck powered by alternative fuel, which is a truck the	



1 declared gross weight of which is greater
 2 than 11,000 pounds. ~~\$250~~ **\$375**
 3 A truck or bus, the declared gross weight
 4 of which is greater than 11,000 pounds,
 5 except an alternative fuel delivery truck. ~~\$300~~ **\$450**
 6 A tractor, designed to be used with a
 7 semitrailer. ~~\$500~~ **\$750**
 8 Only one (1) fee is required to be paid per motor vehicle per year.
 9 (b) The annual fee may be prorated on a quarterly basis if:
 10 (1) application is made after June 30 of a year; and
 11 (2) the motor vehicle is newly:
 12 (A) converted to alternative fuel;
 13 (B) purchased; or
 14 (C) registered in Indiana.
 15 SECTION 41. IC 6-8.1-3-27 IS ADDED TO THE INDIANA CODE
 16 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
 17 UPON PASSAGE]: **Sec. 27. (a) The department shall research and**
 18 **analyze the following:**
 19 (1) **The imposition of the gross retail tax on special fuel in**
 20 **Indiana and other states.**
 21 (2) **The gross retail tax exemptions that apply to special fuel**
 22 **purchases and the methods used to provide each exemption.**
 23 (3) **The use of a special fuel tax gallonage rate as a**
 24 **replacement for the gross retail tax on special fuel.**
 25 (4) **Options for replacing the current system.**
 26 (5) **Findings on the positives and negatives of each option.**
 27 (6) **Findings on the potential unintended consequences of each**
 28 **option.**
 29 (7) **An estimate of the costs of implementing each option.**
 30 (b) **A written report of the research, analysis, and findings shall**
 31 **be delivered to the funding Indiana's roads for a stronger, safer**
 32 **tomorrow task force under IC 2-5-41 before September 1, 2017.**
 33 (c) **The department shall provide its data, sources, and**
 34 **assumptions, and any documents prepared by the department as**
 35 **part of the report to the legislative services agency in an electronic**
 36 **format under IC 5-14-6.**
 37 (d) **This section expires December 31, 2017.**
 38 SECTION 42. IC 6-8.1-10-13, AS ADDED BY P.L.176-2006,
 39 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2017]: **Sec. 13. (a) A person that:**
 41 (1) obtains a permit, license plate, cab card, or any other
 42 credential issued by the registration center established under



1 IC 6-8.1-4-4; and

2 (2) alters **or violates the terms of** the permit, license plate, cab
3 card, or other credential **under IC 6-8.1-4-4;**

4 is subject to a civil penalty of five hundred dollars (\$500) for the first
5 violation and one thousand dollars (\$1,000) for each subsequent
6 violation.

7 (b) A person that:

8 (1) is required to obtain a permit, a license plate, a cab card, or
9 other credential issued by the registration center established under
10 IC 6-8.1-4-4; and

11 (2) operates without obtaining ~~the required~~ a permit, license plate,
12 cab card, or other credential **required under IC 6-8.1-4-4 or**
13 **operates with an expired permit, license plate, cab card, or**
14 **other credential required under IC 6-8.1-4-4;**

15 is subject to a civil penalty of five thousand dollars (\$5,000) for each
16 violation.

17 (c) A civil penalty imposed under this section:

18 (1) shall be deposited in the motor carrier regulation fund
19 established by IC 8-2.1-23-1; and

20 (2) is in addition to any fines levied by a court.

21 SECTION 43. IC 8-2.1-28 IS ADDED TO THE INDIANA CODE
22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2017]:

24 **Chapter 28. Weigh-in-Motion Pilot Program**

25 **Sec. 1. As used in this chapter, "department" means the**
26 **department of transportation.**

27 **Sec. 2. The department may:**

- 28 (1) plan;
29 (2) develop;
30 (3) install;
31 (4) maintain;
32 (5) monitor; and
33 (6) finance;

34 **electronic weigh-in-motion equipment to facilitate the enforcement**
35 **of size and weight restrictions under IC 9-20.**

36 **Sec. 3. The department may enter into any contracts and**
37 **agreements necessary to carry out this chapter.**

38 **Sec. 4. The department may adopt rules under IC 4-22-2 to**
39 **carry out this chapter. If the department adopts rules under this**
40 **section, the rules must establish the following:**

- 41 (1) **Technical standards for the installation of electronic**
42 **weigh-in-motion stations, including:**



- 1 (A) roadway sensors;
 2 (B) cameras;
 3 (C) laser measurement devices;
 4 (D) roadway pressure sensors;
 5 (E) speed sensors; and
 6 (F) all other equipment necessary to establish electronic
 7 weigh-in-motion stations.
- 8 (2) Weight tolerances for electronic weigh-in-motion stations,
 9 frequency of testing of weight tolerances, and certification
 10 programs for weight tolerances.
- 11 (3) Smoothness standards for approach and departure
 12 pavement, and a program to monitor roadway smoothness
 13 affecting electronic weigh-in-motion stations.
- 14 **Sec. 5. (a) The department may adopt emergency rules in the**
 15 **manner provided under IC 4-22-2-37.1 to carry out this chapter.**
- 16 **(b) An emergency rule adopted under subsection (a) expires on**
 17 **the date a rule that supersedes the emergency rule is adopted by**
 18 **the department under IC 4-22-2-22.5 through IC 4-22-2-36.**
- 19 SECTION 44. IC 8-14-3-3 IS ADDED TO THE INDIANA CODE
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 21 1, 2017]: **Sec. 3. (a) There is annually appropriated two hundred**
 22 **fifty thousand dollars (\$250,000) from the motor vehicle highway**
 23 **account to the department to develop and maintain a centralized**
 24 **electronic statewide asset management data base that may be used**
 25 **to aggregate data on local road conditions. The data base shall be**
 26 **developed in cooperation with the department and the office of**
 27 **management and budget.**
- 28 **(b) The department shall submit a written report on the**
 29 **department's progress in developing the data base described in**
 30 **subsection (a) to the funding Indiana's roads for a stronger, safer**
 31 **tomorrow task force under IC 2-5-41 in an electronic format under**
 32 **IC 5-14-6 before November 1, 2017.**
- 33 SECTION 45. IC 8-14-10-4 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 4. As used in this**
 35 **chapter, "state highway" means any highway that is designated as part**
 36 **of the state highway system under IC 8-23-4. The term includes all**
 37 **bridges, tunnels, overpasses, underpasses, highway railroad**
 38 **crossings, interchanges, entrance plazas, approaches, buildings, and**
 39 **facilities that the department considers necessary for the operation of**
 40 **the highway, together with all property, rights, easements, and interests**
 41 **that are acquired by the department for the construction or**
 42 **reconstruction of the highway.**



1 SECTION 46. IC 8-14.5-6-1 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. Except as provided
 3 in sections 2 and 5 of this chapter, the authority may, by resolution,
 4 issue and sell bonds or notes of the authority for the purpose of
 5 providing funds to carry out the provisions of this article with respect
 6 to the construction of a project or projects or the refunding of any
 7 bonds or notes, together with any reasonable costs associated with a
 8 refunding. However, the authority may not issue any bonds or notes for
 9 the construction of a project:

10 (1) after July 1, 2007, for a project that is not a highway
 11 railroad crossing upgrade project described in IC 8-14.5-8;
 12 and

13 (2) after June 30, 2025, for a highway railroad crossing
 14 upgrade project described in IC 8-14.5-8.

15 The amount of the bonds or notes issued for purposes of
 16 subdivision (2) may not cause the annual payments on all the bonds
 17 and notes for this purpose to exceed ten million dollars
 18 (\$10,000,000).

19 SECTION 47. IC 8-14.5-8 IS ADDED TO THE INDIANA CODE
 20 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2017]:

22 **Chapter 8. State Highway Railroad Crossing Remediation**
 23 **Projects**

24 **Sec. 1. (a) The department may approve state highway railroad**
 25 **crossing remediation projects under this chapter for financing**
 26 **under this article.**

27 **(b) The department shall establish a documented policy and**
 28 **procedure consistent with the requirements of IC 8-6-1 for making**
 29 **determinations of whether a project should be approved under this**
 30 **chapter.**

31 **Sec. 2. To approve a project under this chapter the department**
 32 **must determine that the project meets the following conditions:**

33 **(1) The crossing is at a state highway.**

34 **(2) The crossing is at a stage of critical need.**

35 **Sec. 3. A project under this chapter may include building an**
 36 **overpass over the railroad if the department determines that is the**
 37 **best solution for the crossing.**

38 **Sec. 4. The department may seek financing by the authority**
 39 **under this article for a project approved under this chapter.**

40 **Sec. 5. The authority may issue bonds or notes to finance a**
 41 **project approved by the department under this chapter using lease**
 42 **rentals for bond or note repayments. However, the annual**



1 **payments on all the bonds and notes outstanding may not exceed**
 2 **ten million dollars (\$10,000,000).**

3 **Sec. 6. The department shall make lease rental payments from**
 4 **the state highway road construction and improvement fund**
 5 **established by IC 8-14-10.**

6 SECTION 48. IC 8-15-2-1, AS AMENDED BY P.L.94-2015,
 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2017]: Sec. 1. (a) In order to remove the handicaps and
 9 hazards on the congested highways in Indiana, to facilitate vehicular
 10 traffic throughout the state, to promote the agricultural and industrial
 11 development of the state, and to provide for the general welfare by the
 12 construction of modern express highways embodying safety devices,
 13 including center division, ample shoulder widths, long sight distances,
 14 multiple lanes in each direction, and grade separations at intersections
 15 with other highways and railroads, the authority may:

16 (1) ~~subject to subsection (d)~~; construct, reconstruct, maintain,
 17 repair, and operate toll road projects at such locations as shall be
 18 approved by the governor;

19 (2) in accordance with such alignment and design standards as
 20 shall be approved by the authority and subject to IC 8-9.5-8-10,
 21 issue toll road revenue bonds of the state payable solely from
 22 funds pledged for their payment, as authorized by this chapter, to
 23 pay the cost of such projects;

24 (3) finance, develop, construct, reconstruct, improve, or maintain
 25 improvements for manufacturing, commercial, or public
 26 transportation activities within a county through which a toll road
 27 passes;

28 (4) in cooperation with the Indiana department of transportation
 29 or a political subdivision, construct, reconstruct, or finance the
 30 construction or reconstruction of an arterial highway or an arterial
 31 street that is located within a county through which a toll road
 32 passes and that:

33 (A) interchanges with a toll road project; or

34 (B) intersects with a road or a street that interchanges with a
 35 toll road project;

36 (5) finance improvements necessary for developing transportation
 37 corridors in northwestern Indiana; and

38 (6) exercise these powers in participation with any governmental
 39 entity or with any individual, partnership, limited liability
 40 company, or corporation.

41 (b) Notwithstanding subsection (a), the authority shall not construct,
 42 maintain, operate, nor contract for the construction, maintenance, or



1 operation of transient lodging facilities on, or adjacent to, such toll road
2 projects.

3 (c) This chapter:

4 (1) applies to the authority only when acting for the purposes set
5 forth in this chapter; and

6 (2) does not apply to the authority when acting under any other
7 statute for any other purpose.

8 (d) ~~Before the authority or an operator selected under IC 8-15.5 may~~
9 ~~carry out any of the following activities under this chapter, the general~~
10 ~~assembly must enact a statute authorizing that activity:~~

11 ~~(1) Imposing tolls on motor vehicles for use of Interstate Highway~~
12 ~~69;~~

13 ~~(2) Imposing tolls on motor vehicles for use of a nontolled~~
14 ~~highway, roadway, or other facility in existence or under~~
15 ~~construction on July 1, 2011, including nontolled interstate~~
16 ~~highways, U.S. routes, and state routes.~~

17 SECTION 49. IC 8-15-3-0.5 IS ADDED TO THE INDIANA CODE
18 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
19 **UPON PASSAGE]: Sec. 0.5. As used in this chapter, "authority"**
20 **refers to the Indiana finance authority established under IC 4-4-11.**

21 SECTION 50. IC 8-15-3-9, AS AMENDED BY P.L.94-2015,
22 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2017]: Sec. 9. (a) ~~Subject to subsection (e);~~ The governor
24 must approve the location of any tollway.

25 (b) The department may, in any combination, plan, design, develop,
26 construct, reconstruct, maintain, repair, police, finance, and operate
27 tollways, public improvements, and arterial streets and roads at those
28 locations that the governor approves.

29 (c) The department may, in any combination, plan, design, develop,
30 construct, reconstruct, improve, finance, operate, repair, or maintain
31 public improvements such as roads and streets, sewer lines, water lines,
32 and other utilities if these improvements are:

33 (1) adjacent or appurtenant to a tollway; or

34 (2) necessary or desirable for the financing, construction,
35 operation, or maintenance of a tollway.

36 (d) The department may, in any combination, plan, design, develop,
37 construct, reconstruct, improve, maintain, repair, operate, or finance
38 the construction or reconstruction of an arterial highway or an arterial
39 street that:

40 (1) is adjacent to, appurtenant to, or interchanges with a tollway;
41 or

42 (2) intersects with a road or street that interchanges with a



1 tollway.

2 (e) Before the governor, the department, or an operator may carry
3 out any of the following activities under this chapter, the general
4 assembly must enact a statute authorizing that activity:

5 (1) Approve the location of a tollway other than a tollway that is
6 approved before July 1, 2011.

7 (2) Impose tolls on motor vehicles for use of Interstate Highway
8 69.

9 (f) Notwithstanding subsection (e), during the period beginning July
10 1, 2011, and ending June 30, 2021, the general assembly is not required
11 to enact a statute authorizing the governor, the department, or an
12 operator to approve the location of a tollway with respect to the
13 following projects:

14 (1) A project on which construction begins after June 30, 2011,
15 not including any part of Interstate Highway 69 other than a part
16 described in subdivision (4).

17 (2) The addition of toll lanes, including high occupancy toll lanes,
18 to a highway, roadway, or other facility in existence on July 1,
19 2011, if the number of nontolled lanes on the highway, roadway,
20 or facility as of July 1, 2011, does not decrease due to the addition
21 of the toll lanes.

22 (3) The Illiana Expressway, a limited access facility connecting
23 Interstate Highway 65 in northwestern Indiana with an interstate
24 highway in Illinois.

25 (4) A project that is located within a metropolitan planning area
26 (as defined by 23 U.S.C. 134) and that connects the state of
27 Indiana with the commonwealth of Kentucky.

28 SECTION 51. IC 8-15-3-36 IS ADDED TO THE INDIANA CODE
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: **Sec. 36. (a) Before July 1, 2017, the department
31 shall submit a request to the Federal Highway Administration for
32 a waiver to toll lanes on interstate highways.**

33 **(b) The department shall engage an outside consulting firm to
34 conduct a feasibility study on tolling the interstate highways,
35 including revenue projections based on an analysis of optimal
36 tolling rates, vehicle counts and types by state of registration, and
37 traffic diversion.**

38 **(c) A written report on the feasibility study shall be delivered to
39 the funding Indiana's roads for a stronger, safer tomorrow task
40 force under IC 2-5-41 in an electronic format under IC 5-14-6
41 before November 1, 2017.**

42 SECTION 52. IC 8-23-2-19 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2017]: **Sec. 19. (a) The department shall:**

3 **(1) establish a single statewide set of state and local road and**
4 **bridge condition metrics;**

5 **(2) use the metrics in subdivision (1) to:**

6 **(A) evaluate and compare state and local road and bridge**
7 **conditions in local units within Indiana; and**

8 **(B) evaluate and compare Indiana's statewide road and**
9 **bridge conditions to road and bridge conditions in states**
10 **with similar climate, soil, and traffic conditions; and**

11 **(3) develop goals, timelines, and milestones to ensure that**
12 **Indiana's state and local road and bridge conditions are in the**
13 **top quarter of the states included in the comparison in**
14 **subdivision (2).**

15 **(b) The department shall develop a state and local road and**
16 **bridge project prioritization system and project priority list. The**
17 **project prioritization system must be based on a model that**
18 **includes at least the following variables:**

19 **(1) Safety.**

20 **(2) Congestion.**

21 **(3) Environment.**

22 **(4) Regional and state economic contribution.**

23 **(5) Potential intermodal connectivity.**

24 **(6) Total cost of ownership.**

25 **(c) The commissioner shall appoint two (2) economic**
26 **professionals and two (2) engineering professionals to establish and**
27 **administer the project prioritization system and model. The**
28 **appointees:**

29 **(1) serve at the pleasure of the commissioner; and**

30 **(2) are entitled to compensation set by the budget agency.**

31 **(d) The department shall use the results of the model established**
32 **under this section to determine short term and long term**
33 **budgetary needs. The determination must achieve the following**
34 **infrastructure goals:**

35 **(1) Preserve and maintain current infrastructure resources.**

36 **(2) Provide for projected mobility needs for movement of**
37 **people and goods.**

38 **(e) The department may adjust the project priority list**
39 **established under this section if the department determines that**
40 **unforeseen circumstances require an adjustment.**

41 **(f) The general assembly may not approve or disapprove**
42 **projects on the department's project priority list.**



1 SECTION 53. IC 8-23-2-20 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 3 1, 2017]: **Sec. 20. (a) The department shall review and analyze the**
 4 **following:**

5 (1) **The published research on using a system to fund**
 6 **transportation infrastructure based on vehicle miles traveled.**

7 (2) **Research findings on the positives and negatives of each**
 8 **system.**

9 (3) **Research findings on the potential unintended**
 10 **consequences of each system.**

11 (4) **Estimated costs of implementation and fee collection of**
 12 **each system.**

13 (b) **A written report on the review, analysis, and findings shall**
 14 **be delivered to the funding Indiana's roads for a stronger, safer**
 15 **tomorrow task force under IC 2-5-41 before November 1, 2017.**

16 (c) **The department shall provide its data, sources, and**
 17 **assumptions, and any documents prepared by the department, as**
 18 **part of the report to the legislative services agency in an electronic**
 19 **format under IC 5-14-6.**

20 (d) **This section expires December 31, 2017.**

21 SECTION 54. IC 8-23-30-3, AS ADDED BY P.L.146-2016,
 22 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 MARCH 23, 2016 (RETROACTIVE)]: **Sec. 3. A local unit may apply**
 24 **to the department for a grant from the fund for an eligible project if the**
 25 **local unit:**

26 (1) **uses a transportation asset management plan approved by the**
 27 **department; and**

28 (2) **commits to a local match by using one (1) or more of the**
 29 **following:**

30 (A) ~~Revenue attributable to an increase, after June 30, 2016,~~
 31 ~~in Any money the local unit's motor vehicle excise surtax or~~
 32 ~~wheel tax rate under IC 6-3-5. unit is authorized to use for a~~
 33 **local road or bridge project.**

34 (B) **Money received by the local unit as a special distribution**
 35 **of local income taxes under IC 6-3.6-9-17.**

36 (C) **Money in the local unit's rainy day fund under**
 37 **IC 36-1-8-5.1.**

38 **The application must be in the form and manner prescribed by the**
 39 **department.**

40 SECTION 55. IC 8-23-30-6, AS ADDED BY P.L.146-2016,
 41 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2017]: **Sec. 6. If the department approves a grant to a local**



1 unit under this chapter, the amount of the grant from the fund is equal
 2 to **four (4) times** the amount that the local unit commits to contribute
 3 to the proposed eligible project.

4 SECTION 56. IC 8-23-30-7, AS ADDED BY P.L.146-2016,
 5 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]: Sec. 7. The department shall allocate at least fifty
 7 percent (50%) of the ~~grants to be made~~ **amount available to the**
 8 **department to make grants** in a state fiscal year to local units located
 9 in counties having a population of less than fifty thousand (50,000).

10 SECTION 57. IC 9-18.1-5-8, AS ADDED BY P.L.198-2016,
 11 SECTION 326, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) Except as provided in section
 13 11 of this chapter, the fee to register a trailer is as follows:

14 Declared Gross	Weight (Pounds)	Fee (\$)
15 Greater than	Equal to	
	or less than	
17 0	3,000	\$ 16.35
18 3,000	9,000	25.35
19 9,000	12,000	72
20 12,000	16,000	108
21 16,000	22,000	168
22 22,000		228

23 **(b) A fee described in subsection (a) that is collected under the**
 24 **International Registration Plan shall be distributed as set forth in**
 25 **section 10.5 of this chapter.**

26 ~~(b)~~ **(c) A fee described in subsection (a) that is not required to be**
 27 **distributed under subsection (b) shall be distributed as follows:**

- 28 (1) Twenty-five cents (\$0.25) to the state police building account.
- 29 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- 30 (3) Two dollars and ninety cents (\$2.90) to the highway, road and
 31 street fund.
- 32 (4) Four dollars (\$4) to the crossroads 2000 fund.
- 33 (5) For a vehicle registered before July 1, 2019, as follows:
 34 (A) One dollar and twenty-five cents (\$1.25) to the integrated
 35 public safety communications fund.
 36 (B) Three dollars and ten cents (\$3.10) to the commission
 37 fund.
- 38 (6) For a vehicle registered after June 30, 2019, four dollars and
 39 thirty-five cents (\$4.35) to the commission fund.
- 40 (7) Any remaining amount to the motor vehicle highway account.

41 SECTION 58. IC 9-18.1-5-9, AS ADDED BY P.L.198-2016,
 42 SECTION 326, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) Except as provided in section
 2 11 of this chapter, the fee to register a truck, a tractor used with a
 3 semitrailer, or a for-hire bus is determined as follows:

4 Declared Gross	Weight (Pounds)	Fee (\$)
5 Greater than	Equal to	
	or less than	
6 0	11,000	\$ 30.35
7 11,000	16,000	144
8 16,000	26,000	180
9 26,000	36,000	300 315
10 36,000	48,000	504 529
11 48,000	66,000	720 756
12 66,000	78,000	960 1,008
13 78,000		1,356 1,423

14
 15 **(b) A fee described in subsection (a) that is collected under the**
 16 **International Registration Plan shall be distributed as set forth in**
 17 **section 10.5 of this chapter.**

18 ~~(b)~~ **(c) A fee described in subsection (a) that is not required to be**
 19 **distributed under subsection (b) shall be distributed as follows:**

- 20 (1) Twenty-five cents (\$0.25) to the state police building account.
 21 (2) For a truck with a declared gross weight of eleven thousand
 22 (11,000) pounds or less, thirty cents (\$0.30) to the spinal cord and
 23 brain injury fund.
 24 (3) Fifty cents (\$0.50) to the state motor vehicle technology fund.
 25 (4) Two dollars and ninety cents (\$2.90) to the highway, road and
 26 street fund.
 27 (5) Four dollars (\$4) to the crossroads 2000 fund.
 28 (6) For a vehicle registered before July 1, 2019, as follows:
 29 (A) One dollar and twenty-five cents (\$1.25) to the integrated
 30 public safety communications fund.
 31 (B) Three dollars and ten cents (\$3.10) to the commission
 32 fund.
 33 (7) For a vehicle registered after June 30, 2019, four dollars and
 34 thirty-five cents (\$4.35) to the commission fund.

35 **(8) For a truck, tractor used with a semitrailer, or for-hire bus**
 36 **having a declared gross weight of at least twenty-six thousand**
 37 **(26,000) pounds, five percent (5%) of the total fees,**
 38 **determined before any allocation under subdivision (1) and**
 39 **subdivisions (3) through (7), to the local road and bridge**
 40 **matching grant fund established by IC 8-23-30.**

41 ~~(8)~~ **(9) Any remaining amount to the motor vehicle highway**
 42 **account.**



1 (⇆) (d) A trailer that is towed by a truck must be registered
2 separately, and the appropriate fee must be paid under this chapter.

3 SECTION 59. IC 9-18.1-5-10, AS ADDED BY P.L.198-2016,
4 SECTION 326, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) The following vehicles shall
6 be registered as semitrailers:

7 (1) A semitrailer converted to a full trailer through the use of a
8 converter dolly.

9 (2) A trailer drawn behind a semitrailer.

10 (3) A trailer drawn by a vehicle registered under the International
11 Registration Plan.

12 (b) The fee for a permanent registration of a semitrailer is
13 eighty-two dollars (\$82).

14 **(c) A fee described in subsection (b) that is collected under the**
15 **International Registration Plan shall be distributed as set forth in**
16 **section 10.5 of this chapter.**

17 **(d) The fee described in subsection (b) that is not required to be**
18 **distributed under subsection (c) shall be distributed as follows:**

19 (1) Twenty-five cents (\$0.25) to the state police building account.

20 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.

21 (3) Two dollars and ninety cents (\$2.90) to the highway, road and
22 street fund.

23 (4) Twelve dollars (\$12) to the crossroads 2000 fund.

24 (5) For a vehicle registered before July 1, 2019, as follows:

25 (A) One dollar and twenty-five cents (\$1.25) to the integrated
26 public safety communications fund.

27 (B) Three dollars and ten cents (\$3.10) to the commission
28 fund.

29 (6) For a vehicle registered after June 30, 2019, four dollars and
30 thirty-five cents (\$4.35) to the commission fund.

31 (7) Any remaining amount to the motor vehicle highway account.

32 (⇆) (e) A permanent registration under subsection (b) must be
33 renewed on an annual basis. The fee to renew a permanent registration
34 is eight dollars and seventy-five cents (\$8.75). The fee is in addition to
35 any applicable excise tax. ~~and shall be distributed as follows:~~

36 **(f) A fee described in subsection (e) that is collected under the**
37 **International Registration Plan shall be distributed as set forth in**
38 **section 10.5 of this chapter.**

39 **(g) A fee described in subsection (e) that is not required to be**
40 **distributed under subsection (f) shall be distributed as follows:**

41 (1) Twenty-five cents (\$0.25) to the state police building account.

42 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.



1 (3) Three dollars (\$3) to the crossroads 2000 fund.

2 (4) Three dollars and ten cents (\$3.10) to the commission fund.

3 (5) Any remaining amount to the motor vehicle highway account.

4 ~~(d)~~ **(h)** A permanent registration under subsection (b) may be
5 transferred under IC 9-18.1-11.

6 ~~(e)~~ **(i)** A semitrailer that is registered under IC 9-18-10-2(a)(2)
7 (before its expiration) or IC 9-18-10-2(a)(3) (before its expiration)
8 remains valid until its expiration and is not subject to renewal under
9 subsection ~~(e)~~: **(e)**. This subsection expires July 1, 2020.

10 SECTION 60. IC 9-18.1-5-10.5 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2017]: **Sec. 10.5. (a) This section applies after
13 June 30, 2017.**

14 **(b) This section applies only to fees described in sections 8(a),
15 9(a), 10(b), and 10(e) of this chapter that are collected under the
16 International Registration Plan.**

17 **(c) The fees collected under the International Registration Plan
18 during each state fiscal year shall be distributed as follows:**

19 **(1) The first one hundred twenty-five thousand dollars
20 (\$125,000) to the state police building account.**

21 **(2) Five percent (5%) of the total fees collected (without
22 regard to the distribution under subdivision (1)) to the local
23 road and bridge matching grant fund established by
24 IC 8-23-30.**

25 **(3) Any remaining amounts to the motor vehicle highway
26 account.**

27 SECTION 61. IC 9-18.1-5-12 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2017]: **Sec. 12. (a) The supplemental fee in
30 this section applies after December 31, 2017, to each electric
31 vehicle that is required to be registered under IC 9-18.1.**

32 **(b) As used in this section, "electric vehicle" means a vehicle
33 that:**

34 **(1) is propelled by an electric motor powered by a battery or
35 other electrical device incorporated into the vehicle; and**

36 **(2) is not propelled by an engine powered by the combustion
37 of a hydrocarbon fuel, including gasoline, diesel, propane, or
38 liquid natural gas.**

39 **(c) In addition to any other fee required to register an electric
40 vehicle under this chapter, the supplemental fee to register an
41 electric vehicle is one hundred fifty dollars (\$150) through
42 December 31, 2022. Before October 1, 2022, and before each**



1 **October 1 of every fifth year thereafter, the bureau shall determine**
 2 **a new fee amount to take effect as of January 1 of the following**
 3 **year by determining the product of:**

4 **(1) the fee in effect for the determination year; multiplied by**

5 **(2) the factor determined under IC 6-6-1.6-3.**

6 **The fee shall be rounded to the nearest dollar.**

7 **(d) The fee shall be deposited in the local road and bridge**
 8 **matching grant fund established by IC 8-23-30-2.**

9 SECTION 62. IC 9-18.1-15 IS ADDED TO THE INDIANA CODE
 10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2017]:

12 **Chapter 15. Transportation Infrastructure Improvement Fee**

13 **Sec. 1. This chapter applies to annual motor vehicle**
 14 **registrations occurring after December 31, 2017.**

15 **Sec. 2. (a) The owner of a motor vehicle with a declared gross**
 16 **weight equal to or less than twenty-six thousand (26,000) pounds**
 17 **that is registered in Indiana shall pay an annual transportation**
 18 **infrastructure improvement fee.**

19 **(b) The amount of the annual fee is fifteen dollars (\$15).**

20 **(c) The bureau shall transfer fees collected under this chapter**
 21 **to the department of state revenue for deposit.**

22 **(d) Fees collected under this chapter shall be deposited in the**
 23 **local road and bridge matching grant fund established under**
 24 **IC 8-23-30.**

25 **Sec. 3. The annual fee imposed under section 2 of this chapter**
 26 **is due on or before the regular annual registration date in each**
 27 **year that the owner of the motor vehicle is required to register the**
 28 **motor vehicle under the motor vehicle registration laws of Indiana.**

29 **Sec. 4. (a) Payment of the fee imposed under section 2 of this**
 30 **chapter is a condition to the right to register or reregister a motor**
 31 **vehicle. The fee is in addition to all other conditions, taxes, and fees**
 32 **prescribed by law.**

33 **(b) The bureau shall collect an apportioned registration fee for**
 34 **any motor vehicle that is base registered in Indiana under the**
 35 **terms of the International Registration Plan.**

36 **Sec. 5. The annual fee imposed under section 2 of this chapter**
 37 **must be reduced proportionately on a monthly basis if:**

38 **(1) the motor vehicle is registered in a calendar month**
 39 **following the month in which:**

40 **(A) the owner's annual registration date occurs; or**

41 **(B) the owner is required to register motor vehicles under**
 42 **the International Registration Plan; and**



1 **(2) the motor vehicle is newly:**

2 **(A) purchased; or**

3 **(B) registered in Indiana.**

4 **Sec. 6. (a) A person is entitled to a refund of a fee paid under**
 5 **section 3 of this chapter if the motor vehicle is sold or destroyed**
 6 **before the person's registration year elapses. Subject to subsection**
 7 **(b), the amount of the refund is equal to:**

8 **(1) the amount of the fee paid; multiplied by**

9 **(2) the quotient of:**

10 **(A) the number of full calendar months occurring after the**
 11 **date of the sale or destruction of the motor vehicle and**
 12 **before the date on which the person would have been**
 13 **required to reregister the motor vehicle; divided by**

14 **(B) twelve (12).**

15 **(b) The amount of a refund determined under subsection (a)**
 16 **must be rounded up to the next full dollar amount.**

17 SECTION 63. IC 9-20-18-14.5, AS AMENDED BY P.L.45-2011,
 18 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2017]: Sec. 14.5. (a) The civil penalties imposed under this
 20 section are in addition to the other civil penalties that may be imposed
 21 under IC 8 and IC 9. Notwithstanding section 12 of this chapter, a civil
 22 penalty imposed under this section:

23 (1) is imposed on the person whose United States Department of
 24 Transportation number is registered on the vehicle transporting
 25 the load;

26 (2) shall be deposited in the motor carrier regulation fund
 27 established by IC 8-2.1-23-1; ~~and~~

28 (3) is in addition to any fines imposed by a court; ~~and~~

29 **(4) is assessed by the department of state revenue in**
 30 **accordance with the procedures in IC 6-8.1-5-1.**

31 ~~(b) A person who violates IC 9-20-5-7 is subject to a civil penalty~~
 32 ~~of not more than five hundred dollars (\$500) for each violation.~~

33 ~~(c)~~ **(b)** A person who obtains a permit under this article and violates
 34 this article is subject to a civil penalty of not more than five hundred
 35 dollars (\$500) for the first violation and not more than one thousand
 36 dollars (\$1,000) for each subsequent violation.

37 ~~(d)~~ **(c)** A person who transports ~~heavy~~ vehicles or loads subject to
 38 this article and fails to obtain a permit required under this article is
 39 subject to a civil penalty of not more than five thousand dollars
 40 (\$5,000) for each violation.

41 ~~(e)~~ **(d)** **A person against whom** a civil penalty is imposed under
 42 this section may ~~be assessed against a person only after an protest the~~



1 **penalty and request an administrative hearing. has been conducted If**
 2 **a hearing is requested, the department shall hold an administrative**
 3 **hearing** at which the person has an opportunity to present information
 4 as to why the civil penalty should not be assessed.

5 **(e) The department of state revenue's notice of proposed**
 6 **assessment under IC 6-8.1-5-1 is presumptively valid.**

7 SECTION 64. IC 36-9-42.2-2, AS ADDED BY P.L.141-2013,
 8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2017]: Sec. 2. As used in this chapter, "eligible entity" means
 10 a county or municipality that ~~receives;~~ **is eligible to receive**, directly or
 11 indirectly, federal funds **through a metropolitan planning**
 12 **organization or otherwise.**

13 SECTION 65. IC 36-9-42.2-2.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2017]: **Sec. 2.5. As used in this chapter,**
 16 **"exchanged funds" means the state funds allocated to the program**
 17 **in accordance with section 6(b) of this chapter.**

18 SECTION 66. IC 36-9-42.2-3, AS ADDED BY P.L.141-2013,
 19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2017]: Sec. 3. As used in this chapter, "federal funds" means
 21 **the total amount of federal transportation** funds received by an
 22 eligible entity through the federal surface transportation program:
 23 **provided by the federal government to the state.**

24 SECTION 67. IC 36-9-42.2-3.3 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2017]: **Sec. 3.3. As used in this chapter, "local**
 27 **share" means twenty-five percent (25%) of the federal funds**
 28 **received by the state in a year.**

29 SECTION 68. IC 36-9-42.2-3.5 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2017]: **Sec. 3.5. As used in this chapter,**
 32 **"metropolitan planning organization" means a federally mandated**
 33 **transportation policy making organization that:**

34 **(1) is designated to serve a particular transportation planning**
 35 **area within the state; and**

36 **(2) receives, directly or indirectly, federal funds.**

37 SECTION 69. IC 36-9-42.2-4.5 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2017]: **Sec. 4.5. As used in this chapter,**
 40 **"transportation asset management plan" has the meaning set forth**
 41 **in IC 8-23-30-1(4).**

42 SECTION 70. IC 36-9-42.2-5, AS ADDED BY P.L.141-2013,



1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2017]: Sec. 5. The federal fund exchange program is
3 established to provide eligible entities and the department with greater
4 flexibility in funding transportation projects. The department shall
5 administer the program as follows:

6 (1) Exchanged funds awarded to an eligible entity may be
7 carried over for up to three (3) years at the discretion of the
8 department or the metropolitan planning organization,
9 whichever is applicable.

10 (2) Exchanged funds may be expended for any transportation
11 purpose allowable under federal law.

12 (3) Exchanged funds may be expended on any phase of a
13 project, including:

14 (A) periodic project oversight services;

15 (B) construction inspection services; and

16 (C) reimbursement for items that were conducted before
17 the application or request for exchanged funds or before
18 the award of exchanged funds.

19 (4) A recipient of exchanged funds must provide a twenty
20 percent (20%) local match payable by any available revenue
21 source. Awards shall be made by the department or
22 metropolitan planning organization, whichever is applicable,
23 in an amount that is twenty percent (20%) less than the total
24 cost of the project to accomplish the required match.

25 (5) After the initial award of exchanged funds for a project
26 and before the department's closeout of the project, an
27 eligible entity may apply to the department or metropolitan
28 planning organization, whichever is applicable, to be awarded
29 up to an additional five percent (5%) of the initial award of
30 exchanged funds to pay for project change orders.

31 (6) All contracts for professional services paid for with
32 exchanged funds must be made on the basis of competence
33 and qualifications for the type of services to be performed and
34 compensation shall be negotiated as the eligible entity
35 determines to be reasonable after its selection of a consultant
36 or consultants.

37 (7) Professional services must be performed by an entity that
38 is prequalified by the department.

39 (8) The department's design manual must provide guidance
40 for projects funded with exchanged funds. However,
41 exceptions to the design manual guidance shall be permitted
42 at the discretion of the eligible entity.



1 SECTION 71. IC 36-9-42.2-6, AS ADDED BY P.L.141-2013,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2017]: Sec. 6. **(a) Not later than fifteen (15) days after**
 4 **receiving information from the federal government regarding the**
 5 **state's distribution of federal funds, the department shall determine**
 6 **the amount of state funds available for the program. calculate the local**
 7 **share for that year and notify the budget agency of the amount.**

8 **(b) After review by the budget committee and after approval by**
 9 **the budget director, the department shall exchange one hundred**
 10 **percent (100%) of the local share for state dollars.**

11 **(c) The department shall allocate the exchanged funds for the**
 12 **following purposes:**

13 **(1) To be distributed to eligible entities for projects under the**
 14 **program in accordance with federal law regarding**
 15 **distributions between areas within a metropolitan planning**
 16 **organization and areas not within a metropolitan planning**
 17 **organization.**

18 **(2) To be available for direct distribution to eligible entities**
 19 **for projects or annual services including, but not limited to,**
 20 **federally required bridge inspections.**

21 **(d) The department may allocate additional state funds to the**
 22 **program at any time. In making the its determination the department**
 23 **shall consider the following:**

24 **(1) whether adequate additional state funds are available to fund**
 25 **for the program without putting at risk other transportation**
 26 **activities or projects needing state funds.**

27 **(2) Whether the department can readily and effectively use**
 28 **federal funds received through the program.**

29 SECTION 72. IC 36-9-42.2-7, AS ADDED BY P.L.141-2013,
 30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2017]: Sec. 7. **(a) An eligible entity is eligible to participate**
 32 **in the program upon entering into an exchange agreement with may**
 33 **apply to the department or to a metropolitan planning organization**
 34 **to receive exchanged funds if:**

35 **(1) the project is part of a transportation asset management**
 36 **plan approved by the department; and**

37 **(2) using any available revenue source, the eligible entity**
 38 **commits to a local match of twenty percent (20%) of the**
 39 **amount of the exchanged funds the eligible entity is requesting**
 40 **to receive.**

41 **(b) The department shall consider the following before entering into**
 42 **an exchange agreement with awarding exchanged funds to an eligible**



- 1 entity:
- 2 (1) The amount of federal funds the eligible entity wants to
- 3 exchange and the proposed exchange rate: **exchanged funds the**
- 4 **eligible entity has requested.**
- 5 (2) A brief description of each project the eligible entity wants to
- 6 fund, including the estimated cost of the project.
- 7 (3) The benefit to a project described in subdivision (2) ~~from the~~
- 8 ~~removal of federal funding; in receiving exchanged funds~~ due to
- 9 the project's size, type, location, or other features.
- 10 (4) ~~The availability of state funds: The nature of the project and~~
- 11 ~~whether it has an economic significance for the region in~~
- 12 ~~which the eligible entity is located.~~
- 13 (5) **Whether or not the eligible entity wishes to carry over its**
- 14 **award of exchanged funds to the following year.**
- 15 Subject to section 7.5 of this chapter, an eligible entity may enter into
- 16 an exchange agreement with respect to a project at any time during the
- 17 project development process:
- 18 SECTION 73. IC 36-9-42.2-7.5 IS REPEALED [EFFECTIVE JULY
- 19 1, 2017]. Sec. 7.5: (a) The department may enter into an exchange
- 20 agreement only if the exchange agreement is first approved by the
- 21 office of management and budget and the attorney general:
- 22 (b) The executive of an eligible entity may enter into an exchange
- 23 agreement on behalf of the eligible entity. However, the executive of
- 24 an eligible entity may enter into an exchange agreement only if the
- 25 exchange agreement is first approved by the fiscal body of the eligible
- 26 entity:
- 27 SECTION 74. IC 36-9-42.2-8 IS REPEALED [EFFECTIVE JULY
- 28 1, 2017]. Sec. 8: An exchange agreement must provide the following:
- 29 (1) The eligible entity may exchange only federal funds for state
- 30 funds:
- 31 (2) The eligible entity may use state funds only for a capital
- 32 project that will fulfill the purpose of the original federal project
- 33 award and that is approved by the department.
- 34 (3) If the eligible entity uses state funds to replace local funds in
- 35 order to use the local funds for purposes unrelated to
- 36 transportation, the eligible entity:
- 37 (A) must repay the state funds to the department; and
- 38 (B) may not participate in the program during the succeeding
- 39 fiscal year.
- 40 (4) An exchange rate of not less than seventy-five cents (\$0.75)
- 41 of state funds for each one dollar (\$1) of federal funds.
- 42 (5) The eligible entity agrees to provide local matching funds



1 equal to not less than ten percent (10%) of the estimated project
2 cost:

3 ~~(6) The department will disburse the state funds to the eligible~~
4 ~~entity on a reimbursement basis.~~

5 SECTION 75. IC 36-9-42.2-9, AS ADDED BY P.L.141-2013,
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2017]: Sec. 9. Not later than November 1 of each year, the
8 department shall submit a report on the program to the general
9 assembly in an electronic format under IC 5-14-6. A report submitted
10 under this section must include:

11 (1) a summary of the ~~exchange agreements entered into~~ **awarded**
12 **exchanged funds to eligible entities** during the previous state
13 fiscal year; and

14 (2) a status report on the implementation of projects funded
15 through the program.

16 SECTION 76. IC 36-9-42.2-10, AS ADDED BY P.L.141-2013,
17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2017]: Sec. 10. ~~An eligible entity that participates in the~~
19 ~~program shall comply with~~ Applicable public purchasing laws and
20 competitive bidding requirements **must be complied** with respect to
21 **for** projects funded through the program.

22 SECTION 77. IC 36-9-42.2-11, AS ADDED BY P.L.141-2013,
23 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2017]: Sec. 11. The department may adopt rules under
25 IC 4-22-2 **or guidelines, or both**, to implement this chapter.

26 SECTION 78. [EFFECTIVE JULY 1, 2017] **(a) IC 6-6-14-4, as**
27 **amended by this act, applies to decals issued after June 30, 2017.**

28 **(b) An alternative fuel decal that is effective from April 1, 2017,**
29 **through March 31, 2018, remains valid through March 31, 2018,**
30 **without the payment of an additional fee.**

31 **(c) IC 9-18.1-5-9, as amended by this act, applies to registrations**
32 **after June 30, 2017.**

33 **(d) This SECTION expires June 30, 2018.**

34 SECTION 79. [EFFECTIVE UPON PASSAGE] **(a) IC 6-6-4.1-4.5,**
35 **as amended by this act, applies to the collection of the motor fuel**
36 **surcharge tax imposed on the consumption of special fuel that is**
37 **not an alternative fuel as follows:**

38 (1) For special fuel received by a licensed supplier in Indiana
39 for sale or resale in Indiana, the special fuel received after
40 June 30, 2017.

41 (2) For special fuel subject to a tax precollection agreement
42 under IC 6-6-2.5-35(j), the special fuel removed after June 30,



1 **2017, by a licensed supplier from a terminal outside Indiana**
2 **for sale for export or for export to Indiana.**
3 **(3) For special fuel imported into Indiana, other than into a**
4 **terminal, the special fuel imported into Indiana after June 30,**
5 **2017, as measured by invoiced gallons received at a terminal**
6 **or at a bulk plant.**
7 **(b) This SECTION expires June 30, 2018.**
8 **SECTION 80. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1002, 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 5, line 6, delete "November" and insert "**September**".
- Page 5, line 10, delete "October" and insert "**August**".
- Page 5, line 19, delete "November" and insert "**September**".
- Page 5, line 40, delete "November" and insert "**September**".
- Page 6, line 2, delete "October" and insert "**August**".
- Page 6, line 18, delete "November" and insert "**September**".
- Page 6, line 20, delete "November" and insert "**September**".
- Page 6, line 21, delete "November" and insert "**September**".
- Page 6, line 24, delete "December" and insert "**October**".
- Page 6, line 30, delete "December" and insert "**October**".
- Page 6, line 40, delete "November" and insert "**September**".
- Page 7, line 3, delete "October" and insert "**August**".
- Page 7, line 12, delete "November" and insert "**September**".
- Page 7, line 33, delete "November" and insert "**September**".
- Page 7, line 36, delete "October" and insert "**August**".
- Page 8, line 12, delete "November" and insert "**September**".
- Page 8, line 14, delete "November" and insert "**September**".
- Page 8, line 15, delete "November" and insert "**September**".
- Page 8, line 18, delete "December" and insert "**October**".
- Page 8, line 24, delete "December" and insert "**October**".
- Page 9, line 11, delete "November" and insert "**September**".
- Page 9, line 15, delete "October" and insert "**August**".
- Page 9, line 24, delete "November" and insert "**September**".
- Page 9, line 39, delete "November" and insert "**September**".
- Page 10, line 1, delete "October" and insert "**August**".
- Page 10, line 11, delete "November" and insert "**September**".
- Page 10, line 13, delete "November" and insert "**September**".
- Page 10, line 14, delete "November" and insert "**September**".
- Page 10, line 17, delete "December" and insert "**October**".
- Page 11, line 14, delete "November" and insert "**September**".
- Page 11, line 18, delete "October" and insert "**August**".
- Page 11, line 28, delete "November" and insert "**September**".
- Page 12, line 2, delete "November" and insert "**September**".
- Page 12, line 6, delete "October" and insert "**August**".
- Page 12, line 17, delete "November" and insert "**September**".
- Page 12, line 19, delete "November" and insert "**September**".



Page 12, line 20, delete "November" and insert "**September**".

Page 12, line 23, delete "December" and insert "**October**".

Page 13, line 11, after "(\$0.01)." insert "**However, after June 30, 2018, the new applicable rate may not exceed the rate in effect on June 30 plus one cent (\$0.01).**".

Page 13, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 26. IC 6-6-1.1-801.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 801.5. (a) The administrator shall transfer ~~one-ninth (1/9)~~ **the first seventy million dollars (\$70,000,000)** of the taxes that are collected under this chapter **during a state fiscal year** to the state highway road construction and improvement fund.

(b) ~~The administrator shall transfer one-eighteenth (1/18) of the taxes that are collected under this chapter to the state highway fund:~~

(c) ~~The administrator shall transfer one-eighteenth (1/18) of the taxes that are collected under this chapter to the auditor of state for distribution to counties, cities, and towns. The auditor of state shall distribute the amounts transferred under this subsection to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1. Money distributed under this subsection may be used only for purposes that money distributed from the motor vehicle highway account may be expended under IC 8-14-1.~~

~~(d)~~ **(b)** After the ~~transfers~~ **transfer** required by subsections ~~subsection (a), through (c)~~, the administrator shall transfer the next twenty-five million dollars (\$25,000,000) of the taxes that are collected under this chapter and received during a ~~period beginning July 1 of a year and ending June 30 of the immediately succeeding year~~ **state fiscal year** to the auditor of state for distribution in the following manner:

(1) Thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the local road and street account under IC 8-14-2 and in the same proportion among the counties, cities, and towns as funds are distributed under IC 8-14-2-4.

(2) Thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1. ~~and~~



(3) Forty percent (40%) to the Indiana department of transportation.

~~(e)~~ (c) The auditor of state shall hold all amounts of collections received under subsection ~~(d)~~ (b) from the administrator that are made during a particular month and shall distribute all of those amounts pursuant to subsection ~~(d)~~ (b) on the fifth day of the immediately succeeding month.

~~(f)~~ (d) All amounts distributed under subsection ~~(d)~~ (b) may only be used for purposes that money distributed from the motor vehicle highway account may be expended under IC 8-14-1."

Page 15, line 23, after "(\$0.01)." insert "**However, after June 30, 2018, the new applicable rate may not exceed the rate in effect on June 30 plus one cent (\$0.01).**".

Page 21, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 31. IC 6-6-4.1-4, AS AMENDED BY P.L.277-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) A tax is imposed on the consumption of motor fuel by a carrier in its operations on highways in Indiana. The rate of this tax is determined as follows:

(1) When imposed upon the consumption of gasoline or special fuel (other than a special fuel that is an alternative fuel), the tax rate is the same rate per gallon as the rate per gallon at which special fuel is taxed under IC 6-6-2.5 **plus, for a carrier that has paid the surcharge tax at the time of purchasing special fuel that is not an alternative fuel, the surcharge tax rate under section 4.5 of this chapter for those gallons purchased.**

(2) When imposed upon the consumption of a special fuel that is an alternative fuel, the tax rate is either of the following:

(A) The same rate per diesel gallon equivalent as the rate per gallon at which special fuel is taxed under IC 6-6-2.5, in the case of liquid natural gas.

(B) The same rate per gasoline gallon equivalent at which special fuel is taxed under IC 6-6-2.5, in the case of compressed natural gas or an alternative fuel commonly or commercially known or sold as butane or propane.

The tax shall be paid quarterly by the carrier to the department on or before the last day of the month immediately following the quarter.

(b) The amount of motor fuel consumed by a carrier in its operations on highways in Indiana is the total amount of motor fuel consumed in its entire operations within and without Indiana, multiplied by a fraction. The numerator of the fraction is the total number of miles traveled on highways in Indiana, and the denominator of the fraction is



the total number of miles traveled within and without Indiana.

(c) The amount of tax that a carrier shall pay for a particular quarter under this section equals the product of the tax rate in effect for that quarter, multiplied by the amount of motor fuel consumed by the carrier in its operation on highways in Indiana and upon which the carrier has not paid tax imposed under IC 6-6-1.1, ~~or~~ IC 6-6-2.5, **or section 4.5 of this chapter.**

(d) Subject to section 4.8 of this chapter, a carrier is entitled to a proportional use credit against the tax imposed under this section for that portion of motor fuel used to propel equipment mounted on a motor vehicle having a common reservoir for locomotion on the highway and the operation of the equipment, as determined by rule of the commissioner. An application for a proportional use credit under this subsection shall be filed on a quarterly basis on a form prescribed by the department."

Page 22, line 4, delete "The" and insert "**Beginning July 1, 2017, the surcharge tax that applies to special fuel that is not an alternative fuel shall be collected and remitted in the manner specified for the special fuel tax under IC 6-6-2.5 as required by the department. A carrier shall reconcile the amount owed under this section as part of the carrier's motor fuel use tax reconciliation under this chapter. However, for a carrier that has not paid any surcharge tax at the time of purchase, the**".

Page 22, line 19, after "\$0.01." insert "**However, after June 30, 2018, the new applicable rate may not exceed the rate in effect on June 30 plus one cent (\$0.01).**".

Page 25, between lines 14 and 15, begin a new paragraph and insert: "SECTION 34. IC 6-6-4.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) The department shall deposit revenue collected under sections 4 and 12 of this chapter in the state highway fund (IC 8-23-9-54).

(b) The department shall deposit revenue collected under section 4.5 of this chapter as follows:

(1) ~~Forty-five and one-half percent (45.5%)~~ **Forty-seven and seventy-five hundredths percent (47.75%)** in the state highway fund (IC 8-23-9-54).

(2) ~~Forty-five and one-half percent (45.5%)~~ **Forty-seven and seventy-five hundredths percent (47.75%)** in the motor vehicle highway account (IC 8-14-1).

(3) ~~Nine percent (9%)~~ **Four and five-tenths percent (4.5%)** in the motor carrier regulation fund administered by the department.

(c) The department shall deposit revenue collected under section 13



of this chapter as follows:

- (1) Thirty-five percent (35%) in the motor vehicle highway account (IC 8-14-1).
- (2) Sixty-five percent (65%) in the state highway fund (IC 8-23-9-54).

SECTION 34. IC 6-6-4.1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) A carrier is entitled to a credit against the tax imposed under section 4 of this chapter if the carrier, or a lessor operating under the carrier's annual permit, has:

- (1) paid the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 **and section 4.5 of this chapter** on motor fuel purchased in Indiana;
 - (2) consumed the motor fuel outside Indiana; and
 - (3) paid a gasoline, special fuel, or road tax with respect to the fuel in one (1) or more other states or jurisdictions.
- (b) The amount of credit for a quarter is equal to the tax paid under IC 6-6-1.1 and IC 6-6-2.5 on motor fuel that:
- (1) was purchased in Indiana;
 - (2) was consumed outside Indiana; and
 - (3) with respect to which the carrier paid a gasoline, special fuel, or road tax to another state or jurisdiction.
- (c) To qualify for the credit, the carrier shall submit any evidence required by the department of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 **and section 4.5 of this chapter**.
- (d) A credit earned by a carrier in a particular quarter shall be applied against the carrier's tax liability under this chapter for that quarter before any credit carryover is applied against that liability under section 7 of this chapter.

SECTION 35. IC 6-6-4.1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) As used in this section, the credit of a carrier for any quarter is the amount by which the credit to which the carrier is entitled under section 6 of this chapter for that quarter exceeds the tax liability of the carrier under ~~section~~ **sections 4 and 4.5** of this chapter for that quarter.

(b) The credit for any quarter shall be allowed as a credit against the tax for which the carrier would otherwise be liable in the quarter in which the credit accrued.

(c) A carrier is entitled to the refund of any credit not previously used to offset a tax liability or for any erroneously paid tax or penalty. To obtain the refund, the carrier shall submit to the department a properly completed application in accordance with rules adopted by the department under IC 4-22-2. The application must be submitted within



three (3) years after the end of:

- (1) the quarter in which the credit accrued; or
- (2) the calendar year that contains the taxable period in which the tax or penalty was erroneously paid.

Along with the application, the carrier shall submit any evidence required by the department and any reports required by the department under this chapter.

(d) The department shall pay interest on any part of a refund that is not made within ninety (90) days after the date on which all of the following have been completed:

- (1) The filing of:
 - (A) the properly completed application for refund; or
 - (B) the quarterly return on which a refund is claimed.
- (2) The submission of any evidence required by the department of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 **and section 4.5 of this chapter.**
- (3) The submission of reports required by the department under this chapter.
- (4) The furnishing of a surety bond, letter of credit, or cash deposit under section 8 of this chapter.

(e) The department shall pay interest at the rate established under IC 6-8.1-9 from the date of:

- (1) the refund application;
- (2) the due date of a timely filed quarterly return on which a refund is claimed; or
- (3) the filing date of a quarterly return on which a refund is claimed, if the quarterly refund is filed after the due date of the quarterly return;

to a date determined by the department that does not precede the date on which the refund is made by more than thirty (30) days.

SECTION 36. IC 6-6-4.1-28 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 28. (a) A person that:**

- (1) is not a carrier; and**
- (2) owns a vehicle and purchases special fuel that is not an alternative fuel for the vehicle upon which the surcharge tax imposed by section 4.5 of this chapter is included;**

is entitled to an annual refund for surcharge taxes paid on the special fuel consumed by that vehicle.

(b) The bureau of motor vehicles shall provide an annual refund of one hundred dollars (\$100) to each person for each vehicle described in subsection (a) at the time the owner registers the



vehicle under IC 9-18.1.

(c) An owner of a vehicle described in subsection (a) who:

(1) is not required to register the owner's vehicle under IC 9-18.1; or

(2) pays more than one hundred dollars (\$100) in surcharge taxes for a particular vehicle during the previous registration year;

may claim a refund for annual surcharge taxes paid with regard to that vehicle. To obtain the refund, the person shall submit to the bureau of motor vehicles a properly completed refund claim in accordance with rules adopted by the bureau of motor vehicles commission under IC 4-22-2. A refund shall be paid from the funds and using the ratios specified in section 5(b) of this chapter.

(d) Refunds made under this section are not to be considered a reduction in the registration fees or excise taxes for a vehicle for purposes of allocating revenue from the fees and excise taxes for that vehicle. If necessary, the auditor of state shall monthly reconcile the appropriate funds that should be charged for the refund using the funds named in section 5(b) of this chapter and using the ratios specified in section 5(b) of this chapter."

Page 26, delete lines 4 through 29.

Page 27, line 41, delete "state revenue." and insert "transportation."

Page 28, line 11, delete "shall" and insert "may".

Page 28, line 12, delete "The" and insert "If the department adopts rules under this section, the".

Page 28, line 32, delete "commission" and insert "department".

Page 35, line 15, reset in roman "is equal".

Page 35, line 16, reset in roman "to".

Page 35, line 16, delete "may not exceed".

Page 35, line 20, reset in roman "fifty".

Page 35, line 20, delete "forty".

Page 35, line 21, reset in roman "(50%)".

Page 35, line 21, delete "(40%)".

Page 35, between lines 24 and 25, begin a new paragraph and insert:
 "SECTION 7. IC 9-18.1-5-8, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) Except as provided in section 11 of this chapter, the fee to register a trailer is as follows:

Declared Gross	Weight (Pounds)	Fee (\$)
Greater than	Equal to	
	or less than	



0	3,000	\$ 16.35
3,000	9,000	25.35
9,000	12,000	72
12,000	16,000	108
16,000	22,000	168
22,000		228

(b) A fee described in subsection (a) that is collected under the International Registration Plan shall be distributed as set forth in section 10.5 of this chapter.

(c) A fee described in subsection (a) that is not required to be distributed under subsection (b) shall be distributed as follows:

- (1) Twenty-five cents (\$0.25) to the state police building account.
- (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- (3) Two dollars and ninety cents (\$2.90) to the highway, road and street fund.
- (4) Four dollars (\$4) to the crossroads 2000 fund.
- (5) For a vehicle registered before July 1, 2019, as follows:
 - (A) One dollar and twenty-five cents (\$1.25) to the integrated public safety communications fund.
 - (B) Three dollars and ten cents (\$3.10) to the commission fund.
- (6) For a vehicle registered after June 30, 2019, four dollars and thirty-five cents (\$4.35) to the commission fund.
- (7) Any remaining amount to the motor vehicle highway account.

SECTION 8. IC 9-18.1-5-9, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) Except as provided in section 11 of this chapter, the fee to register a truck, a tractor used with a semitrailer, or a for-hire bus is determined as follows:

Declared Gross Greater than	Weight (Pounds) Equal to or less than	Fee (\$)
0	11,000	\$ 30.35
11,000	16,000	144
16,000	26,000	180
26,000	36,000	300 315
36,000	48,000	504 529
48,000	66,000	720 756
66,000	78,000	960 1,008
78,000		1,356 1,423

(b) A fee described in subsection (a) that is collected under the International Registration Plan shall be distributed as set forth in



section 10.5 of this chapter.

~~(b)~~ **(c)** A fee described in subsection (a) **that is not required to be distributed under subsection (b)** shall be distributed as follows:

- (1) Twenty-five cents (\$0.25) to the state police building account.
- (2) For a truck with a declared gross weight of eleven thousand (11,000) pounds or less, thirty cents (\$0.30) to the spinal cord and brain injury fund.
- (3) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- (4) Two dollars and ninety cents (\$2.90) to the highway, road and street fund.
- (5) Four dollars (\$4) to the crossroads 2000 fund.
- (6) For a vehicle registered before July 1, 2019, as follows:
 - (A) One dollar and twenty-five cents (\$1.25) to the integrated public safety communications fund.
 - (B) Three dollars and ten cents (\$3.10) to the commission fund.

(7) For a vehicle registered after June 30, 2019, four dollars and thirty-five cents (\$4.35) to the commission fund.

(8) For a truck, tractor used with a semitrailer, or for-hire bus having a declared gross weight of at least twenty-six thousand (26,000) pounds, five percent (5%) of the total fees, determined before any allocation under subdivision (1) and subdivisions (3) through (7), to the local road and bridge matching grant fund established by IC 8-23-30.

~~(8)~~ **(9)** Any remaining amount to the motor vehicle highway account.

~~(c)~~ **(d)** A trailer that is towed by a truck must be registered separately, and the appropriate fee must be paid under this chapter.

SECTION 9. IC 9-18.1-5-10, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) The following vehicles shall be registered as semitrailers:

- (1) A semitrailer converted to a full trailer through the use of a converter dolly.
- (2) A trailer drawn behind a semitrailer.
- (3) A trailer drawn by a vehicle registered under the International Registration Plan.

(b) The fee for a permanent registration of a semitrailer is eighty-two dollars (\$82).

(c) A fee described in subsection (b) that is collected under the International Registration Plan shall be distributed as set forth in section 10.5 of this chapter.



(d) The fee described in subsection (b) that is not required to be distributed under subsection (c) shall be distributed as follows:

- (1) Twenty-five cents (\$0.25) to the state police building account.
- (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- (3) Two dollars and ninety cents (\$2.90) to the highway, road and street fund.
- (4) Twelve dollars (\$12) to the crossroads 2000 fund.
- (5) For a vehicle registered before July 1, 2019, as follows:
 - (A) One dollar and twenty-five cents (\$1.25) to the integrated public safety communications fund.
 - (B) Three dollars and ten cents (\$3.10) to the commission fund.
- (6) For a vehicle registered after June 30, 2019, four dollars and thirty-five cents (\$4.35) to the commission fund.
- (7) Any remaining amount to the motor vehicle highway account.

~~(e)~~ **(e) A permanent registration under subsection (b) must be renewed on an annual basis. The fee to renew a permanent registration is eight dollars and seventy-five cents (\$8.75). The fee is in addition to any applicable excise tax. and shall be distributed as follows:**

(f) A fee described in subsection (e) that is collected under the International Registration Plan shall be distributed as set forth in section 10.5 of this chapter.

(g) A fee described in subsection (e) that is not required to be distributed under subsection (f) shall be distributed as follows:

- (1) Twenty-five cents (\$0.25) to the state police building account.
- (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- (3) Three dollars (\$3) to the crossroads 2000 fund.
- (4) Three dollars and ten cents (\$3.10) to the commission fund.
- (5) Any remaining amount to the motor vehicle highway account.

~~(h)~~ **(h) A permanent registration under subsection (b) may be transferred under IC 9-18.1-11.**

~~(i)~~ **(i) A semitrailer that is registered under IC 9-18-10-2(a)(2) (before its expiration) or IC 9-18-10-2(a)(3) (before its expiration) remains valid until its expiration and is not subject to renewal under subsection (e): (e). This subsection expires July 1, 2020.**

SECTION 10. IC 9-18.1-5-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10.5. (a) This section applies after June 30, 2017.

(b) This section applies only to fees described in sections 8(a), 9(a), 10(b), and 10(e) of this chapter that are collected under the International Registration Plan.



(c) **The fees collected under the International Registration Plan during each state fiscal year shall be distributed as follows:**

(1) **The first one hundred twenty-five thousand dollars (\$125,000) to the state police building account.**

(2) **Five percent (5%) of the total fees collected (without regard to the distribution under subdivision (1)) to the local road and bridge matching grant fund established by IC 8-23-30.**

(3) **Any remaining amounts to the motor vehicle highway account."**

Page 36, line 13, after "vehicle" insert **"with a declared gross weight equal to or less than twenty-six thousand (26,000) pounds"**.

Page 36, line 30, delete "may accept a voucher from the department of".

Page 36, line 31, delete "state revenue showing payment of the fee for a motor vehicle" and insert **"shall collect an apportioned registration fee for any motor vehicle"**.

Page 38, delete lines 5 through 12, begin a new paragraph and insert:

"SECTION 55. IC 36-9-42.2-2, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. As used in this chapter, "eligible entity" means a county or municipality that ~~receives~~, **is eligible to receive**, directly or indirectly, federal funds **through a metropolitan planning organization or otherwise."**

Page 38, line 17, after "with" insert **"section 6(b) of"**.

Page 38, line 23, delete "allocated" and insert **"provided"**.

Page 38, delete lines 37 through 41.

Page 39, line 11, delete "or to an".

Page 39, line 12, delete "MPO member".

Page 39, line 15, delete "Except for design-build projects, the following must be" and insert **"Exchanged funds may be expended for any transportation purpose allowable under federal law."**

Page 39, delete lines 16 through 21.

Page 39, line 25, delete "full-time".

Page 39, line 26, delete "listed in subdivision (2)".

Page 39, line 37, delete "or an MPO member".

Page 39, line 39, delete "receive" and insert **"be awarded"**.

Page 40, line 3, delete "or MPO".

Page 40, line 4, delete "member".

Page 40, line 4, delete "reasonable." and insert **"reasonable after its selection of a consultant or consultants."**



Page 40, line 10, delete "or MPO member".

Page 40, line 17, delete "that year." and insert **"that year and notify the budget agency of the amount."**

Page 40, line 17, delete "By November 1 of each year, the department".

Page 40, delete lines 18 through 19, begin a new paragraph and insert:

"(b) After review by the budget committee and after approval by the budget director, the department shall exchange one hundred percent (100%) of the local share for state dollars.

(c) The department shall allocate the exchanged funds for the following purposes:

(1) To be distributed to eligible entities for projects under the program in accordance with federal law regarding distributions between areas within a metropolitan planning organization and areas not within a metropolitan planning organization.

(2) To be available for direct distribution to eligible entities for projects or annual services including, but not limited to, federally required bridge inspections."

Page 40, line 20, delete "(b)" and insert **"(d)"**.

Page 40, line 21, delete "that exceed the local share." and insert **"at any time."**

Page 40, line 22, delete "to exceed the local share,".

Page 40, line 23, strike "adequate" and insert **"additional"**.

Page 40, line 23, strike "to".

Page 40, line 23, delete "allocate".

Page 40, line 24, delete "additional state funds to" and insert **"for"**.

Page 40, line 24, delete "beyond the local share".

Page 40, line 25, delete "amount".

Page 40, delete lines 29 through 31.

Page 40, line 36, after "department" insert **"or to a metropolitan planning organization"**.

Page 40, line 38, after "department;" insert **"and"**.

Page 40, delete lines 39 through 41.

Page 40, line 42, delete "(4)" and insert **"(2)"**.

Page 40, line 42, delete "entity's" and insert **"entity"**.

Page 41, line 1, delete "fiscal body".

Page 41, delete lines 4 through 5.

Page 41, delete lines 25 through 41.

Page 42, line 35, delete "awarded exchanged funds to eligible".

Page 42, line 36, delete "entities and".



Page 42, line 36, strike "exchange agreements entered into".

Page 42, line 36, delete "with" and insert "**awarded exchanged funds to eligible entities**".

Page 42, line 37, delete "metropolitan planning organizations".

Page 43, between lines 13 and 14, begin a new paragraph and insert:

"(c) IC 9-18.1-5-9, as amended by this act, applies to registrations after June 30, 2017."

Page 43, line 14, delete "(c)" and insert "(d)".

Page 43, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 72. [EFFECTIVE UPON PASSAGE] (a) IC 6-6-4.1-4.5, as amended by this act, applies to the collection of the motor fuel surcharge tax imposed on the consumption of special fuel that is not an alternative fuel as follows:

(1) For special fuel received by a licensed supplier in Indiana for sale or resale in Indiana, the special fuel received after June 30, 2017.

(2) For special fuel subject to a tax precollection agreement under IC 6-6-2.5-35(j), the special fuel removed after June 30, 2017, by a licensed supplier from a terminal outside Indiana for sale for export or for export to Indiana.

(3) For special fuel imported into Indiana, other than into a terminal, the special fuel imported into Indiana after June 30, 2017, as measured by invoiced gallons received at a terminal or at a bulk plant.

(b) This SECTION expires June 30, 2018."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1002 as introduced.)

SOLIDAY

Committee Vote: yeas 8, nays 5.

