



February 10, 2017

HOUSE BILL No. 1002

DIGEST OF HB 1002 (Updated February 8, 2017 3:36 pm - DI 58)

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 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
(Continued next page)

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

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

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.
February 9, 2017, amended, reported — Do Pass.

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Digest Continued

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 beginning in 2018. 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. 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.

HB 1002—LS 7350/DI 58



February 10, 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**

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- 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~~) Sixty-four and two hundred eighty-five thousandths
 4 percent (~~64.285%~~) to the state general fund.

5 **(2) For state fiscal year 2018 and thereafter, the following:**

6 **(A) Fourteen and two hundred eighty-six thousandths**
 7 **percent (14.286%) of the collections shall be deposited in**
 8 **the motor vehicle highway account (IC 8-14-1).**

9 **(B) Twenty-one and four hundred twenty-nine thousandths**
 10 **percent (21.429%) of the collections shall be deposited in**
 11 **the local road and bridge matching grant fund**
 12 **(IC 8-23-30-2).**

13 **(C) Sixty-four and two hundred eighty-five thousandths**
 14 **percent (64.285%) of the collections shall be deposited in**
 15 **the state highway fund (IC 8-23-9-54).**

16 (d) The department shall deposit those collections described in
 17 subsection (b)(2) in the following manner:

18 (1) Ninety-nine and eight hundred thirty-eight thousandths
 19 percent (99.838%) of the collections shall be paid into the state
 20 general fund.

21 (2) Thirty-one thousandths of one percent (0.031%) of the
 22 collections shall be deposited into the industrial rail service fund
 23 established under IC 8-3-1.7-2.

24 (3) One hundred thirty-one thousandths of one percent (0.131%)
 25 of the collections shall be deposited into the commuter rail service
 26 fund established under IC 8-3-1.5-20.5.

27 SECTION 3. IC 6-3.5-4-3, AS AMENDED BY P.L.205-2013,
 28 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2017]: Sec. 3. If an adopting entity adopts an ordinance
 30 imposing the surtax after December 31 but before ~~July~~ **September 1** of
 31 the following year, a motor vehicle is subject to the tax if it is registered
 32 in the county after December 31 of the year in which the ordinance is
 33 adopted. If an adopting entity adopts an ordinance imposing the surtax
 34 after ~~June 30~~ **August 31** but before the following January 1, a motor
 35 vehicle is subject to the tax if it is registered in the county after
 36 December 31 of the year following the year in which the ordinance is
 37 adopted. However, in the first year the surtax is effective, the surtax
 38 does not apply to the registration of a motor vehicle for the registration
 39 year that commenced in the calendar year preceding the year the surtax
 40 is first effective.

41 SECTION 4. IC 6-3.5-4-4, AS AMENDED BY P.L.205-2013,
 42 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2017]: Sec. 4. (a) After January 1 but before ~~July~~ **September**
 2 1 of any year, the adopting entity may, subject to the limitations
 3 imposed by subsection (b), adopt an ordinance to rescind the surtax. If
 4 the adopting entity adopts such an ordinance, the surtax does not apply
 5 to a motor vehicle registered after December 31 of the year the
 6 ordinance is adopted.

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

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

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

15 SECTION 5. IC 6-3.5-4-5, AS AMENDED BY P.L.205-2013,
 16 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2017]: Sec. 5. (a) The adopting entity may, subject to the
 18 limitations imposed by subsection (b), adopt an ordinance to increase
 19 or decrease the surtax rate or amount. The new surtax rate or amount
 20 must be within the range of rates or amounts prescribed by section 2 of
 21 this chapter. A new rate or amount that is established by an ordinance
 22 that is adopted after December 31 but before ~~July~~ **September** 1 of the
 23 following year applies to motor vehicles registered after December 31
 24 of the year in which the ordinance to change the rate or amount is
 25 adopted. A new rate or amount that is established by an ordinance that
 26 is adopted after ~~June 30~~ **August 31** but before January 1 of the
 27 following year applies to motor vehicles registered after December 31
 28 of the year following the year in which the ordinance is adopted.

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

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

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

35 SECTION 6. IC 6-3.5-4-6, AS AMENDED BY P.L.205-2013,
 36 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]: Sec. 6. If an adopting entity adopts an ordinance to
 38 impose, rescind, or change the rate or amount of the surtax, the
 39 adopting entity shall send a copy of the ordinance to the commissioner
 40 of the bureau of motor vehicles. **To be put into effect the following**
 41 **year, the ordinance must be received by the bureau of motor**
 42 **vehicles before September 15 of the year the ordinance is adopted.**



1 **An ordinance that is received by the bureau of motor vehicles after**
 2 **the September 15 deadline is to be treated as an ordinance adopted**
 3 **after September 1 of that year.**

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

12 (b) On or before ~~August~~ **October** 1 of each year, the auditor of a
 13 county that does not contain a consolidated city of the first class and
 14 that has adopted the surtax shall provide the county and each city and
 15 town in the county with an estimate of the surtax revenues to be
 16 distributed to that unit during the next calendar year. The county, city,
 17 or town shall show the estimated surtax revenues in its budget estimate
 18 for the calendar year.

19 SECTION 8. IC 6-3.5-5-5, AS AMENDED BY P.L.205-2013,
 20 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2017]: Sec. 5. If an adopting entity adopts an ordinance
 22 imposing the wheel tax after December 31 but before ~~July~~ **September**
 23 1 of the following year, a vehicle described in section 2(a) of this
 24 chapter is subject to the tax if it is registered in the county after
 25 December 31 of the year in which the ordinance is adopted. If an
 26 adopting entity adopts an ordinance imposing the wheel tax after ~~June~~
 27 ~~30~~ **August 31** but before the following January 1, a vehicle described
 28 in section 2(a) of this chapter is subject to the tax if it is registered in
 29 the county after December 31 of the year following the year in which
 30 the ordinance is adopted. However, in the first year the tax is effective,
 31 the tax does not apply to the registration of a motor vehicle for the
 32 registration year that commenced in the calendar year preceding the
 33 year the tax is first effective.

34 SECTION 9. IC 6-3.5-5-6, AS AMENDED BY P.L.205-2013,
 35 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2017]: Sec. 6. (a) After January 1 but before ~~July~~ **September**
 37 1 of any year, the adopting entity may, subject to the limitations
 38 imposed by subsection (b), adopt an ordinance to rescind the wheel tax.
 39 If the adopting entity adopts such an ordinance, the wheel tax does not
 40 apply to a vehicle registered after December 31 of the year the
 41 ordinance is adopted.

42 (b) The adopting entity may not adopt an ordinance to rescind the



1 wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4
 2 to rescind the annual license excise surtax. In addition, the adopting
 3 entity may not adopt an ordinance to rescind the wheel tax if:

- 4 (1) any portion of a loan obtained by the county under IC 8-14-8
 5 is unpaid; or
 6 (2) any bonds issued by the county under IC 8-14-9 are
 7 outstanding.

8 SECTION 10. IC 6-3.5-5-7, AS AMENDED BY P.L.205-2013,
 9 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2017]: Sec. 7. (a) The adopting entity may, subject to the
 11 limitations imposed by subsection (b), adopt an ordinance to increase
 12 or decrease the wheel tax rates. The new wheel tax rates must be within
 13 the range of rates prescribed by section 2 of this chapter. New rates that
 14 are established by an ordinance that is adopted after December 31 but
 15 before ~~July~~ **September 1** of the following year apply to vehicles
 16 registered after December 31 of the year in which the ordinance to
 17 change the rates is adopted. New rates that are established by an
 18 ordinance that is adopted after ~~June 30~~ **August 31** but before ~~July 1~~ **of**
 19 the following year **January 1** apply to motor vehicles registered after
 20 December 31 of the year following the year in which the ordinance is
 21 adopted.

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

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

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

- 33 (1) the commissioner of the bureau of motor vehicles; **and**
 34 (2) **the department of state revenue.**

35 **To be put into effect the following year, the ordinance must be**
 36 **received by the bureau of motor vehicles before September 15 of**
 37 **the year the ordinance is adopted. An ordinance that is received by**
 38 **the bureau of motor vehicles after the September 15 deadline is to**
 39 **be treated as an ordinance adopted after September 1 of that year.**

40 SECTION 12. IC 6-3.5-5-16 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 16. (a) On or before
 42 ~~August~~ **October 1** of each year, the auditor of a county that contains a



1 consolidated city of the first class and that has adopted the wheel tax
 2 shall provide the county council with an estimate of the wheel tax
 3 revenues to be received by the county during the next calendar year.
 4 The county shall show the estimated wheel tax revenues in its budget
 5 estimate for the calendar year.

6 (b) On or before ~~August~~ **October** 1 of each year, the auditor of a
 7 county that does not contain a consolidated city of the first class and
 8 that has adopted the wheel tax shall provide the county and each city
 9 and town in the county with an estimate of the wheel tax revenues to be
 10 distributed to that unit during the next calendar year. The county, city,
 11 or town shall show the estimated wheel tax revenues in its budget
 12 estimate for the calendar year.

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

- 17 (1) "Adopting municipality" means an eligible municipality that
 18 has adopted the surtax.
 19 (2) "Eligible municipality" means a municipality having a
 20 population of at least ~~ten five~~ thousand (~~10,000~~): **(5,000)**.
 21 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.
 22 (4) "Fiscal officer" has the meaning set forth in IC 36-1-2-7.
 23 (5) "Motor vehicle" means a vehicle that is subject to the annual
 24 license excise tax imposed under IC 6-6-5.
 25 (6) "Municipality" has the meaning set forth in IC 36-1-2-11.
 26 (7) "Surtax" means the annual license excise surtax imposed by
 27 the fiscal body of an eligible municipality under this chapter.
 28 (8) "Transportation asset management plan" includes planning for
 29 drainage systems and rights-of-way that affect transportation
 30 assets.

31 SECTION 14. IC 6-3.5-10-3, AS ADDED BY P.L.146-2016,
 32 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2017]: Sec. 3. If the fiscal body of an eligible municipality
 34 adopts an ordinance imposing the surtax after December 31 but before
 35 ~~July~~ **September** 1 of the following year, a motor vehicle is subject to
 36 the tax if the motor vehicle is registered in the adopting municipality
 37 after December 31 of the year in which the ordinance is adopted. If the
 38 fiscal body of an eligible municipality adopts an ordinance imposing
 39 the surtax after ~~June 30~~ **August 31** but before the following January 1,
 40 a motor vehicle is subject to the tax if the motor vehicle is registered in
 41 the adopting municipality after December 31 of the year following the
 42 year in which the ordinance is adopted. However, in the first year the



1 surtax is effective, the surtax does not apply to the registration of a
 2 motor vehicle for the registration year that commenced in the calendar
 3 year preceding the year the surtax is first effective.

4 SECTION 15. IC 6-3.5-10-4, AS ADDED BY P.L.146-2016,
 5 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]: Sec. 4. (a) After January 1 but before ~~July~~ **September**
 7 1 of any year, the fiscal body of an adopting municipality may, subject
 8 to the limitations imposed by subsection (b), adopt an ordinance to
 9 rescind the surtax. If a fiscal body adopts an ordinance to rescind the
 10 surtax, the surtax does not apply to a motor vehicle registered after
 11 December 31 of the year in which the ordinance is adopted.

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

15 SECTION 16. IC 6-3.5-10-5, AS ADDED BY P.L.146-2016,
 16 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2017]: Sec. 5. The fiscal body of an adopting municipality
 18 may adopt an ordinance to increase or decrease the surtax amount. The
 19 new surtax amount must be within the range of amounts prescribed by
 20 section 2 of this chapter. A new amount that is established by an
 21 ordinance that is adopted after December 31 but before ~~July~~
 22 **September 1** of the following year applies to motor vehicles registered
 23 after December 31 of the year in which the ordinance to change the
 24 amount is adopted. A new amount that is established by an ordinance
 25 that is adopted after ~~June 30~~ **August 31** but before January 1 of the
 26 following year applies to motor vehicles registered after December 31
 27 of the year following the year in which the ordinance is adopted.

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

39 SECTION 18. IC 6-3.5-10-11, AS ADDED BY P.L.146-2016,
 40 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2017]: Sec. 11. On or before ~~August~~ **October** 1 of each year,
 42 the fiscal officer of an adopting municipality shall provide the fiscal



1 body of the adopting municipality with an estimate of the surtax
 2 revenues to be received by the adopting municipality during the next
 3 calendar year. The adopting municipality shall include the estimated
 4 surtax revenues in the adopting municipality's budget estimate for the
 5 calendar year.

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

- 10 (1) "Adopting municipality" means an eligible municipality that
- 11 has adopted the wheel tax.
- 12 (2) "Branch office" means a branch office of the bureau of motor
- 13 vehicles.
- 14 (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).
- 15 (4) "Commercial vehicle" has the meaning set forth in
- 16 IC 6-6-5.5-1(c).
- 17 (5) "Department" refers to the department of state revenue.
- 18 (6) "Eligible municipality" means a municipality having a
- 19 population of at least ~~ten five~~ thousand ~~(10,000)~~: **(5,000)**.
- 20 (7) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).
- 21 (8) "Political subdivision" has the meaning set forth in
- 22 IC 34-6-2-110.
- 23 (9) "Recreational vehicle" has the meaning set forth in
- 24 IC 9-13-2-150.
- 25 (10) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).
- 26 (11) "State agency" has the meaning set forth in IC 34-6-2-141.
- 27 (12) "Tractor" has the meaning set forth in IC 9-13-2-180.
- 28 (13) "Trailer" has the meaning set forth in IC 9-13-2-184(a).
- 29 (14) "Transportation asset management plan" includes planning
- 30 for drainage systems and rights-of-way that affect transportation
- 31 assets.
- 32 (15) "Truck" has the meaning set forth in IC 9-13-2-188(a).
- 33 (16) "Wheel tax" means the tax imposed under this chapter.

34 SECTION 20. IC 6-3.5-11-5, AS ADDED BY P.L.146-2016,
 35 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2017]: Sec. 5. If the fiscal body of an eligible municipality
 37 adopts an ordinance imposing the wheel tax after December 31 but
 38 before ~~July~~ **September 1** of the following year, a vehicle described in
 39 section 2(a) of this chapter is subject to the tax if the vehicle is
 40 registered in the adopting municipality after December 31 of the year
 41 in which the ordinance is adopted. If a fiscal body adopts an ordinance
 42 imposing the wheel tax after ~~June 30~~ **August 31** but before the



1 following January 1, a vehicle described in section 2(a) of this chapter
 2 is subject to the tax if the vehicle is registered in the adopting
 3 municipality after December 31 of the year following the year in which
 4 the ordinance is adopted. However, in the first year the tax is effective,
 5 the tax does not apply to the registration of a motor vehicle for the
 6 registration year that commenced in the calendar year preceding the
 7 year the tax is first effective.

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

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

20 SECTION 22. IC 6-3.5-11-7, AS ADDED BY P.L.146-2016,
 21 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2017]: Sec. 7. The fiscal body of an adopting municipality
 23 may adopt an ordinance to increase or decrease the wheel tax rates. The
 24 new wheel tax rates must be within the range of rates prescribed by
 25 section 2 of this chapter. New rates that are established by an ordinance
 26 that is adopted after December 31 but before ~~July~~ **September** 1 of the
 27 following year apply to vehicles registered after December 31 of the
 28 year in which the ordinance to change the rates is adopted. New rates
 29 that are established by an ordinance that is adopted after ~~June 30~~
 30 **August 31** but before July 1 of the following year apply to motor
 31 vehicles registered after December 31 of the year following the year in
 32 which the ordinance is adopted.

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

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

40 **To be put into effect the following year, the ordinance must be**
 41 **received by the bureau of motor vehicles before September 15 of**
 42 **the year the ordinance is adopted. An ordinance that is received by**



1 **the bureau of motor vehicles after the September 15 deadline is to**
 2 **be treated as an ordinance adopted after September 1 of that year.**

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

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

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

25 **(1) Before July 1, 2017, eighteen cents (\$0.18).**

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-eight cents (\$0.28).**

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 SECTION 26. IC 6-6-1.1-801.5 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 801.5. (a) The
 42 administrator shall transfer ~~one-ninth (1/9)~~ **the first seventy million**



1 **dollars (\$70,000,000)** of the taxes that are collected under this chapter
 2 **during a state fiscal year** to the state highway road construction and
 3 improvement fund.

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

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

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

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

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

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

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

41 (f) (d) All amounts distributed under subsection (d) (b) may only be
 42 used for purposes that money distributed from the motor vehicle



1 highway account may be expended under IC 8-14-1.

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

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

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

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

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

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

14 **Sec. 2. (a) The department shall determine a new tax rate for**
15 **gasoline, special fuel, and the motor carrier surcharge tax to take**
16 **effect July 1, 2017. The department shall determine the new rate**
17 **before June 1, 2017. The new rate shall be determined by using**
18 **annual factors and applying a method that is based on an annual**
19 **factor being in place each year from the beginning of the period**
20 **specified for each factor and that uses the resulting rounded rate**
21 **for purposes of determining the following year rate change.**

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

24 **STEP ONE: Determine the year over year change in the**
25 **CPI-U beginning in 2003 through 2016.**

26 **STEP TWO: Determine the year over year change in the IPI**
27 **beginning in 2003 through 2016.**

28 **STEP THREE: Add for each year:**

29 (A) the STEP ONE result; and

30 (B) the STEP TWO result.

31 **STEP FOUR: Divide the STEP THREE result by two (2).**

32 (c) The special fuel index factor and motor carrier surcharge tax
33 index factor to be used each year equals the following:

34 **STEP ONE: Determine the year over year change in the**
35 **CPI-U beginning in 1989 through 2016.**

36 **STEP TWO: Determine the year over year change in the IPI**
37 **beginning in 1989 through 2016.**

38 **STEP THREE: Add for each year:**

39 (A) the STEP ONE result; and

40 (B) the STEP TWO result.

41 **STEP FOUR: Divide the STEP THREE result by two (2).**

42 **Sec. 3. (a) The department shall calculate an annual index factor**



1 to be used for the rate to take effect each July 1 beginning in 2018.
 2 The department shall determine the index factor before June 1 of
 3 each year using the method described in subsection (b).

4 (b) The annual gasoline tax index factor, special fuel index
 5 factor, and motor carrier surcharge tax index factor equals the
 6 following:

7 STEP ONE: Divide the annual CPI-U for the year preceding
 8 the determination year by the annual CPI-U for the year
 9 immediately preceding that year.

10 STEP TWO: Divide the annual IPI for the year preceding the
 11 determination year by the annual IPI for the year
 12 immediately preceding that year.

13 STEP THREE: Add:

14 (A) the STEP ONE result; and

15 (B) the STEP TWO result.

16 STEP FOUR: Divide the STEP THREE result by two (2).

17 SECTION 28. IC 6-6-2.5-22.5 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: Sec. 22.5. As used in this chapter,
 20 "special fuel gallon" means:

21 (1) except as provided in subdivisions (2) and (3), a gallon of
 22 special fuel;

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

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

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

31 (1) gallon;

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

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

36 is imposed on all special fuel sold or used in producing or generating
 37 power for propelling motor vehicles, except fuel used under section
 38 30(a)(8) or 30.5 of this chapter, at the applicable rate specified in
 39 subsection (b). The tax shall be paid at those times, in the manner, and
 40 by those persons specified in this section and section 35 of this chapter.

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



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

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-six cents (\$0.26).

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

19 ~~(e)~~ (d) Except as provided in subsection ~~(d)~~, (e), the tax imposed on
20 special fuel by subsection (a) shall be measured by invoiced gallons (or
21 diesel or gasoline gallon equivalents in the case of a special fuel
22 described in ~~subsection (a)(2) or (a)(3)~~ **section 22.5(2) or 22.5(3) of**
23 **this chapter** of nonexempt special fuel received by a licensed supplier
24 in Indiana for sale or resale in Indiana or with respect to special fuel
25 subject to a tax precollection agreement under section 35(d) of this
26 chapter, such special fuel removed by a licensed supplier from a
27 terminal outside of Indiana for sale for export or for export to Indiana
28 and in any case shall generally be determined in the same manner as
29 the tax imposed by Section 4081 of the Internal Revenue Code and
30 Code of Federal Regulations.

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

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

41 ~~(f)~~ (g) The department shall consider it a rebuttable presumption
42 that special fuel consumed in a motor vehicle plated for general



1 highway use is subject to the tax imposed under this chapter. A person
 2 claiming exempt use of special fuel in such a vehicle must maintain
 3 adequate records as required by the department to document the
 4 vehicle's taxable and exempt use.

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

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

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

- 16 (1) violates; or
- 17 (2) aids or abets another person to violate;

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

22 SECTION 30. IC 6-6-2.5-62, AS AMENDED BY P.L.158-2013,
 23 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: Sec. 62. (a) No person shall import, sell, use,
 25 deliver, or store in Indiana special fuel in bulk as to which dye or a
 26 marker, or both, has not been added in accordance with section 31 of
 27 this chapter, or as to which the tax imposed by this chapter has not
 28 been paid to or accrued by a licensed supplier or licensed permissive
 29 supplier as shown by a notation on a terminal-issued shipping paper
 30 subject to the following exceptions:

- 31 (1) A supplier shall be exempt from this provision with respect to
 32 special fuel manufactured in Indiana or imported by pipeline or
 33 waterborne barge and stored within a terminal in Indiana.
- 34 (2) An end user shall be exempt from this provision with respect
 35 to special fuel in a vehicle supply tank when the fuel was placed
 36 in the vehicle supply tank outside of Indiana.
- 37 (3) A licensed importer, and transporter operating on the
 38 importer's behalf, that transports in vehicles with a capacity of
 39 more than five thousand four hundred (5,400) gallons shall be
 40 exempt from this prohibition if the importer or the transporter has
 41 met all of the following conditions:

- 42 (A) The importer or the transporter before entering onto the



- 1 highways of Indiana has obtained an import verification
 2 number from the department not earlier than twenty-four (24)
 3 hours before entering Indiana.
- 4 (B) The import verification number must be set out
 5 prominently and indelibly on the face of each copy of the
 6 terminal-issued shipping paper carried on board the transport
 7 truck.
- 8 (C) The terminal origin and the importer's name and address
 9 must be set out prominently on the face of each copy of the
 10 terminal-issued shipping paper.
- 11 (D) The terminal-issued shipping paper data otherwise
 12 required by this chapter is present.
- 13 (E) All tax imposed by this chapter with respect to previously
 14 requested import verification number activity on the account
 15 of the importer or the transporter has been timely remitted.
- 16 In every case, a transporter acting in good faith is entitled to rely upon
 17 representations made to the transporter by the fuel supplier or importer
 18 and when acting in good faith is not liable for the negligence or
 19 malfeasance of another person. A person who knowingly violates or
 20 knowingly aids and abets another person in violating this subsection
 21 commits a Level 6 felony.
- 22 (b) No person shall export special fuel from Indiana unless that
 23 person has obtained an exporter's license or a supplier's license or has
 24 paid the destination state special fuel tax to the supplier and can
 25 demonstrate proof of export in the form of a destination state bill of
 26 lading. A person who knowingly violates or knowingly aids and abets
 27 another person in violating this subsection commits a Level 6 felony.
- 28 (c) No person shall operate or maintain a motor vehicle on any
 29 public highway in Indiana with special fuel contained in the fuel supply
 30 tank for the motor vehicle that contains dye or a marker, or both, as
 31 provided under section 31 of this chapter. This provision does not
 32 apply to persons operating motor vehicles that have received fuel into
 33 their fuel tanks outside of Indiana in a jurisdiction that permits
 34 introduction of dyed or marked, or both, special fuel of that color and
 35 type into the motor fuel tank of highway vehicles or to a person that
 36 qualifies for the federal fuel tax exemption under Section 4082 of the
 37 Internal Revenue Code and that is registered with the department as a
 38 dyed fuel user. A person who knowingly:
- 39 (1) violates; or
 40 (2) aids and abets another person in violating;
 41 this subsection commits a Class A infraction. However, the violation
 42 is a Class A misdemeanor if the person has committed one (1) prior



1 unrelated violation of this subsection, and a Level 6 felony if the person
 2 has committed more than one (1) prior unrelated violation of this
 3 subsection.

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

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

16 (1) under claim of exempt use, a notation describing the load or
 17 the appropriate portion of the load as Indiana tax exempt special
 18 fuel;

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

22 (3) if imported by or on behalf of a licensed importer instead of
 23 the pretaxed notation, a valid verification number provided before
 24 entry into Indiana by the department or the department's designee
 25 or appointee, and the valid verification number may be
 26 handwritten on the shipping paper by the transporter or importer.

27 A person is in violation of subdivision (1) or (2) (whichever applies) if
 28 the person boards the vehicle with a shipping paper that does not meet
 29 the requirements described in the applicable subdivision (1) or (2). A
 30 person in violation of this subsection commits a Class A infraction (as
 31 defined in IC 34-28-5-4).

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

40 (1) violates; or

41 (2) aids and abets another in violating;

42 this subsection commits a Level 6 felony.



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

2 (1) A person that:

3 (A) inadvertently manipulates the dye or marker concentration
4 of special fuel or coloration of special fuel; and

5 (B) contacts the department within one (1) business day after
6 the date on which the contamination occurs.

7 (2) A person that affects the dye or marker concentration of
8 special fuel by engaging in the blending of the fuel, if the blender:

9 (A) collects or remits, or both, all tax due as provided in
10 section ~~28(g)~~ **28(h)** of this chapter;

11 (B) maintains adequate records as required by the department
12 to account for the fuel that is blended and its status as a
13 taxable or exempt sale or use; and

14 (C) is otherwise in compliance with this subsection.

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

20 (h) This subsection does not apply to a person that receives blended
21 fuel from a person in compliance with subsection (g)(2). A person may
22 not sell or consume special fuel if the special fuel dye or marker
23 concentration or coloration has been manipulated, inadvertently or
24 otherwise, after the special fuel has been removed from a terminal or
25 refinery rack for sale or use in Indiana. A person who knowingly:

26 (1) violates; or

27 (2) aids and abets another to violate;

28 this subsection commits a Level 6 felony.

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

32 (1) violates; or

33 (2) aids and abets another to violate;

34 this subsection commits a Level 6 felony.

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

40 (b) The department shall impose a civil penalty of one thousand
41 dollars (\$1,000) for a person's first occurrence of transporting special
42 fuel without adequate shipping papers as required under sections 40,



1 41(g), and 62(e) of this chapter, unless the person shall have complied
 2 with rules adopted under IC 4-22-2. Each subsequent occurrence
 3 described in this subsection is subject to a civil penalty of five thousand
 4 dollars (\$5,000).

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

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

15 (2) the use of special fuel in violation of section ~~28(i)~~ **28(j)** of this
 16 chapter.

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

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

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

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

23 (e) The department may impose a civil penalty of one thousand
 24 dollars (\$1,000) for each occurrence against every terminal operator
 25 that fails to meet shipping paper issuance requirements under section
 26 40 of this chapter.

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

29 (1) a valid importer license;

30 (2) a supplier license;

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

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

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

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

40 (1) person that manipulates the dye or marker concentration of
 41 special fuel or the coloration of special fuel after the special fuel
 42 is removed from a terminal or refinery rack for sale or use in



- 1 Indiana; and
- 2 (2) person that receives the special fuel;
- 3 are jointly and severally liable for the special fuel tax due on the
- 4 portion of untaxed fuel plus a penalty equal to the greater of one
- 5 hundred percent (100%) of the tax due or one thousand dollars
- 6 (\$1,000).
- 7 (h) A person that engages in blending fuel for taxable sale or use in
- 8 Indiana and does not collect and remit all tax due on untaxed fuel that
- 9 is blended is liable for the tax due plus a penalty that is equal to the
- 10 greater of one hundred percent (100%) of the tax due or one thousand
- 11 dollars (\$1,000).
- 12 SECTION 32. IC 6-6-4.1-4, AS AMENDED BY P.L.277-2013,
- 13 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 14 JULY 1, 2017]: Sec. 4. (a) A tax is imposed on the consumption of
- 15 motor fuel by a carrier in its operations on highways in Indiana. The
- 16 rate of this tax is determined as follows:
- 17 (1) When imposed upon the consumption of gasoline or special
- 18 fuel (other than a special fuel that is an alternative fuel), the tax
- 19 rate is the same rate per gallon as the rate per gallon at which
- 20 special fuel is taxed under IC 6-6-2.5 **plus, for a carrier that has**
- 21 **paid the surcharge tax at the time of purchasing special fuel**
- 22 **that is not an alternative fuel, the surcharge tax rate under**
- 23 **section 4.5 of this chapter for those gallons purchased.**
- 24 (2) When imposed upon the consumption of a special fuel that is
- 25 an alternative fuel, the tax rate is either of the following:
- 26 (A) The same rate per diesel gallon equivalent as the rate per
- 27 gallon at which special fuel is taxed under IC 6-6-2.5, in the
- 28 case of liquid natural gas.
- 29 (B) The same rate per gasoline gallon equivalent at which
- 30 special fuel is taxed under IC 6-6-2.5, in the case of
- 31 compressed natural gas or an alternative fuel commonly or
- 32 commercially known or sold as butane or propane.
- 33 The tax shall be paid quarterly by the carrier to the department on or
- 34 before the last day of the month immediately following the quarter.
- 35 (b) The amount of motor fuel consumed by a carrier in its operations
- 36 on highways in Indiana is the total amount of motor fuel consumed in
- 37 its entire operations within and without Indiana, multiplied by a
- 38 fraction. The numerator of the fraction is the total number of miles
- 39 traveled on highways in Indiana, and the denominator of the fraction is
- 40 the total number of miles traveled within and without Indiana.
- 41 (c) The amount of tax that a carrier shall pay for a particular quarter
- 42 under this section equals the product of the tax rate in effect for that



1 quarter, multiplied by the amount of motor fuel consumed by the
 2 carrier in its operation on highways in Indiana and upon which the
 3 carrier has not paid tax imposed under IC 6-6-1.1, ~~or~~ IC 6-6-2.5, **or**
 4 **section 4.5 of this chapter.**

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

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

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

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

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

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

29 (1) ~~gallon of gasoline or special fuel (other than natural gas or an~~
 30 ~~alternative fuel commonly or commercially known or sold as~~
 31 ~~butane or propane);~~

32 (2) ~~diesel gallon equivalent of a special fuel that is liquid natural~~
 33 ~~gas; or~~

34 (3) ~~gasoline gallon equivalent of a special fuel that is compressed~~
 35 ~~natural gas or an alternative fuel commonly or commercially~~
 36 ~~known or sold as butane or propane.~~

37 **Beginning July 1, 2017, the surcharge tax that applies to special**
 38 **fuel that is not an alternative fuel shall be collected and remitted in**
 39 **the manner specified for the special fuel tax under IC 6-6-2.5 as**
 40 **required by the department. A carrier shall reconcile the amount**
 41 **owed under this section as part of the carrier's motor fuel use tax**
 42 **reconciliation under this chapter. However, for a carrier that has**



1 **not paid any surcharge tax at the time of purchase**, the tax shall be
 2 paid quarterly by the carrier to the department on or before the last day
 3 of the month immediately following the quarter.

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

6 **(1) Before July 1, 2017, eleven cents (\$0.11) per surcharge**
 7 **gallon.**

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

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

11 **(B) twenty-one cents (\$0.21).**

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

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

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

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

22 ~~(b)~~ **(d)** The amount of motor fuel consumed by a carrier in its
 23 operations on highways in Indiana is the total amount of motor fuel
 24 consumed in its entire operations within and without Indiana,
 25 multiplied by a fraction. The numerator of the fraction is the total
 26 number of miles traveled on highways in Indiana, and the denominator
 27 of the fraction is the total number of miles traveled within and without
 28 Indiana.

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

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

41 SECTION 34. IC 6-6-4.1-4.7 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.7. (a) This section



1 applies only to a claim for a proportional use credit under section 4(d)
 2 or ~~4.5(d)~~ **4.5(f)** of this chapter for taxes first due and payable after July
 3 31, 1999.

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

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

13 (1) The carrier's federal Social Security number or federal tax
 14 identification number.

15 (2) The address of the carrier's principal place of business.

16 (3) A description of each of the carrier's vehicles that has a
 17 common fuel supply reservoir for both locomotion on a public
 18 highway and a commercial purpose.

19 (4) The vehicle identification number for each vehicle described
 20 in subdivision (3).

21 (d) The department may certify that a carrier is qualified to claim a
 22 proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 23 chapter only upon payment by the carrier to the department of a one (1)
 24 time fee of seven dollars (\$7). The carrier must pay the fee at the time
 25 the application for certification is submitted to the department. The
 26 department shall deposit the fee in the motor carrier regulation fund
 27 established by IC 8-2.1-23-1.

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

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

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

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

40 SECTION 35. IC 6-6-4.1-4.8, AS AMENDED BY P.L.176-2006,
 41 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2017]: Sec. 4.8. (a) This section applies only to a claim for a



1 proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 2 chapter for taxes first due and payable after July 31, 1999.

3 (b) In order to obtain a proportional use credit against taxes imposed
 4 under section 4 or 4.5 of this chapter, a carrier must file a claim with
 5 the department. The claim must be submitted on a form prescribed by
 6 the department and must be filed with the quarterly return for the
 7 taxable period for which the proportional use credit is claimed. A
 8 carrier is not entitled to a proportional use credit under section 4(d) or
 9 ~~4.5(d)~~ **4.5(f)** of this chapter unless the carrier:

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

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

16 (c) The department shall determine the aggregate amount of
 17 proportional use credits claimed under section 4(d) or ~~4.5(d)~~ **4.5(f)** of
 18 this chapter for each quarter. The department may approve the full
 19 amount of a proportional use credit claimed by a carrier if the
 20 aggregate amount of proportional use credits claimed for the quarter
 21 and for the fiscal year do not exceed the limits set forth in subsection
 22 (d). If the aggregate amount of proportional use credits claimed in a
 23 quarter exceeds the limits set forth in subsection (d), the department
 24 shall pay the claims for that quarter on a pro rata basis.

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

- 30 (1) For the quarter ending September 30 of a year, an amount
 31 equal to one million three hundred seventy-five thousand dollars
 32 (\$1,375,000).
 33 (2) For the quarter ending December 31 of a year, an amount
 34 equal to:
 35 (A) six hundred twenty-five thousand dollars (\$625,000); plus
 36 (B) the greater of zero (0) or the result of:
 37 (i) the limit determined for the previous quarter under this
 38 subsection; minus
 39 (ii) the aggregate amount of claims approved for the
 40 previous quarter.
 41 (3) For the quarter ending March 31 of a year, an amount equal
 42 to:



- 1 (A) six hundred twenty-five thousand dollars (\$625,000); plus
 2 (B) the greater of zero (0) or the result of:
 3 (i) the limit determined for the previous quarter under this
 4 subsection; minus
 5 (ii) the aggregate amount of claims approved for the
 6 previous quarter.
- 7 (4) For the quarter ending June 30 of a year, an amount equal to:
 8 (A) eight hundred seventy-five thousand dollars (\$875,000);
 9 plus
 10 (B) the greater of zero (0) or the result of:
 11 (i) the limit determined for the previous quarter under this
 12 subsection; minus
 13 (ii) the aggregate amount of claims approved for the
 14 previous quarter.
- 15 SECTION 36. IC 6-6-4.1-5 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) The department
 17 shall deposit revenue collected under sections 4 and 12 of this chapter
 18 in the state highway fund (IC 8-23-9-54).
 19 (b) The department shall deposit revenue collected under section 4.5
 20 of this chapter as follows:
 21 (1) ~~Forty-five and one-half percent (45.5%)~~ **Forty-seven and**
 22 **seventy-five hundredths percent (47.75%)** in the state highway
 23 fund (IC 8-23-9-54).
 24 (2) ~~Forty-five and one-half percent (45.5%)~~ **Forty-seven and**
 25 **seventy-five hundredths percent (47.75%)** in the motor vehicle
 26 highway account (IC 8-14-1).
 27 (3) ~~Nine percent (9%)~~ **Four and five-tenths percent (4.5%)** in
 28 the motor carrier regulation fund administered by the department.
- 29 (c) The department shall deposit revenue collected under section 13
 30 of this chapter as follows:
 31 (1) Thirty-five percent (35%) in the motor vehicle highway
 32 account (IC 8-14-1).
 33 (2) Sixty-five percent (65%) in the state highway fund
 34 (IC 8-23-9-54).
- 35 SECTION 37. IC 6-6-4.1-6 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) A carrier is
 37 entitled to a credit against the tax imposed under section 4 of this
 38 chapter if the carrier, or a lessor operating under the carrier's annual
 39 permit, has:
 40 (1) paid the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 **and**
 41 **section 4.5 of this chapter** on motor fuel purchased in Indiana;
 42 (2) consumed the motor fuel outside Indiana; and



- 1 (3) paid a gasoline, special fuel, or road tax with respect to the
 2 fuel in one (1) or more other states or jurisdictions.
- 3 (b) The amount of credit for a quarter is equal to the tax paid under
 4 IC 6-6-1.1 and IC 6-6-2.5 on motor fuel that:
- 5 (1) was purchased in Indiana;
 6 (2) was consumed outside Indiana; and
 7 (3) with respect to which the carrier paid a gasoline, special fuel,
 8 or road tax to another state or jurisdiction.
- 9 (c) To qualify for the credit, the carrier shall submit any evidence
 10 required by the department of payment of the tax imposed under
 11 IC 6-6-1.1 or IC 6-6-2.5 **and section 4.5 of this chapter.**
- 12 (d) A credit earned by a carrier in a particular quarter shall be
 13 applied against the carrier's tax liability under this chapter for that
 14 quarter before any credit carryover is applied against that liability
 15 under section 7 of this chapter.
- 16 SECTION 38. IC 6-6-4.1-7 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) As used in this
 18 section, the credit of a carrier for any quarter is the amount by which
 19 the credit to which the carrier is entitled under section 6 of this chapter
 20 for that quarter exceeds the tax liability of the carrier under ~~section~~
 21 **sections 4 and 4.5** of this chapter for that quarter.
- 22 (b) The credit for any quarter shall be allowed as a credit against the
 23 tax for which the carrier would otherwise be liable in the quarter in
 24 which the credit accrued.
- 25 (c) A carrier is entitled to the refund of any credit not previously
 26 used to offset a tax liability or for any erroneously paid tax or penalty.
 27 To obtain the refund, the carrier shall submit to the department a
 28 properly completed application in accordance with rules adopted by the
 29 department under IC 4-22-2. The application must be submitted within
 30 three (3) years after the end of:
- 31 (1) the quarter in which the credit accrued; or
 32 (2) the calendar year that contains the taxable period in which the
 33 tax or penalty was erroneously paid.
- 34 Along with the application, the carrier shall submit any evidence
 35 required by the department and any reports required by the department
 36 under this chapter.
- 37 (d) The department shall pay interest on any part of a refund that is
 38 not made within ninety (90) days after the date on which all of the
 39 following have been completed:
- 40 (1) The filing of:
 41 (A) the properly completed application for refund; or
 42 (B) the quarterly return on which a refund is claimed.



- 1 (2) The submission of any evidence required by the department
 2 of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 **and**
 3 **section 4.5 of this chapter.**
- 4 (3) The submission of reports required by the department under
 5 this chapter.
- 6 (4) The furnishing of a surety bond, letter of credit, or cash
 7 deposit under section 8 of this chapter.
- 8 (e) The department shall pay interest at the rate established under
 9 IC 6-8.1-9 from the date of:
- 10 (1) the refund application;
- 11 (2) the due date of a timely filed quarterly return on which a
 12 refund is claimed; or
- 13 (3) the filing date of a quarterly return on which a refund is
 14 claimed, if the quarterly refund is filed after the due date of the
 15 quarterly return;
- 16 to a date determined by the department that does not precede the date
 17 on which the refund is made by more than thirty (30) days.
- 18 SECTION 39. IC 6-6-4.1-28 IS ADDED TO THE INDIANA CODE
 19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 20 1, 2017]: **Sec. 28. (a) A person that:**
- 21 **(1) is not a carrier; and**
- 22 **(2) owns a vehicle and purchases special fuel that is not an**
 23 **alternative fuel for the vehicle upon which the surcharge tax**
 24 **imposed by section 4.5 of this chapter is included;**
- 25 **is entitled to an annual refund for surcharge taxes paid on the**
 26 **special fuel consumed by that vehicle.**
- 27 **(b) The bureau of motor vehicles shall provide an annual refund**
 28 **of one hundred dollars (\$100) to each person for each vehicle**
 29 **described in subsection (a) at the time the owner registers the**
 30 **vehicle under IC 9-18.1.**
- 31 **(c) An owner of a vehicle described in subsection (a) who:**
- 32 **(1) is not required to register the owner's vehicle under**
 33 **IC 9-18.1; or**
- 34 **(2) pays more than one hundred dollars (\$100) in surcharge**
 35 **taxes for a particular vehicle during the previous registration**
 36 **year;**
- 37 **may claim a refund for annual surcharge taxes paid with regard to**
 38 **that vehicle. To obtain the refund, the person shall submit to the**
 39 **bureau of motor vehicles a properly completed refund claim in**
 40 **accordance with rules adopted by the bureau of motor vehicles**
 41 **commission under IC 4-22-2. A refund shall be paid from the funds**
 42 **and using the ratios specified in section 5(b) of this chapter.**



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

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

14 SCHEDULE

15 Motor Vehicle	16 Annual Fee
17 A passenger motor vehicle, truck, or bus, 18 the declared gross weight of which is 19 equal to or less than 9,000 pounds.	\$100 \$150
20 A recreational vehicle.	\$100 \$150
21 A truck or bus, the declared gross 22 weight of which is greater than 9,000 pounds 23 but equal to or less than 11,000 pounds.	\$175 \$262.50
24 An alternative fuel delivery truck powered 25 by alternative fuel, which is a truck the 26 declared gross weight of which is greater 27 than 11,000 pounds.	\$250 \$375
28 A truck or bus, the declared gross weight 29 of which is greater than 11,000 pounds, 30 except an alternative fuel delivery truck.	\$300 \$450
31 A tractor, designed to be used with a 32 semitrailer.	\$500 \$750

33 Only one (1) fee is required to be paid per motor vehicle per year.

34 (b) The annual fee may be prorated on a quarterly basis if:

- 35 (1) application is made after June 30 of a year; and
- 36 (2) the motor vehicle is newly:
 - 37 (A) converted to alternative fuel;
 - 38 (B) purchased; or
 - 39 (C) registered in Indiana.

40 SECTION 41. IC 6-8.1-3-27 IS ADDED TO THE INDIANA CODE
 41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 27. (a) The department shall research and
 analyze the following:

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- 1 **(1) The imposition of the gross retail tax on special fuel in**
 2 **Indiana and other states.**
 3 **(2) The gross retail tax exemptions that apply to special fuel**
 4 **purchases and the methods used to provide each exemption.**
 5 **(3) The use of a special fuel tax gallonage rate as a**
 6 **replacement for the gross retail tax on special fuel.**
 7 **(4) Options for replacing the current system.**
 8 **(5) Findings on the positives and negatives of each option.**
 9 **(6) Findings on the potential unintended consequences of each**
 10 **option.**
 11 **(7) An estimate of the costs of implementing each option.**
 12 **(b) A written report of the research, analysis, and findings shall**
 13 **be delivered to the funding Indiana's roads for a stronger, safer**
 14 **tomorrow task force under IC 2-5-41 before September 1, 2017.**
 15 **(c) The department shall provide its data, sources, and**
 16 **assumptions, and any documents prepared by the department as**
 17 **part of the report to the legislative services agency in an electronic**
 18 **format under IC 5-14-6.**
 19 **(d) This section expires December 31, 2017.**
 20 SECTION 42. IC 6-8.1-10-13, AS ADDED BY P.L.176-2006,
 21 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2017]: Sec. 13. (a) A person that:
 23 (1) obtains a permit, license plate, cab card, or any other
 24 credential issued by the registration center established under
 25 IC 6-8.1-4-4; and
 26 (2) alters **or violates the terms of** the permit, license plate, cab
 27 card, or other credential **under IC 6-8.1-4-4;**
 28 is subject to a civil penalty of five hundred dollars (\$500) for the first
 29 violation and one thousand dollars (\$1,000) for each subsequent
 30 violation.
 31 (b) A person that:
 32 (1) is required to obtain a permit, a license plate, a cab card, or
 33 other credential issued by the registration center established under
 34 IC 6-8.1-4-4; and
 35 (2) operates without obtaining ~~the required~~ a permit, license plate,
 36 cab card, or other credential **required under IC 6-8.1-4-4 or**
 37 **operates with an expired permit, license plate, cab card, or**
 38 **other credential required under IC 6-8.1-4-4;**
 39 is subject to a civil penalty of five thousand dollars (\$5,000) for each
 40 violation.
 41 (c) A civil penalty imposed under this section:
 42 (1) shall be deposited in the motor carrier regulation fund



1 established by IC 8-2.1-23-1; and

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

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

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

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

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

- 10 (1) plan;
11 (2) develop;
12 (3) install;
13 (4) maintain;
14 (5) monitor; and
15 (6) finance;

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

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

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

- 23 (1) Technical standards for the installation of electronic
24 weigh-in-motion stations, including:
25 (A) roadway sensors;
26 (B) cameras;
27 (C) laser measurement devices;
28 (D) roadway pressure sensors;
29 (E) speed sensors; and
30 (F) all other equipment necessary to establish electronic
31 weigh-in-motion stations.

32 (2) Weight tolerances for electronic weigh-in-motion stations,
33 frequency of testing of weight tolerances, and certification
34 programs for weight tolerances.

35 (3) Smoothness standards for approach and departure
36 pavement, and a program to monitor roadway smoothness
37 affecting electronic weigh-in-motion stations.

38 **Sec. 5. (a) The department may adopt emergency rules in the**
39 **manner provided under IC 4-22-2-37.1 to carry out this chapter.**

40 (b) An emergency rule adopted under subsection (a) expires on
41 the date a rule that supersedes the emergency rule is adopted by
42 the department under IC 4-22-2-22.5 through IC 4-22-2-36.



1 SECTION 44. IC 8-14-3-3 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 3 1, 2017]: **Sec. 3. (a) There is annually appropriated two hundred**
 4 **fifty thousand dollars (\$250,000) from the motor vehicle highway**
 5 **account to the department to develop and maintain a centralized**
 6 **electronic statewide asset management data base that may be used**
 7 **to aggregate data on local road conditions. The data base shall be**
 8 **developed in cooperation with the department and the office of**
 9 **management and budget.**

10 **(b) The department shall submit a written report on the**
 11 **department's progress in developing the data base described in**
 12 **subsection (a) to the funding Indiana's roads for a stronger, safer**
 13 **tomorrow task force under IC 2-5-41 in an electronic format under**
 14 **IC 5-14-6 before November 1, 2017.**

15 SECTION 45. IC 8-14-10-4 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. As used in this
 17 chapter, "state highway" means any highway that is designated as part
 18 of the state highway system under IC 8-23-4. The term includes all
 19 bridges, tunnels, overpasses, underpasses, **highway railroad**
 20 **crossings**, interchanges, entrance plazas, approaches, buildings, and
 21 facilities that the department considers necessary for the operation of
 22 the highway, together with all property, rights, easements, and interests
 23 that are acquired by the department for the construction or
 24 reconstruction of the highway.

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

- 34 **(1) after July 1, 2007, for a project that is not a highway**
 35 **railroad crossing upgrade project described in IC 8-14.5-8;**
 36 **and**
- 37 **(2) after June 30, 2025, for a highway railroad crossing**
 38 **upgrade project described in IC 8-14.5-8.**

39 **The amount of the bonds or notes issued for purposes of**
 40 **subdivision (2) may not cause the annual payments on all the bonds**
 41 **and notes for this purpose to exceed ten million dollars**
 42 **(\$10,000,000).**



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

4 **Chapter 8. State Highway Railroad Crossing Remediation**
 5 **Projects**

6 **Sec. 1. (a) The department may approve state highway railroad**
 7 **crossing remediation projects under this chapter for financing**
 8 **under this article.**

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

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

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

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

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

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

22 **Sec. 5. The authority may issue bonds or notes to finance a**
 23 **project approved by the department under this chapter using lease**
 24 **rentals for bond or note repayments. However, the annual**
 25 **payments on all the bonds and notes outstanding may not exceed**
 26 **ten million dollars (\$10,000,000).**

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

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

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



- 1 (2) in accordance with such alignment and design standards as
 2 shall be approved by the authority and subject to IC 8-9.5-8-10,
 3 issue toll road revenue bonds of the state payable solely from
 4 funds pledged for their payment, as authorized by this chapter, to
 5 pay the cost of such projects;
- 6 (3) finance, develop, construct, reconstruct, improve, or maintain
 7 improvements for manufacturing, commercial, or public
 8 transportation activities within a county through which a toll road
 9 passes;
- 10 (4) in cooperation with the Indiana department of transportation
 11 or a political subdivision, construct, reconstruct, or finance the
 12 construction or reconstruction of an arterial highway or an arterial
 13 street that is located within a county through which a toll road
 14 passes and that:
- 15 (A) interchanges with a toll road project; or
 16 (B) intersects with a road or a street that interchanges with a
 17 toll road project;
- 18 (5) finance improvements necessary for developing transportation
 19 corridors in northwestern Indiana; and
- 20 (6) exercise these powers in participation with any governmental
 21 entity or with any individual, partnership, limited liability
 22 company, or corporation.
- 23 (b) Notwithstanding subsection (a), the authority shall not construct,
 24 maintain, operate, nor contract for the construction, maintenance, or
 25 operation of transient lodging facilities on, or adjacent to, such toll road
 26 projects.
- 27 (c) This chapter:
- 28 (1) applies to the authority only when acting for the purposes set
 29 forth in this chapter; and
- 30 (2) does not apply to the authority when acting under any other
 31 statute for any other purpose.
- 32 ~~(d) Before the authority or an operator selected under IC 8-15.5 may~~
 33 ~~carry out any of the following activities under this chapter, the general~~
 34 ~~assembly must enact a statute authorizing that activity:~~
- 35 ~~(1) Imposing tolls on motor vehicles for use of Interstate Highway~~
 36 ~~69.~~
- 37 ~~(2) Imposing tolls on motor vehicles for use of a nontolled~~
 38 ~~highway, roadway, or other facility in existence or under~~
 39 ~~construction on July 1, 2011, including nontolled interstate~~
 40 ~~highways, U.S. routes, and state routes.~~
- 41 SECTION 49. IC 8-15-3-0.5 IS ADDED TO THE INDIANA CODE
 42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: **Sec. 0.5. As used in this chapter, "authority"**
 2 **refers to the Indiana finance authority established under IC 4-4-11.**

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

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

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

- 15 (1) adjacent or appurtenant to a tollway; or
 16 (2) necessary or desirable for the financing, construction,
 17 operation, or maintenance of a tollway.

18 (d) The department may, in any combination, plan, design, develop,
 19 construct, reconstruct, improve, maintain, repair, operate, or finance
 20 the construction or reconstruction of an arterial highway or an arterial
 21 street that:

- 22 (1) is adjacent to, appurtenant to, or interchanges with a tollway;
 23 or
 24 (2) intersects with a road or street that interchanges with a
 25 tollway.

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

- 29 (1) ~~Approve the location of a tollway other than a tollway that is~~
 30 ~~approved before July 1, 2011.~~
 31 (2) ~~Impose tolls on motor vehicles for use of Interstate Highway~~
 32 ~~69.~~

33 (f) ~~Notwithstanding subsection (e); during the period beginning July~~
 34 ~~1, 2011, and ending June 30, 2021, the general assembly is not required~~
 35 ~~to enact a statute authorizing the governor, the department, or an~~
 36 ~~operator to approve the location of a tollway with respect to the~~
 37 ~~following projects:~~

- 38 (1) ~~A project on which construction begins after June 30, 2011,~~
 39 ~~not including any part of Interstate Highway 69 other than a part~~
 40 ~~described in subdivision (4).~~
 41 (2) ~~The addition of toll lanes, including high occupancy toll lanes,~~
 42 ~~to a highway, roadway, or other facility in existence on July 1,~~



1 2011, if the number of nontolled lanes on the highway, roadway,
 2 or facility as of July 1, 2011, does not decrease due to the addition
 3 of the toll lanes.

4 (3) The Ellettsville Expressway, a limited access facility connecting
 5 Interstate Highway 65 in northwestern Indiana with an interstate
 6 highway in Illinois.

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

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

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

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

24 SECTION 52. IC 8-23-2-19 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 2017]: **Sec. 19. (a) The department shall:**

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

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

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

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

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

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



- 1 (1) Safety.
- 2 (2) Congestion.
- 3 (3) Environment.
- 4 (4) Regional and state economic contribution.
- 5 (5) Potential intermodal connectivity.
- 6 (6) Total cost of ownership.
- 7 (c) The commissioner shall appoint two (2) economic
- 8 professionals and two (2) engineering professionals to establish and
- 9 administer the project prioritization system and model. The
- 10 appointees:
- 11 (1) serve at the pleasure of the commissioner; and
- 12 (2) are entitled to compensation set by the budget agency.
- 13 (d) The department shall use the results of the model established
- 14 under this section to determine short term and long term
- 15 budgetary needs. The determination must achieve the following
- 16 infrastructure goals:
- 17 (1) Preserve and maintain current infrastructure resources.
- 18 (2) Provide for projected mobility needs for movement of
- 19 people and goods.
- 20 (e) The department may adjust the project priority list
- 21 established under this section if the department determines that
- 22 unforeseen circumstances require an adjustment.
- 23 (f) The general assembly may not approve or disapprove
- 24 projects on the department's project priority list.
- 25 SECTION 53. IC 8-23-2-20 IS ADDED TO THE INDIANA CODE
- 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 27 1, 2017]: Sec. 20. (a) The department shall review and analyze the
- 28 following:
- 29 (1) The published research on using a system to fund
- 30 transportation infrastructure based on vehicle miles traveled.
- 31 (2) Research findings on the positives and negatives of each
- 32 system.
- 33 (3) Research findings on the potential unintended
- 34 consequences of each system.
- 35 (4) Estimated costs of implementation and fee collection of
- 36 each system.
- 37 (b) A written report on the review, analysis, and findings shall
- 38 be delivered to the funding Indiana's roads for a stronger, safer
- 39 tomorrow task force under IC 2-5-41 before November 1, 2017.
- 40 (c) The department shall provide its data, sources, and
- 41 assumptions, and any documents prepared by the department, as
- 42 part of the report to the legislative services agency in an electronic



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format under IC 5-14-6.

(d) This section expires December 31, 2017.

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

- (1) uses a transportation asset management plan approved by the department; and
- (2) commits to a local match by using one (1) or more of the following:
 - (A) ~~Revenue attributable to an increase, after June 30, 2016, in Any money the local unit's motor vehicle excise surtax or wheel tax rate under IC 6-3-5. unit is authorized to use for a local road or bridge project.~~
 - (B) Money received by the local unit as a special distribution of local income taxes under IC 6-3.6-9-17.
 - (C) Money in the local unit's rainy day fund under IC 36-1-8-5.1.

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

SECTION 55. IC 8-23-30-6, AS ADDED BY P.L.146-2016, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. If the department approves a grant to a local unit under this chapter, the amount of the grant from the fund is equal to **four (4) times** the amount that the local unit commits to contribute to the proposed eligible project.

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

SECTION 57. 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



1	9,000	12,000	72
2	12,000	16,000	108
3	16,000	22,000	168
4	22,000		228

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

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

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

23 SECTION 58. IC 9-18.1-5-9, AS ADDED BY P.L.198-2016,
 24 SECTION 326, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) Except as provided in section
 26 11 of this chapter, the fee to register a truck, a tractor used with a
 27 semitrailer, or a for-hire bus is determined as follows:

28	Declared Gross	Weight (Pounds)	Fee (\$)
29	Greater than	Equal to	
30		or less than	
31	0	11,000	\$ 30.35
32	11,000	16,000	144
33	16,000	26,000	180
34	26,000	36,000	300 315
35	36,000	48,000	504 529
36	48,000	66,000	720 756
37	66,000	78,000	960 1,008
38	78,000		1,356 1,423

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

42 ~~(b)~~ **(c) A fee described in subsection (a) that is not required to be**



- 1 **distributed under subsection (b)** shall be distributed as follows:
- 2 (1) Twenty-five cents (\$0.25) to the state police building account.
- 3 (2) For a truck with a declared gross weight of eleven thousand
- 4 (11,000) pounds or less, thirty cents (\$0.30) to the spinal cord and
- 5 brain injury fund.
- 6 (3) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- 7 (4) Two dollars and ninety cents (\$2.90) to the highway, road and
- 8 street fund.
- 9 (5) Four dollars (\$4) to the crossroads 2000 fund.
- 10 (6) For a vehicle registered before July 1, 2019, as follows:
- 11 (A) One dollar and twenty-five cents (\$1.25) to the integrated
- 12 public safety communications fund.
- 13 (B) Three dollars and ten cents (\$3.10) to the commission
- 14 fund.
- 15 (7) For a vehicle registered after June 30, 2019, four dollars and
- 16 thirty-five cents (\$4.35) to the commission fund.
- 17 **(8) For a truck, tractor used with a semitrailer, or for-hire bus**
- 18 **having a declared gross weight of at least twenty-six thousand**
- 19 **(26,000) pounds, five percent (5%) of the total fees,**
- 20 **determined before any allocation under subdivision (1) and**
- 21 **subdivisions (3) through (7), to the local road and bridge**
- 22 **matching grant fund established by IC 8-23-30.**
- 23 ~~(8)~~ **(9)** Any remaining amount to the motor vehicle highway
- 24 account.
- 25 ~~(e)~~ **(d)** A trailer that is towed by a truck must be registered
- 26 separately, and the appropriate fee must be paid under this chapter.
- 27 SECTION 59. IC 9-18.1-5-10, AS ADDED BY P.L.198-2016,
- 28 SECTION 326, IS AMENDED TO READ AS FOLLOWS
- 29 [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) The following vehicles shall
- 30 be registered as semitrailers:
- 31 (1) A semitrailer converted to a full trailer through the use of a
- 32 converter dolly.
- 33 (2) A trailer drawn behind a semitrailer.
- 34 (3) A trailer drawn by a vehicle registered under the International
- 35 Registration Plan.
- 36 (b) The fee for a permanent registration of a semitrailer is
- 37 eighty-two dollars (\$82).
- 38 **(c) A fee described in subsection (b) that is collected for a**
- 39 **registration issued through an Indiana based International**
- 40 **Registration Plan account shall be distributed as set forth in**
- 41 **section 10.5 of this chapter.**
- 42 **(d) The fee described in subsection (b) that is not required to be**



- 1 **distributed under subsection (c)** shall be distributed as follows:
- 2 (1) Twenty-five cents (\$0.25) to the state police building account.
- 3 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- 4 (3) Two dollars and ninety cents (\$2.90) to the highway, road and
- 5 street fund.
- 6 (4) Twelve dollars (\$12) to the crossroads 2000 fund.
- 7 (5) For a vehicle registered before July 1, 2019, as follows:
- 8 (A) One dollar and twenty-five cents (\$1.25) to the integrated
- 9 public safety communications fund.
- 10 (B) Three dollars and ten cents (\$3.10) to the commission
- 11 fund.
- 12 (6) For a vehicle registered after June 30, 2019, four dollars and
- 13 thirty-five cents (\$4.35) to the commission fund.
- 14 (7) Any remaining amount to the motor vehicle highway account.
- 15 ~~(e)~~ (e) A permanent registration under subsection (b) must be
- 16 renewed on an annual basis. The fee to renew a permanent registration
- 17 is eight dollars and seventy-five cents (\$8.75). The fee is in addition to
- 18 any applicable excise tax. ~~and shall be distributed as follows:~~
- 19 (f) **A fee described in subsection (e) that is collected for a**
- 20 **registration issued through an Indiana based International**
- 21 **Registration Plan account shall be distributed as set forth in**
- 22 **section 10.5 of this chapter.**
- 23 (g) **A fee described in subsection (e) that is not required to be**
- 24 **distributed under subsection (f) shall be distributed as follows:**
- 25 (1) Twenty-five cents (\$0.25) to the state police building account.
- 26 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- 27 (3) Three dollars (\$3) to the crossroads 2000 fund.
- 28 (4) Three dollars and ten cents (\$3.10) to the commission fund.
- 29 (5) Any remaining amount to the motor vehicle highway account.
- 30 ~~(d)~~ (h) A permanent registration under subsection (b) may be
- 31 transferred under IC 9-18.1-11.
- 32 ~~(e)~~ (i) A semitrailer that is registered under IC 9-18-10-2(a)(2)
- 33 (before its expiration) or IC 9-18-10-2(a)(3) (before its expiration)
- 34 remains valid until its expiration and is not subject to renewal under
- 35 subsection ~~(e)~~: (e). This subsection expires July 1, 2020.
- 36 SECTION 60. IC 9-18.1-5-10.5 IS ADDED TO THE INDIANA
- 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 38 [EFFECTIVE JULY 1, 2017]: **Sec. 10.5. (a) This section applies after**
- 39 **June 30, 2017.**
- 40 (b) **This section applies only to fees described in sections 8(a),**
- 41 **9(a), 10(b), and 10(e) of this chapter that are collected under the**
- 42 **International Registration Plan or through an Indiana based**



1 **International Registration Plan account.**

2 (c) The fees collected under subsection (b) during each state
3 fiscal year shall be distributed as follows:

4 (1) The first one hundred twenty-five thousand dollars
5 (\$125,000) to the state police building account.

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

10 (3) Any remaining amounts to the motor vehicle highway
11 account.

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

17 (b) As used in this section, "electric vehicle" means a vehicle
18 that:

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

21 (2) is not propelled by an engine powered by the combustion
22 of a hydrocarbon fuel, including gasoline, diesel, propane, or
23 liquid natural gas.

24 (c) In addition to any other fee required to register an electric
25 vehicle under this chapter, the supplemental fee to register an
26 electric vehicle is one hundred fifty dollars (\$150) through
27 December 31, 2022. Before October 1, 2022, and before each
28 October 1 of every fifth year thereafter, the bureau shall determine
29 a new fee amount to take effect as of January 1 of the following
30 year by determining the product of:

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

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

33 The fee shall be rounded to the nearest dollar.

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

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

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

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

42 **Sec. 2. (a) The owner of a motor vehicle with a declared gross**



1 weight equal to or less than twenty-six thousand (26,000) pounds
 2 that is registered in Indiana shall pay an annual transportation
 3 infrastructure improvement fee.

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

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

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

10 Sec. 3. The annual fee imposed under section 2 of this chapter
 11 is due on or before the regular annual registration date in each
 12 year that the owner of the motor vehicle is required to register the
 13 motor vehicle under the motor vehicle registration laws of Indiana.

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

18 (b) The bureau shall collect an apportioned transportation
 19 infrastructure improvement fee under section 2 of this chapter for
 20 any motor vehicle for which a registration fee is paid in Indiana
 21 under the terms of the International Registration Plan.

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

24 (1) the motor vehicle is registered in a calendar month
 25 following the month in which:

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

27 (B) the owner is required to register motor vehicles under
 28 the International Registration Plan; and

29 (2) the motor vehicle is newly:

30 (A) purchased; or

31 (B) registered in Indiana.

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

36 (1) the amount of the fee paid; multiplied by

37 (2) the quotient of:

38 (A) the number of full calendar months occurring after the
 39 date of the sale or destruction of the motor vehicle and
 40 before the date on which the person would have been
 41 required to reregister the motor vehicle; divided by

42 (B) twelve (12).



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

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

9 (1) is imposed on the person whose United States Department of
 10 Transportation number is registered on the vehicle transporting
 11 the load;

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

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

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

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

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

23 ~~(d)~~ **(c)** A person who transports ~~heavy~~ vehicles or loads subject to
 24 this article and fails to obtain a permit required under this article is
 25 subject to a civil penalty of not more than five thousand dollars
 26 (\$5,000) for each violation.

27 ~~(e)~~ **(d)** **A person against whom** a civil penalty is imposed under
 28 this section ~~may be assessed against a person only after an protest the~~
 29 ~~penalty and request an administrative hearing. has been conducted If~~
 30 ~~a hearing is requested, the department shall hold an administrative~~
 31 ~~hearing~~ at which the person has an opportunity to present information
 32 as to why the civil penalty should not be assessed.

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

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

41 SECTION 65. IC 36-9-42.2-2.5 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2017]: **Sec. 2.5. As used in this chapter,**
 2 **"exchanged funds" means the state funds allocated to the program**
 3 **in accordance with section 6(b) of this chapter.**

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

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

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

- 20 (1) **is designated to serve a particular transportation planning**
 21 **area within the state; and**
 22 (2) **receives, directly or indirectly, federal funds.**

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

28 SECTION 70. IC 36-9-42.2-5, AS ADDED BY P.L.141-2013,
 29 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2017]: **Sec. 5. The federal fund exchange program is**
 31 **established to provide eligible entities and the department with greater**
 32 **flexibility in funding transportation projects. The department shall**
 33 **administer the program as follows:**

- 34 (1) **Exchanged funds awarded to an eligible entity may be**
 35 **carried over for up to three (3) years at the discretion of the**
 36 **department or the metropolitan planning organization,**
 37 **whichever is applicable.**
 38 (2) **Exchanged funds may be expended for any transportation**
 39 **purpose allowable under federal law.**
 40 (3) **Exchanged funds may be expended on any phase of a**
 41 **project, including:**
 42 (A) **periodic project oversight services;**



- 1 **(B) construction inspection services; and**
 2 **(C) reimbursement for items that were conducted before**
 3 **the application or request for exchanged funds or before**
 4 **the award of exchanged funds.**
 5 **(4) A recipient of exchanged funds must provide a twenty**
 6 **percent (20%) local match payable by any available revenue**
 7 **source. Awards shall be made by the department or**
 8 **metropolitan planning organization, whichever is applicable,**
 9 **in an amount that is twenty percent (20%) less than the total**
 10 **cost of the project to accomplish the required match.**
 11 **(5) After the initial award of exchanged funds for a project**
 12 **and before the department's closeout of the project, an**
 13 **eligible entity may apply to the department or metropolitan**
 14 **planning organization, whichever is applicable, to be awarded**
 15 **up to an additional five percent (5%) of the initial award of**
 16 **exchanged funds to pay for project change orders.**
 17 **(6) All contracts for professional services paid for with**
 18 **exchanged funds must be made on the basis of competence**
 19 **and qualifications for the type of services to be performed and**
 20 **compensation shall be negotiated as the eligible entity**
 21 **determines to be reasonable after its selection of a consultant**
 22 **or consultants.**
 23 **(7) Professional services must be performed by an entity that**
 24 **is prequalified by the department.**
 25 **(8) The department's design manual must provide guidance**
 26 **for projects funded with exchanged funds. However,**
 27 **exceptions to the design manual guidance shall be permitted**
 28 **at the discretion of the eligible entity.**
 29 SECTION 71. IC 36-9-42.2-6, AS ADDED BY P.L.141-2013,
 30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2017]: Sec. 6. **(a) Not later than fifteen (15) days after**
 32 **receiving information from the federal government regarding the**
 33 **state's distribution of federal funds, the department shall determine**
 34 ~~the amount of state funds available for the program.~~ **calculate the local**
 35 **share for that year and notify the budget agency of the amount.**
 36 **(b) After review by the budget committee and after approval by**
 37 **the budget director, the department shall exchange one hundred**
 38 **percent (100%) of the local share for state dollars.**
 39 **(c) The department shall allocate the exchanged funds for the**
 40 **following purposes:**
 41 **(1) To be distributed to eligible entities for projects under the**
 42 **program in accordance with federal law regarding**



1 **distributions between areas within a metropolitan planning**
 2 **organization and areas not within a metropolitan planning**
 3 **organization.**

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

7 **(d) The department may allocate additional state funds to the**
 8 **program at any time.** In making ~~the~~ **its** determination the department
 9 shall consider ~~the~~ **the following:**

10 ~~(1) whether adequate~~ **additional** state funds are available ~~to fund~~
 11 **for** the program without putting at risk other transportation
 12 activities or projects needing state funds.

13 ~~(2) Whether the department can readily and effectively use~~
 14 **federal funds received through the program.**

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

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

23 **(2) using any available revenue source, the eligible entity**
 24 **commits to a local match of twenty percent (20%) of the**
 25 **amount of the exchanged funds the eligible entity is requesting**
 26 **to receive.**

27 **(b)** The department shall consider the following before ~~entering into~~
 28 **an exchange agreement with** ~~awarding exchanged funds to~~ an eligible
 29 entity:

30 (1) The amount of ~~federal funds the eligible entity wants to~~
 31 **exchange and the proposed exchange rate: exchanged funds the**
 32 **eligible entity has requested.**

33 (2) A brief description of each project the eligible entity wants to
 34 fund, including the estimated cost of the project.

35 (3) The benefit to a project described in subdivision (2) ~~from the~~
 36 **removal of federal funding; in receiving exchanged funds** due to
 37 the project's size, type, location, or other features.

38 ~~The availability of state funds.~~ **The nature of the project and**
 39 **whether it has an economic significance for the region in**
 40 **which the eligible entity is located.**

41 **(5) Whether or not the eligible entity wishes to carry over its**
 42 **award of exchanged funds to the following year.**



1 Subject to section 7.5 of this chapter, an eligible entity may enter into
 2 an exchange agreement with respect to a project at any time during the
 3 project development process:

4 SECTION 73. IC 36-9-42.2-7.5 IS REPEALED [EFFECTIVE JULY
 5 1, 2017]. Sec. 7.5: (a) The department may enter into an exchange
 6 agreement only if the exchange agreement is first approved by the
 7 office of management and budget and the attorney general:

8 (b) The executive of an eligible entity may enter into an exchange
 9 agreement on behalf of the eligible entity. However, the executive of
 10 an eligible entity may enter into an exchange agreement only if the
 11 exchange agreement is first approved by the fiscal body of the eligible
 12 entity:

13 SECTION 74. IC 36-9-42.2-8 IS REPEALED [EFFECTIVE JULY
 14 1, 2017]. Sec. 8: An exchange agreement must provide the following:

15 (1) The eligible entity may exchange only federal funds for state
 16 funds:

17 (2) The eligible entity may use state funds only for a capital
 18 project that will fulfill the purpose of the original federal project
 19 award and that is approved by the department:

20 (3) If the eligible entity uses state funds to replace local funds in
 21 order to use the local funds for purposes unrelated to
 22 transportation, the eligible entity:

23 (A) must repay the state funds to the department; and

24 (B) may not participate in the program during the succeeding
 25 fiscal year:

26 (4) An exchange rate of not less than seventy-five cents (\$0.75)
 27 of state funds for each one dollar (\$1) of federal funds:

28 (5) The eligible entity agrees to provide local matching funds
 29 equal to not less than ten percent (10%) of the estimated project
 30 cost:

31 (6) The department will disburse the state funds to the eligible
 32 entity on a reimbursement basis:

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

39 (1) a summary of the exchange agreements entered into **awarded**
 40 **exchanged funds to eligible entities** during the previous state
 41 fiscal year; and

42 (2) a status report on the implementation of projects funded



- 1 through the program.
- 2 SECTION 76. IC 36-9-42.2-10, AS ADDED BY P.L.141-2013,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2017]: Sec. 10. ~~An eligible entity that participates in the~~
5 ~~program shall comply with~~ Applicable public purchasing laws and
6 competitive bidding requirements **must be complied** with respect to
7 **for** projects funded through the program.
- 8 SECTION 77. IC 36-9-42.2-11, AS ADDED BY P.L.141-2013,
9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2017]: Sec. 11. The department may adopt rules under
11 IC 4-22-2 **or guidelines, or both**, to implement this chapter.
- 12 SECTION 78. [EFFECTIVE JULY 1, 2017] **(a) IC 6-6-14-4, as**
13 **amended by this act, applies to decals issued after June 30, 2017.**
14 **(b) An alternative fuel decal that is effective from April 1, 2017,**
15 **through March 31, 2018, remains valid through March 31, 2018,**
16 **without the payment of an additional fee.**
17 **(c) IC 9-18.1-5-9, as amended by this act, applies to registrations**
18 **after June 30, 2017.**
19 **(d) This SECTION expires June 30, 2018.**
- 20 SECTION 79. [EFFECTIVE UPON PASSAGE] **(a) IC 6-6-4.1-4.5,**
21 **as amended by this act, applies to the collection of the motor fuel**
22 **surcharge tax imposed on the consumption of special fuel that is**
23 **not an alternative fuel as follows:**
24 **(1) For special fuel received by a licensed supplier in Indiana**
25 **for sale or resale in Indiana, the special fuel received after**
26 **June 30, 2017.**
27 **(2) For special fuel subject to a tax precollection agreement**
28 **under IC 6-6-2.5-35(j), the special fuel removed after June 30,**
29 **2017, by a licensed supplier from a terminal outside Indiana**
30 **for sale for export or for export to Indiana.**
31 **(3) For special fuel imported into Indiana, other than into a**
32 **terminal, the special fuel imported into Indiana after June 30,**
33 **2017, as measured by invoiced gallons received at a terminal**
34 **or at a bulk plant.**
35 **(b) This SECTION expires June 30, 2018.**
36 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.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, 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 3, strike lines 27 through 29.

Page 3, line 30, strike "vehicle highway account".

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Page 3, line 30, strike "(IC 8-14-1)".
 Page 3, strike lines 31 through 32.
 Page 3, line 33, strike "road and bridge matching grant fund".
 Page 3, strike lines 34 through 36.
 Page 3, line 37, strike "(3) For state fiscal year 2019,".
 Page 3, line 37, strike "the following:".
 Page 3, strike lines 38 through 39.
 Page 3, line 40, strike "vehicle highway account".
 Page 3, line 40, strike "(IC 8-14-1)".
 Page 3, strike lines 41 through 42.
 Page 4, line 1, strike "local road and bridge matching grant fund".
 Page 4, strike line 2.
 Page 4, delete lines 3 through 5.
 Page 4, line 6, delete "(D)".
 Page 4, line 7, delete "Twenty-eight and five hundred".
 Page 4, delete line 8.
 Page 4, line 9, delete "deposited in".
 Page 4, line 9, strike "the state general fund."
 Page 4, delete lines 10 through 22.
 Page 4, line 23, delete "(5)" and insert "(2)".
 Page 4, line 23, delete "2021" and insert "2018".
 Page 42, line 14, delete "under the" and insert **"for a registration issued through an Indiana based"**.
 Page 42, line 15, after "Plan" insert **"account"**.
 Page 42, line 36, delete "under the" and insert **"for a registration issued through an Indiana based"**.
 Page 42, line 37, after "Plan" insert **"account"**.
 Page 43, line 16, delete "Plan." and insert **"Plan or through an Indiana based International Registration Plan account."**.
 Page 43, line 17, delete "the International Registration Plan" and insert **"subsection (b)"**.
 Page 44, line 33, delete "registration fee" and insert **"transportation infrastructure improvement fee under section 2 of this chapter"**.
 Page 44, line 34, delete "that is base registered" and insert **"for which a registration fee is paid"**.

and when so amended that said bill do pass.

(Reference is to HB 1002 as printed January 27, 2017.)

BROWN T

Committee Vote: yeas 14, nays 9.

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