



March 31, 2017

ENGROSSED

HOUSE BILL No. 1002

DIGEST OF HB 1002 (Updated March 28, 2017 1:31 pm - DI 73)

Citations Affected: IC 6-2.5; IC 6-3.5; IC 6-6; IC 8-2.1; IC 8-14; IC 8-14.5; IC 8-15; IC 8-21; IC 8-23; IC 9-18.1; IC 13-20; IC 36-9; noncode.

Synopsis: Transportation infrastructure funding. Eliminates the sales tax on the sale of special fuel. Increases the gasoline tax to \$0.23 per gallon on July 1, 2017. Increases the gasoline tax to \$0.28 per gallon on July 1, 2018. Increases the special fuel tax to \$0.19 per gallon on July 1, 2017. Increases the special fuel tax to \$0.22 per gallon on July 1, 2018. Increases the surcharge tax to \$0.16 per gallon on July 1, 2017. Increases the surcharge tax to \$0.21 per gallon on July 1, 2018. On July 1, 2019, and each July 1 through July 1, 2024, provides for an annual rate increase in the gasoline tax rate, special fuel tax rate, and surcharge tax rate based on an annual index factor. Limits the annual rate increase based on the annual index factor to \$0.01 per gallon. Specifies that the surcharge tax must be paid on special fuel that is not an alternative fuel at the time of purchase (the same time the special
(Continued next page)

Effective: Upon passage; March 23, 2016 (retroactive); July 1, 2017; January 1, 2018.

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

(SENATE SPONSORS — CRIDER, KENLEY, RANDOLPH LONNIE M)

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.
February 14, 2017, read second time, amended, ordered engrossed.
February 15, 2017, engrossed.
February 16, 2017, read third time, passed. Yeas 61, nays 36.

SENATE ACTION

February 23, 2017, read first time and referred to Committee on Tax and Fiscal Policy.
March 30, 2017, amended, reported favorably — Do Pass.

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fuel tax is paid), instead of being entirely paid using a quarterly return. Provides that the surcharge tax also applies to purchases of special fuel by persons other than carriers. Changes the motor vehicle highway account (MVHA) distribution formula for counties and municipalities to provide that the amount a county or municipality is entitled to receive in 2018 and each year thereafter is equal to: (1) the amount of the distribution received by the county or municipality from the MVHA during the preceding year; multiplied by (2) the annual index factor used for indexing the motor fuel taxes. Provides that revenue resulting from the increases in the gasoline tax rate, the special fuel tax rate, and the surcharge tax rate shall be deposited in the MVHA. Provides that \$25,000,000 of the revenue from the first \$0.18 of the gasoline tax rate and \$25,000,000 of the revenue from the first \$0.16 of the special fuel tax rate that are collected during a state fiscal year shall be distributed as follows: (1) 60% to each of the counties, cities, and towns eligible to receive a distribution from the local road and street account (LRSA), in the same proportion as under the LRSA and to be used for purposes of the LRSA. (2) 40% to the Indiana department of transportation. Provides that 1/18 of the revenue from the first \$0.18 of the gasoline tax rate shall be distributed to each of the counties, cities, and towns eligible to receive a distribution from the LRSA, in the same proportion as under the LRSA and to be used for purposes of the LRSA. Increases alternative fuel decal fees by 50%. Establishes a transportation infrastructure improvement fee that applies to the registration of vehicles with a declared gross weight of not more than 26,000 pounds and commercial vehicles with a declared gross weight of more than 26,000 pounds. Specifies that the fee is: (1) \$15 for vehicles with a declared gross weight of not more than 26,000 pounds (and deposits this fee in the local road and bridge matching grant fund); and (2) \$100 for commercial vehicles with a declared gross weight of more than 26,000 pounds (and deposits this fee in the motor vehicle highway account). Increases annual registration fees for certain motor vehicles with a declared gross weight that equals or exceeds 26,000 pounds. Requires a person who registers an electric vehicle to pay a supplemental registration fee of \$150 with an increase every five years based on an index factor. Requires a person who registers a hybrid vehicle to pay a supplemental registration fee of \$75 with an increase every five years based on an index factor. Increases the aviation fuel excise tax by \$0.10 per gallon and transfers the increased revenue to the airport development grant fund for airport capital improvement matching grants. Increases the fee on the sale of each new tire by \$5. Requires the revenue from the increase to be deposited in the MVHA. Repeals restrictions on when a tolling project can be undertaken. Provides that the Indiana department of transportation (INDOT) may, with the approval of the governor, seek a Federal Highway Administration waiver to toll interstate highways. Limits the first toll lanes under the waiver to certain interstate highways. Establishes the weigh-in-motion pilot 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 data base. Makes various changes to the transportation funding exchange program between the state and counties and municipalities.



March 31, 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.

ENGROSSED 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 6-2.5-5-51 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2017]: **Sec. 51. (a) As used in this section, "special fuel" has the**
4 **meaning set forth in IC 6-6-2.5-22.**

5 **(b) The sale of special fuel is exempt from the state gross retail**
6 **tax.**

7 SECTION 2. IC 6-2.5-6-10, AS AMENDED BY P.L.227-2013,
8 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2017]: Sec. 10. (a) In order to compensate retail merchants
10 and those required to remit gasoline use tax for collecting and timely
11 remitting the state gross retail tax, the state use tax, and the gasoline
12 use tax, every retail merchant or person required to remit the gasoline
13 use tax, except as provided in subsection (c), is entitled to deduct and
14 retain from the amount of those taxes otherwise required to be remitted
15 under ~~IC 6-2.5-7-5~~, IC 6-2.5-3.5 or under this chapter, if timely

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1 remitted, a retail merchant's collection allowance.

2 (b) The allowance equals a percentage of the retail merchant's state
3 gross retail and use tax or the person's gasoline use tax liability accrued
4 during a calendar year, specified as follows:

5 (1) Seventy-three hundredths percent (0.73%), if the retail
6 merchant's state gross retail and use tax or gasoline use tax
7 liability accrued during the state fiscal year ending on June 30 of
8 the immediately preceding calendar year did not exceed sixty
9 thousand dollars (\$60,000).

10 (2) Fifty-three hundredths percent (0.53%), if the retail merchant's
11 state gross retail and use tax or gasoline use tax liability accrued
12 during the state fiscal year ending on June 30 of the immediately
13 preceding calendar year:

14 (A) was greater than sixty thousand dollars (\$60,000); and

15 (B) did not exceed six hundred thousand dollars (\$600,000).

16 (3) Twenty-six hundredths percent (0.26%), if the retail
17 merchant's state gross retail and use tax liability or the person's
18 gasoline use tax accrued during the state fiscal year ending on
19 June 30 of the immediately preceding calendar year was greater
20 than six hundred thousand dollars (\$600,000).

21 (c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not
22 entitled to the allowance provided by this section. A retail merchant is
23 not entitled to the allowance provided by this section with respect to
24 gasoline use taxes imposed by IC 6-2.5-3.5.

25 SECTION 3. IC 6-2.5-7-2 IS REPEALED [EFFECTIVE JULY 1,
26 2017]. Sec. 2: Except as provided in section 2.5 of this chapter, a retail
27 merchant who uses a metered pump to dispense special fuel shall
28 display on the pump the total price per unit of the special fuel. Subject
29 to the provisions of section 2.5 of this chapter, a retail merchant may
30 not advertise the special fuel at a price that is different than the price
31 that the retail merchant is required to display on the metered pump.

32 SECTION 4. IC 6-2.5-7-2.5 IS REPEALED [EFFECTIVE JULY 1,
33 2017]. Sec. 2.5: (a) This section does not apply to alternative fuel (as
34 defined by IC 6-6-2.5-1) dispensed after December 31, 2013, and
35 before January 1, 2017.

36 (b) A retail merchant may designate any metered pumps at a
37 business location that dispense special fuel as being "for trucks only".
38 To do this, a retail merchant must place on the pump a sign that states
39 that fuel dispensed from the metered pump may only be placed in the
40 fuel supply tanks of a truck. A sign that reads "TRUCKS ONLY" is
41 sufficient to meet the requirements of this subsection.

42 (c) A retail merchant may not dispense special fuel from a metered



1 pump that is designated for trucks only into the supply tank of a vehicle
2 that is not a truck.

3 (d) A retail merchant is not required to display the total price per
4 unit of the special fuel on a metered pump if that particular metered
5 pump is designated for trucks only.

6 (e) A retail merchant may advertise special fuel at a price that does
7 not include gross retail taxes that may be due on the sale of the special
8 fuel only if the retail merchant maintains a metered pump that is
9 designated for trucks only. If a retail merchant advertises special fuel
10 at a price that does not include any gross retail taxes that may be due
11 on the sale of the special fuel, the retail merchant must display in easily
12 read lettering above or below the advertised price the words "EXEMPT
13 TRUCKS ONLY".

14 SECTION 5. IC 6-2.5-7-3, AS AMENDED BY P.L.227-2013,
15 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2017]: Sec. 3. With respect to the sale of special fuel or
17 kerosene which is dispensed from a metered pump, unless the
18 purchaser provides an exemption certificate in accordance with
19 IC 6-2.5-8-8, a retail merchant shall collect, for each unit of special fuel
20 or kerosene sold, state gross retail tax in an amount equal to the
21 product, rounded to the nearest one-tenth of one cent (\$0.001), of:

22 (1) the price per unit before the addition of state and federal taxes;
23 multiplied by

24 (2) seven percent (7%).

25 Unless the exemption certificate is provided, the retail merchant shall
26 collect the state gross retail tax prescribed in this section even if the
27 transaction is exempt from taxation under IC 6-2.5-5.

28 SECTION 6. IC 6-2.5-7-4 IS REPEALED [EFFECTIVE JULY 1,
29 2017]. Sec. 4: (a) If a sale of special fuel is exempt from the state gross
30 retail tax, the person who pays the tax to the retail merchant may file
31 a claim for refund with the department. The person must file the claim
32 on the form, in the manner, and with the supporting documentation,
33 prescribed by the department. If a person properly files a claim for
34 refund, the department shall refund to the person the state gross retail
35 tax collected with respect to the exempt transaction:

36 (b) Notwithstanding the other provisions of this section, the
37 department may prescribe simplified procedures to make adjustments
38 for exempt transactions.

39 SECTION 7. IC 6-2.5-7-5 IS REPEALED [EFFECTIVE JULY 1,
40 2017]. Sec. 5: (a) Each retail merchant who dispenses special fuel from
41 a metered pump shall, in the manner prescribed in IC 6-2.5-6, report to
42 the department the following information:



1 (1) The total number of gallons of special fuel sold from a
2 metered pump during the period covered by the report.

3 (2) The total amount of money received from the sale of special
4 fuel during the period covered by the report.

5 (3) That portion of the amount described in subdivision (2) that
6 represents state and federal taxes imposed under this article;
7 IC 6-6-2.5; or Section 4041 or Section 4081 of the Internal
8 Revenue Code.

9 (b) Concurrently with filing the report, the retail merchant shall
10 remit the state gross retail tax in an amount which equals six and
11 fifty-four hundredths percent (6.54%) of the gross receipts, including
12 state gross retail taxes but excluding Indiana and federal special fuel
13 taxes, received by the retail merchant from the sale of the special fuel
14 that is covered by the report and on which the retail merchant was
15 required to collect state gross retail tax. The retail merchant shall remit
16 that amount regardless of the amount of state gross retail tax which the
17 merchant has actually collected under this chapter. However, the retail
18 merchant is entitled to deduct and retain the amounts prescribed in
19 subsection (c); IC 6-2.5-6-10; and IC 6-2.5-6-11.

20 (c) A retail merchant is entitled to deduct from the amount of state
21 gross retail tax required to be remitted under subsection (b) an amount
22 equal to:

23 (1) the sum of the prepayment amounts made during the period
24 covered by the retail merchant's report; minus

25 (2) the sum of prepayment amounts collected by the retail
26 merchant, in the merchant's capacity as a qualified distributor,
27 during the period covered by the retail merchant's report.

28 For purposes of this section, a prepayment of the gross retail tax is
29 presumed to occur on the date on which it is invoiced.

30 SECTION 8. IC 6-2.5-7-6.5 IS REPEALED [EFFECTIVE JULY 1,
31 2017]. Sec. 6:5. (a) If the deduction under section 5(c) of this chapter
32 exceeds the amount of gross retail tax required to be remitted under
33 section 5(b) of this chapter, the retail merchant is entitled to a credit.
34 The credit shall be used as follows:

35 (1) First, the credit shall be applied against gross retail and use
36 tax liability of the retail merchant that is required to be remitted
37 under IC 6-2.5-6.

38 (2) Second, any amount remaining shall be applied against the
39 gasoline tax liability of the retail merchant, as determined under
40 IC 6-6-1.1, excluding any liability for gasoline delivered to a
41 taxable marine facility.

42 A retail merchant may file a claim for a refund instead of taking a



1 credit or for a refund of any excess tax payment remaining after the
2 credits allowed by this section:

3 (b) A retail merchant that is entitled to a refund under this section
4 must file a claim for the refund on the refund claim form approved by
5 the department and must include any supporting documentation
6 reasonably required by the department. If a retail merchant files a
7 completed refund claim form that includes all supporting
8 documentation, the excess tax payment that is not refunded within
9 ninety (90) days accrues interest as provided in IC 6-8.1-9-2.

10 (c) Before the fifth day of each month, the department shall
11 determine and notify the treasurer of state of the amount of credits
12 applied during the preceding month against the gasoline tax under this
13 section. The treasurer of state shall transfer from the general fund:

- 14 (1) to the highway, road and street fund, twenty-five percent
15 (25%) of the amount set forth in the department's notice; and
16 (2) to the motor fuel tax fund of the motor vehicle highway
17 account, seventy-five percent (75%) of the amount set forth in the
18 department's notice.

19 SECTION 9. IC 6-2.5-9-4 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) Except as
21 provided in IC 6-2.5-7, A person who:

- 22 (1) displays an advertised price, marked price, or publicly stated
23 price that includes the state gross retail or use taxes;
24 (2) offers to assume or absorb part of a customer's state gross
25 retail or use tax on a sale; or
26 (3) offers to refund part of a customer's state gross retail or use tax
27 as a part of a sale;

28 commits a Class B infraction.

29 (b) A retail merchant who:

- 30 (1) uses a metered pump to dispense gasoline; or special fuel;
31 (2) is required to display on the pump the total price per unit of
32 the gasoline or special fuel under IC 6-2.5-7-2; and
33 (3) advertises the gasoline or special fuel at a price other than that
34 required by IC 6-2.5-7-2;

35 commits a Class B infraction.

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



1 calendar year.

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

9 SECTION 11. IC 6-3.5-5-16 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 16. (a) On or before
11 ~~August~~ **October** 1 of each year, the auditor of a county that contains a
12 consolidated city of the first class and that has adopted the wheel tax
13 shall provide the county council with an estimate of the wheel tax
14 revenues to be received by the county during the next calendar year.
15 The county shall show the estimated wheel tax revenues in its budget
16 estimate for the calendar year.

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

24 SECTION 12. IC 6-3.5-10-1, AS ADDED BY P.L.146-2016,
25 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 UPON PASSAGE]: Sec. 1. The following definitions apply throughout
27 this chapter:

28 (1) "Adopting municipality" means an eligible municipality that
29 has adopted the surtax.

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

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

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

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

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

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

39 (8) "Transportation asset management plan" includes planning for
40 drainage systems and rights-of-way that affect transportation
41 assets.

42 SECTION 13. IC 6-3.5-10-11, AS ADDED BY P.L.146-2016,



1 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2017]: Sec. 11. On or before ~~August~~ **October** 1 of each year,
3 the fiscal officer of an adopting municipality shall provide the fiscal
4 body of the adopting municipality with an estimate of the surtax
5 revenues to be received by the adopting municipality during the next
6 calendar year. The adopting municipality shall include the estimated
7 surtax revenues in the adopting municipality's budget estimate for the
8 calendar year.

9 SECTION 14. IC 6-3.5-11-1, AS ADDED BY P.L.146-2016,
10 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2017]: Sec. 1. The following definitions apply throughout this
12 chapter:

13 (1) "Adopting municipality" means an eligible municipality that
14 has adopted the wheel tax.

15 (2) "Branch office" means a branch office of the bureau of motor
16 vehicles.

17 (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).

18 (4) "Commercial vehicle" has the meaning set forth in
19 IC 6-6-5.5-1(c).

20 (5) "Department" refers to the department of state revenue.

21 (6) "Eligible municipality" means a municipality having a
22 population of at least ~~ten~~ **five** thousand (~~10,000~~): **(5,000)**.

23 (7) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).

24 (8) "Political subdivision" has the meaning set forth in
25 IC 34-6-2-110.

26 (9) "Recreational vehicle" has the meaning set forth in
27 IC 9-13-2-150.

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

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

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

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

32 (14) "Transportation asset management plan" includes planning
33 for drainage systems and rights-of-way that affect transportation
34 assets.

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

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

37 SECTION 15. IC 6-3.5-11-15, AS ADDED BY P.L.146-2016,
38 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2017]: Sec. 15. On or before ~~August~~ **October** 1 of each year,
40 the fiscal officer of an adopting municipality shall provide the fiscal
41 body of the adopting municipality with an estimate of the wheel tax
42 revenues to be received by the adopting municipality during the next



1 calendar year. The adopting municipality shall include the estimated
2 wheel tax revenues in the adopting municipality's budget estimate for
3 the calendar year.

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

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

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

18 **(2) For July 1, 2017, through June 30, 2018, twenty-three**
19 **cents (\$0.23).**

20 **(3) For July 1, 2018, through June 30, 2019, twenty-eight cents**
21 **(\$0.28).**

22 **(4) Beginning July 1, 2019, and each July 1 through July 1,**
23 **2024, the department shall determine an applicable rate equal**
24 **to the product of:**

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

26 **(B) the factor determined under IC 6-6-1.6-2.**

27 **The rate shall be rounded to the nearest cent (\$0.01). However,**
28 **after June 30, 2019, the new applicable rate may not exceed the**
29 **rate in effect on June 30 plus one cent (\$0.01). The department**
30 **shall publish the rate that will take effect on July 1 on the**
31 **department's Internet web site not later than June 1.**

32 SECTION 17. IC 6-6-1.1-209 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 209. (a) Persons having
34 title to gasoline in storage and held for sale on the effective date of an
35 increase in the license tax rate imposed under section 201 of this
36 chapter are subject to an inventory tax based upon the gallonage in
37 storage as of the close of the business day preceding the effective date
38 of the increased license tax rate.

39 (b) Persons subject to the tax imposed under this section shall:

40 (1) take an inventory to determine the gallonage in storage for
41 purposes of determining the inventory tax;

42 (2) report that gallonage on forms provided by the administrator;



1 and

2 (3) pay the tax due within thirty (30) days of the prescribed
3 inventory date.

4 (c) The amount of the inventory tax is equal to the inventory tax rate
5 times the gallonage in storage as determined under subsection (a). The
6 inventory tax rate is equal to the difference of the increased license tax
7 rate minus the previous license tax rate.

8 (d) The inventory tax shall be considered a listed tax for the
9 purposes of IC 6-8.1.

10 **(e) Revenue collected from the inventory tax imposed under this**
11 **section shall be deposited in the motor vehicle highway account**
12 **established under IC 8-14-1.**

13 SECTION 18. IC 6-6-1.1-502, AS AMENDED BY P.L.211-2007,
14 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2017]: Sec. 502. (a) Except as provided in subsection (b), at
16 the time of filing each monthly report, each distributor shall pay to the
17 administrator the full amount of tax due under this chapter for the
18 preceding calendar month, computed as follows:

19 (1) Enter the total number of invoiced gallons of gasoline
20 received during the preceding calendar month.

21 (2) Subtract the number of gallons for which deductions are
22 provided by sections 701 through 705 of this chapter from the
23 number of gallons entered under subdivision (1).

24 (3) Subtract the number of gallons reported under section 501(3)
25 of this chapter.

26 (4) Multiply the number of invoiced gallons remaining after
27 making the computation in subdivisions (2) and (3) by the tax rate
28 prescribed by section 201 of this chapter to compute that part of
29 the gasoline tax to be deposited in the highway, road, and street
30 fund under section ~~802(2)~~ **802(b)(2)** of this chapter or in the
31 motor fuel tax fund under section ~~802(3)~~ **802(b)(3)** of this
32 chapter.

33 (5) Multiply the number of gallons subtracted under subdivision
34 (3) by the tax rate prescribed by section 201 of this chapter to
35 compute that part of the gasoline tax to be deposited in the fish
36 and wildlife fund under section ~~802(1)~~ **802(b)(1)** of this chapter.

37 (b) If the department determines that a distributor's:

38 (1) estimated monthly gasoline tax liability for the current year;
39 or

40 (2) average monthly gasoline tax liability for the preceding year;
41 exceeds five thousand dollars (\$5,000), the distributor shall pay the
42 monthly gasoline taxes due by electronic fund transfer (as defined in



1 IC 4-8.1-2-7) or by delivering in person or by overnight courier a
 2 payment by cashier's check, certified check, or money order to the
 3 department. The transfer or payment shall be made on or before the
 4 date the tax is due.

5 SECTION 19. IC 6-6-1.1-801.5 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 801.5. **(a) This section**
 7 **applies only to the revenue collected under this chapter from the**
 8 **first eighteen cents (\$0.18) of the gasoline tax rate imposed under**
 9 **this chapter.**

10 ~~(a)~~ **(b)** The administrator shall transfer one-ninth (1/9) of the taxes
 11 that are collected under this chapter to the state highway road
 12 construction and improvement fund.

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

15 ~~(c)~~ **(d)** The administrator shall transfer one-eighteenth (1/18) of the
 16 taxes that are collected under this chapter to the auditor of state for
 17 distribution to counties, cities, and towns. The auditor of state shall
 18 distribute the amounts transferred under this subsection to each of the
 19 counties, cities, and towns eligible to receive a distribution from the
 20 ~~motor vehicle highway account under IC 8-14-1~~ **local road and street**
 21 **account under IC 8-14-2-4** and in the same proportion among the
 22 counties, cities, and towns as funds are distributed from the ~~motor~~
 23 ~~vehicle highway account under IC 8-14-1~~ **local road and street**
 24 **account under IC 8-14-2-4**. Money distributed under this subsection
 25 may be used only for purposes that money distributed from the ~~motor~~
 26 ~~vehicle highway account~~ **local road and street account** may be
 27 expended under ~~IC 8-14-1~~ **IC 8-14-2**.

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

34 (1) ~~thirty percent (30%)~~ **Sixty percent (60%)** to each of the
 35 counties, cities, and towns eligible to receive a distribution from
 36 the local road and street account under IC 8-14-2 and in the same
 37 proportion among the counties, cities, and towns as funds are
 38 distributed under IC 8-14-2-4.

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



1 vehicle highway account under ~~IC 8-14-1~~; and
 2 ~~(3)~~ **(2)** Forty percent (40%) to the Indiana department of
 3 transportation.
 4 ~~(e)~~ **(f)** The auditor of state shall hold all amounts of collections
 5 received under subsection ~~(d)~~ **(e)** from the administrator that are made
 6 during a particular month and shall distribute all of those amounts
 7 pursuant to subsection ~~(d)~~ **(e)** on the fifth day of the immediately
 8 succeeding month.
 9 ~~(f)~~ **(g)** All amounts distributed under subsection ~~(d)~~ **(e)** may only be
 10 used for purposes that money distributed from the motor vehicle
 11 highway account **local road and street account** may be expended
 12 under ~~IC 8-14-1~~ **IC 8-14-2**.

13 SECTION 20. IC 6-6-1.1-802 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 802. **(a) This section**
 15 **applies only to the revenue collected under this chapter from the**
 16 **first eighteen cents (\$0.18) of the gasoline tax rate imposed under**
 17 **this chapter.**

18 **(b)** The administrator shall, after the transfer specified in section
 19 801.5 of this chapter, deposit the remainder of the revenues collected
 20 under this chapter **and described in subsection (a)** in the following
 21 manner:

- 22 (1) The taxes collected with respect to gasoline delivered to a
 23 taxable marine facility shall be deposited in the fish and wildlife
 24 fund established by IC 14-22-3-2.
- 25 (2) Twenty-five percent (25%) of the taxes collected under this
 26 chapter, except the taxes referred to in subdivision (1), shall be
 27 deposited in the highway, road and street fund established under
 28 IC 8-14-2-2.1.
- 29 (3) The remainder of the revenues collected under this chapter
 30 shall be deposited in the motor fuel tax fund of the motor vehicle
 31 highway account.

32 SECTION 21. IC 6-6-1.1-802.5 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2017]: **Sec. 802.5. The revenue collected**
 35 **under this chapter from that part of the gasoline tax rate imposed**
 36 **under this chapter that exceeds eighteen cents (\$0.18) shall be**
 37 **deposited in the motor vehicle highway account established under**
 38 **IC 8-14-1 and used only for Indiana's roads.**

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

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



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

2 **(1) "CPI-U" means the Consumer Price Index for all Urban**
 3 **Consumers, U.S. city average, all items, using the index base**
 4 **period of 1982-84 equal to one hundred (100), as published by**
 5 **the Bureau of Labor Statistics of the United States**
 6 **Department of Labor.**

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

8 **(3) "IPI" means Indiana personal income.**

9 **Sec. 2. (a) The department shall calculate an annual index factor**
 10 **to be used for the rate to take effect each July 1 beginning in 2019**
 11 **through July 1, 2024. The department shall determine the index**
 12 **factor before June 1 of each year using the method described in**
 13 **subsection (b).**

14 **(b) The annual gasoline tax index factor, special fuel index**
 15 **factor, and motor carrier surcharge tax index factor equal the**
 16 **following:**

17 **STEP ONE: Divide the annual CPI-U for the year preceding**
 18 **the determination year by the annual CPI-U for the year**
 19 **immediately preceding that year.**

20 **STEP TWO: Divide the annual IPI for the year preceding the**
 21 **determination year by the annual IPI for the year**
 22 **immediately preceding that year.**

23 **STEP THREE: Add:**

24 **(A) the STEP ONE result; and**

25 **(B) the STEP TWO result.**

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

27 **(c) The department shall continue to calculate the annual index**
 28 **factor after 2024 for purposes of IC 8-14-1-3(1)(B).**

29 **SECTION 23. IC 6-6-2.5-22.5 IS ADDED TO THE INDIANA**
 30 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 31 **[EFFECTIVE UPON PASSAGE]: Sec. 22.5. As used in this chapter,**
 32 **"special fuel gallon" means:**

33 **(1) except as provided in subdivisions (2) and (3), a gallon of**
 34 **special fuel;**

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

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

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



1 (1) gallon;
 2 (2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)); in the
 3 case of a special fuel that is liquid natural gas; or
 4 (3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)); in
 5 the case of a special fuel that is compressed natural gas;
 6 is imposed on all special fuel sold or used in producing or generating
 7 power for propelling motor vehicles, except fuel used under section
 8 30(a)(8) or 30.5 of this chapter, **at the applicable rate specified in**
 9 **subsection (b)**. The tax shall be paid at those times, in the manner, and
 10 by those persons specified in this section and section 35 of this chapter.
 11 **(b) The license tax described in subsection (a) is imposed at the**
 12 **following applicable rate per special fuel gallon:**
 13 **(1) Before July 1, 2017, sixteen cents (\$0.16).**
 14 **(2) For July 1, 2017, through June 30, 2018, nineteen cents**
 15 **(\$0.19).**
 16 **(3) For July 1, 2018, through June 30, 2019, twenty-two cents**
 17 **(\$0.22).**
 18 **(4) Beginning July 1, 2019, and each July 1 through July 1,**
 19 **2024, the department shall determine an applicable rate equal**
 20 **to the product of:**
 21 **(A) the rate in effect on June 30; multiplied by**
 22 **(B) the factor determined under IC 6-6-1.6-2.**
 23 **The rate shall be rounded to the nearest cent (\$0.01). However,**
 24 **after June 30, 2019, the new applicable rate may not exceed the**
 25 **rate in effect on June 30 plus one cent (\$0.01). The department**
 26 **shall publish the rate that will take effect on July 1 on the**
 27 **department's Internet web site not later than June 1.**
 28 ~~(b)~~ **(c)** The department shall consider it a rebuttable presumption
 29 that all undyed or unmarked special fuel, or both, received in Indiana
 30 is to be sold for use in propelling motor vehicles.
 31 ~~(c)~~ **(d)** Except as provided in subsection ~~(d)~~; **(e)**, the tax imposed on
 32 special fuel by subsection (a) shall be measured by invoiced gallons (or
 33 diesel or gasoline gallon equivalents in the case of a special fuel
 34 described in ~~subsection (a)(2) or (a)(3)~~ **section 22.5(2) or 22.5(3) of**
 35 **this chapter** of nonexempt special fuel received by a licensed supplier
 36 in Indiana for sale or resale in Indiana or with respect to special fuel
 37 subject to a tax precollection agreement under section 35(d) of this
 38 chapter, such special fuel removed by a licensed supplier from a
 39 terminal outside of Indiana for sale for export or for export to Indiana
 40 and in any case shall generally be determined in the same manner as
 41 the tax imposed by Section 4081 of the Internal Revenue Code and
 42 Code of Federal Regulations.



1 (Ⓔ) (e) The tax imposed by subsection (a) on special fuel imported
2 into Indiana, other than into a terminal, is imposed at the time the
3 product is entered into Indiana and shall be measured by invoiced
4 gallons received at a terminal or at a bulk plant.

5 (Ⓕ) (f) In computing the tax, all special fuel in process of transfer
6 from tank steamers at boat terminal transfers and held in storage
7 pending wholesale bulk distribution by land transportation, or in tanks
8 and equipment used in receiving and storing special fuel from interstate
9 pipelines pending wholesale bulk reshipment, shall not be subject to
10 tax.

11 (Ⓖ) (g) The department shall consider it a rebuttable presumption
12 that special fuel consumed in a motor vehicle plated for general
13 highway use is subject to the tax imposed under this chapter. A person
14 claiming exempt use of special fuel in such a vehicle must maintain
15 adequate records as required by the department to document the
16 vehicle's taxable and exempt use.

17 (Ⓗ) (h) A person that engages in blending fuel for taxable sale or use
18 in Indiana is primarily liable for the collection and remittance of the tax
19 imposed under subsection (a). The person shall remit the tax due in
20 conjunction with the filing of a monthly report in the form prescribed
21 by the department.

22 (Ⓙ) (i) A person that receives special fuel that has been blended for
23 taxable sale or use in Indiana is secondarily liable to the state for the
24 tax imposed under subsection (a).

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

28 (1) violates; or

29 (2) aids or abets another person to violate;

30 this subsection commits a Class A infraction. However, the violation
31 is a Class A misdemeanor if the person has committed one (1) prior
32 unrelated violation of this subsection, and a Level 6 felony if the person
33 has committed more than one (1) unrelated violation of this subsection.

34 SECTION 25. IC 6-6-2.5-29 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 29. (a) Persons having
36 title to special fuel in storage and held for sale on the effective date of
37 an increase in the license tax rate imposed under section 28 of this
38 chapter are subject to an inventory tax based on the gallons in storage
39 as of the close of the business day preceding the effective date of the
40 increased license tax rate.

41 (b) Persons subject to the tax imposed under this section shall:

42 (1) take an inventory to determine the gallons in storage for



- 1 purposes of determining the inventory tax;
 2 (2) report the gallons listed in subdivision (1) on forms provided
 3 by the commissioner; and
 4 (3) pay the tax due not more than thirty (30) days after the
 5 prescribed inventory date.

6 In determining the amount of special fuel tax due under this section,
 7 the person may exclude the amount of special fuel that will not be
 8 pumped out of the storage tank because the special fuel is below the
 9 mouth of the draw pipe. For this purpose, the person may deduct two
 10 hundred (200) gallons for a storage tank with a capacity of less than ten
 11 thousand (10,000) gallons, and four hundred (400) gallons for a storage
 12 tank with a capacity that exceeds ten thousand (10,000) gallons.

13 (c) The amount of the inventory tax is equal to the inventory tax rate
 14 times the gallons in storage as determined under subsection (b). The
 15 inventory tax rate is equal to the difference of the increased license tax
 16 rate minus the previous license tax rate.

17 (d) The inventory tax shall be considered a listed tax for the
 18 purposes of IC 6-8.1.

19 **(e) Revenue collected from the inventory tax imposed under this**
 20 **section shall be deposited in the motor vehicle highway account**
 21 **established under IC 8-14-1.**

22 SECTION 26. 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 27. 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 28. IC 6-6-2.5-68 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 68. **(a) This section**
14 **applies only to the revenue collected under this chapter from the**
15 **first sixteen cents (\$0.16) of the special fuel tax rate imposed under**
16 **this chapter.**

17 ~~(a)~~ **(b)** The administrator shall transfer the next twenty-five million
18 dollars (\$25,000,000) of the taxes that are collected under this chapter
19 and received during a period beginning July 1 of a year and ending
20 June 30 of the immediately succeeding year to the auditor of state for
21 distribution in the following manner:

22 (1) ~~Thirty percent (30%)~~ **Sixty percent (60%)** to each of the
23 counties, cities, and towns eligible to receive a distribution from
24 the local road and street account under IC 8-14-2 and in the same
25 proportion among the counties, cities, and towns as funds are
26 distributed under IC 8-14-2-4.

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

32 ~~(3)~~ **(2)** Forty percent (40%) to the Indiana department of
33 transportation.

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

38 ~~(c)~~ **(d)** All amounts distributed under subsection ~~(a)~~ **(b)** may only be
39 used for purposes that money distributed from the ~~motor vehicle~~
40 ~~highway account~~ **local road and street account** may be expended
41 under ~~IC 8-14-1~~ **IC 8-14-2**.

42 ~~(d)~~ **(e)** All revenue collected under this chapter **and described in**



1 **subsection (a)** shall be used in the same manner as the revenue
 2 collected under IC 6-6-1.1. The administrator shall, after the transfers
 3 specified in subsection ~~(a)~~; **(b)**, deposit the remainder of the revenues
 4 collected under this chapter **and described in subsection (a)** in the
 5 same manner that revenues are deposited under IC 6-6-1.1-802.

6 SECTION 29. IC 6-6-2.5-68.5 IS ADDED TO THE INDIANA
 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2017]: **Sec. 68.5. The revenue collected from**
 9 **that part of the special fuel tax rate imposed under this chapter**
 10 **that exceeds sixteen cents (\$0.16) shall be deposited in the motor**
 11 **vehicle highway account established under IC 8-14-1.**

12 SECTION 30. 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 31. 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) and on the consumption of special**
 28 **fuel (other than natural gas or an alternative fuel) by a person that**
 29 **is not a carrier at the applicable rate specified in subsection (c).**
 30 The rate of this surcharge tax is eleven cents (\$0.11) per:

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

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

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

39 **Beginning July 1, 2017, the surcharge tax that applies to special**
 40 **fuel that is not an alternative fuel shall be collected and remitted in**
 41 **the manner specified for the special fuel tax under IC 6-6-2.5 as**
 42 **required by the department. A carrier shall reconcile the amount**



1 **owed under this section as part of the carrier's motor fuel use tax**
 2 **reconciliation under this chapter. However, for a carrier that has**
 3 **not paid any surcharge tax at the time of purchase,** the tax shall be
 4 paid quarterly by the carrier to the department on or before the last day
 5 of the month immediately following the quarter.

6 **(c) The surcharge tax described in subsection (b) is imposed at**
 7 **the following applicable rate per surcharge gallon:**

8 **(1) Before July 1, 2017, eleven cents (\$0.11).**

9 **(2) For July 1, 2017, through June 30, 2018, sixteen cents**
 10 **(\$0.16).**

11 **(3) For July 1, 2018, through June 30, 2019, twenty-one cents**
 12 **(\$0.21).**

13 **(4) Beginning July 1, 2019, and each July 1 through July 1,**
 14 **2024, the department shall determine an applicable rate equal**
 15 **to the product of:**

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

17 **(B) the factor determined under IC 6-6-1.6-2.**

18 **The rate shall be rounded to the nearest cent (\$0.01). However,**
 19 **after June 30, 2019, the new applicable rate may not exceed the**
 20 **rate in effect on June 30 plus one cent (\$0.01). The department**
 21 **shall publish the rate that will take effect on July 1 on the**
 22 **department's Internet web site not later than June 1.**

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

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

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

42 **SECTION 32. IC 6-6-4.1-4.7 IS AMENDED TO READ AS**

EH 1002—LS 7350/DI 58



1 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.7. (a) This section
 2 applies only to a claim for a proportional use credit under section 4(d)
 3 or ~~4.5(d)~~ **4.5(f)** of this chapter for taxes first due and payable after July
 4 31, 1999.

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

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

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

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

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

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

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

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

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

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

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

41 SECTION 33. IC 6-6-4.1-4.8, AS AMENDED BY P.L.176-2006,
 42 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2017]: Sec. 4.8. (a) This section applies only to a claim for a
 2 proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 3 chapter for taxes first due and payable after July 31, 1999.

4 (b) In order to obtain a proportional use credit against taxes imposed
 5 under section 4 or 4.5 of this chapter, a carrier must file a claim with
 6 the department. The claim must be submitted on a form prescribed by
 7 the department and must be filed with the quarterly return for the
 8 taxable period for which the proportional use credit is claimed. A
 9 carrier is not entitled to a proportional use credit under section 4(d) or
 10 ~~4.5(d)~~ **4.5(f)** of this chapter unless the carrier:

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

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

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

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

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



- 1 to:
- 2 (A) six hundred twenty-five thousand dollars (\$625,000); plus
- 3 (B) the greater of zero (0) or the result of:
- 4 (i) the limit determined for the previous quarter under this
- 5 subsection; minus
- 6 (ii) the aggregate amount of claims approved for the
- 7 previous quarter.
- 8 (4) For the quarter ending June 30 of a year, an amount equal to:
- 9 (A) eight hundred seventy-five thousand dollars (\$875,000);
- 10 plus
- 11 (B) the greater of zero (0) or the result of:
- 12 (i) the limit determined for the previous quarter under this
- 13 subsection; minus
- 14 (ii) the aggregate amount of claims approved for the
- 15 previous quarter.
- 16 SECTION 34. IC 6-6-4.1-5 IS AMENDED TO READ AS
- 17 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) The department
- 18 shall deposit revenue collected under sections 4 and 12 of this chapter
- 19 in the state highway fund (IC 8-23-9-54).
- 20 (b) The department shall deposit revenue collected **from the first**
- 21 **eleven cents (\$0.11) of the surcharge tax rate imposed** under section
- 22 4.5 of this chapter as follows:
- 23 (1) Forty-five and one-half percent (45.5%) in the state highway
- 24 fund (IC 8-23-9-54).
- 25 (2) Forty-five and one-half percent (45.5%) in the motor vehicle
- 26 highway account (IC 8-14-1).
- 27 (3) Nine percent (9%) in the motor carrier regulation fund
- 28 administered by the department.
- 29 (c) **The department shall deposit revenue collected from that**
- 30 **part of the surcharge tax rate imposed under section 4.5 of this**
- 31 **chapter that exceeds eleven cents (\$0.11) in the motor vehicle**
- 32 **highway account established under IC 8-14-1.**
- 33 (d) The department shall deposit revenue collected under section
- 34 13 of this chapter as follows:
- 35 (1) Thirty-five percent (35%) in the motor vehicle highway
- 36 account (IC 8-14-1).
- 37 (2) Sixty-five percent (65%) in the state highway fund
- 38 (IC 8-23-9-54).
- 39 SECTION 35. IC 6-6-4.1-6 IS AMENDED TO READ AS
- 40 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) A carrier is
- 41 entitled to a credit against the tax imposed under section 4 of this
- 42 chapter if the carrier, or a lessor operating under the carrier's annual



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



- 1 following have been completed:
- 2 (1) The filing of:
- 3 (A) the properly completed application for refund; or
- 4 (B) the quarterly return on which a refund is claimed.
- 5 (2) The submission of any evidence required by the department
- 6 of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 **and**
- 7 **section 4.5 of this chapter.**
- 8 (3) The submission of reports required by the department under
- 9 this chapter.
- 10 (4) The furnishing of a surety bond, letter of credit, or cash
- 11 deposit under section 8 of this chapter.
- 12 (e) The department shall pay interest at the rate established under
- 13 IC 6-8.1-9 from the date of:
- 14 (1) the refund application;
- 15 (2) the due date of a timely filed quarterly return on which a
- 16 refund is claimed; or
- 17 (3) the filing date of a quarterly return on which a refund is
- 18 claimed, if the quarterly refund is filed after the due date of the
- 19 quarterly return;
- 20 to a date determined by the department that does not precede the date
- 21 on which the refund is made by more than thirty (30) days.
- 22 SECTION 37. IC 6-6-4.1-21 IS AMENDED TO READ AS
- 23 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 21. A **person carrier**
- 24 subject to the taxes imposed under sections 4 through 4.5 of this
- 25 chapter who fails to file a quarterly report as required by section 10 of
- 26 this chapter shall pay a civil penalty of three hundred dollars (\$300) for
- 27 each report that is not filed.
- 28 SECTION 38. IC 6-6-4.1-22 IS AMENDED TO READ AS
- 29 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 22. (a) If a **person:**
- 30 **carrier:**
- 31 (1) fails to file a return for taxes due under this chapter;
- 32 (2) fails to pay the full amount of tax shown on the person's return
- 33 by the due date for the return or the payment; or
- 34 (3) incurs a deficiency upon a determination by the department;
- 35 the **person carrier** is subject to interest on the nonpayment.
- 36 (b) The interest for a failure described in subsection (a) is the rate
- 37 of interest calculated under the interest provisions of the International
- 38 Fuel Tax Agreement entered into by the department under
- 39 IC 6-8.1-3-14.
- 40 SECTION 39. IC 6-6-13-6, AS ADDED BY P.L.288-2013,
- 41 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 42 JULY 1, 2017]: Sec. 6. (a) Except as provided in section 7 of this



1 chapter, an excise tax of ~~ten~~ **twenty** cents (~~\$0.10~~) (**\$0.20**) per gallon is
 2 imposed on the gross retail income received by a retailer on each gallon
 3 of aviation fuel purchased in Indiana. A retailer shall add the per gallon
 4 amount of tax to the selling price of each gallon of aviation fuel sold by
 5 the retailer so that the ultimate consumer bears the burden of the tax.

6 (b) For purposes of this chapter, the gross retail income received by
 7 the retailer from the sale of aviation fuel does not include the amount
 8 of any excise tax imposed upon the sale under federal law.

9 SECTION 40. IC 6-6-13-15, AS ADDED BY P.L.288-2013,
 10 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2017]: Sec. 15. The department shall transfer aviation fuel
 12 excise taxes collected under this chapter to the treasurer of state for
 13 deposit:

- 14 (1) before July 1, 2017, in the state general fund; and
- 15 (2) after June 30, 2017, as follows:
 - 16 (A) Fifty percent (50%) in the state general fund.
 - 17 (B) Fifty percent (50%) in the airport development grant
 - 18 fund established by IC 8-21-11-4.

19 SECTION 41. IC 6-6-14-4, AS ADDED BY P.L.212-2014,
 20 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2017]: Sec. 4. (a) The owner of one (1) of the following motor
 22 vehicles that is registered in Indiana and that is propelled by alternative
 23 fuel shall obtain an alternative fuel decal for the motor vehicle and pay
 24 an annual fee in accordance with the following schedule:

25 SCHEDULE

26 Motor Vehicle	27 Annual Fee
28 A passenger motor vehicle, truck, or bus, 29 the declared gross weight of which is 30 equal to or less than 9,000 pounds.	31 \$100 \$150
32 A recreational vehicle.	33 \$100 \$150
34 A truck or bus, the declared gross 35 weight of which is greater than 9,000 pounds 36 but equal to or less than 11,000 pounds.	37 \$175 \$262.50
38 An alternative fuel delivery truck powered 39 by alternative fuel, which is a truck the 40 declared gross weight of which is greater 41 than 11,000 pounds.	42 \$250 \$375
43 A truck or bus, the declared gross weight 44 of which is greater than 11,000 pounds, 45 except an alternative fuel delivery truck.	46 \$300 \$450
47 A tractor, designed to be used with a 48 semitrailer.	49 \$500 \$750



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

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

3 (1) application is made after June 30 of a year; and

4 (2) the motor vehicle is newly:

5 (A) converted to alternative fuel;

6 (B) purchased; or

7 (C) registered in Indiana.

8 **(c) The revenue collected from that part of a fee imposed under**
 9 **this section that exceeds the amount of the fee in effect on June 30,**
 10 **2017, shall be deposited in the motor vehicle highway account**
 11 **established under IC 8-14-1.**

12 SECTION 42. IC 8-2.1-28 IS ADDED TO THE INDIANA CODE
 13 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2017]:

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

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

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

19 (1) plan;

20 (2) develop;

21 (3) install;

22 (4) maintain;

23 (5) monitor; and

24 (6) finance;

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

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

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

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

34 (A) roadway sensors;

35 (B) cameras;

36 (C) laser measurement devices;

37 (D) roadway pressure sensors;

38 (E) speed sensors; and

39 (F) **all other equipment necessary to establish electronic**
 40 **weigh-in-motion stations.**

41 (2) **Weight tolerances for electronic weigh-in-motion stations,**
 42 **frequency of testing of weight tolerances, and certification**



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

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

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

SECTION 43. IC 8-14-1-3, AS AMENDED BY P.L.2-2014, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 3. The money collected for the motor vehicle highway account fund and remaining after refunds and the payment of all expenses incurred in the collection thereof, and after the deduction of the amount appropriated to the department for traffic safety, shall be allocated to and distributed among the department and subdivisions designated as follows:

(1) Of the net amount in the motor vehicle highway account the auditor of state shall set aside for the cities and towns of the state fifteen percent (15%) thereof. This sum shall be allocated to the cities and towns upon the basis that the population of each city and town bears to the total population of all the cities and towns and distribute to cities and towns the amounts determined under this subdivision. The amount that each city or town is entitled to receive under this subdivision in 2018 and in each calendar year thereafter is equal to the result of:

(A) the amount of the distribution received by the city or town under this section during the preceding calendar year; multiplied by

(B) the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for the preceding year.

The amount received by a city or town under this subdivision shall be used for the construction or reconstruction and maintenance of streets and alleys and shall be annually budgeted as now provided by law. However, no part of such sum shall be used for any other purpose than for the purposes defined in this chapter. If any funds allocated to any city or town shall be used by any officer or officers of such city or town for any purpose or purposes other than for the purposes as defined in this chapter, such officer or officers shall be liable upon their official bonds to such city or town in such amount so used for other purposes than for the purposes as defined in this chapter, together with the costs



1 of said action and reasonable attorney fees, recoverable in an
 2 action or suit instituted in the name of the state of Indiana on the
 3 relation of any taxpayer or taxpayers resident of such city or town.
 4 A monthly distribution thereof of funds accumulated during the
 5 preceding month shall be made by the auditor of state.

6 (2) Of the net amount in the motor vehicle highway account, the
 7 auditor of state shall set aside for the counties of the state
 8 ~~thirty-two percent (32%)~~ thereof. However, as to the allocation to
 9 ~~cities and towns under subdivision (1) and as to the allocation to~~
 10 ~~counties under this subdivision; in the event that the amount in~~
 11 ~~the motor vehicle highway account fund remaining after refunds~~
 12 ~~and after the payment of all expenses incurred in the collection~~
 13 ~~thereof shall be less than twenty-two million six hundred and fifty~~
 14 ~~thousand dollars (\$22,650,000) in any fiscal year, then the amount~~
 15 ~~so set aside in the next calendar year for distributions to counties~~
 16 ~~shall be reduced fifty-four percent (54%) of such deficit and the~~
 17 ~~amount so set aside for distribution in the next calendar year to~~
 18 ~~cities and towns shall be reduced thirteen percent (13%) of such~~
 19 ~~deficit. Such reduced distributions shall begin with the~~
 20 ~~distribution January 1 of each year. and distribute to counties~~
 21 ~~the amounts determined under this subdivision. The amount~~
 22 ~~that each county is entitled to receive under this subdivision~~
 23 ~~in 2018 and in each calendar year thereafter is equal to the~~
 24 result of:

25 (A) the amount of the distribution received by the county
 26 under this section during the preceding calendar year;
 27 multiplied by

28 (B) the annual index factor determined in the manner
 29 described in IC 6-6-1-6.2(b) for the preceding year.

30 (3) The amount set aside for the counties of the state under the
 31 provisions of subdivision (2) shall be allocated monthly upon the
 32 following basis:

33 (A) Five percent (5%) of the amount allocated to the counties
 34 to be divided equally among the ninety-two (92) counties.

35 (B) Sixty-five percent (65%) of the amount allocated to the
 36 counties to be divided on the basis of the ratio of the actual
 37 miles, now traveled and in use, of county roads in each county
 38 to the total mileage of county roads in the state, which shall be
 39 annually determined, accurately, by the department and
 40 submitted to the auditor of state before April 1 of each year.

41 (C) Thirty percent (30%) of the amount allocated to the
 42 counties to be divided on the basis of the ratio of the motor



- 1 vehicle registrations of each county to the total motor vehicle
2 registration of the state.
- 3 All money so distributed to the several counties of the state shall
4 constitute a special road fund for each of the respective counties
5 and shall be under the exclusive supervision and direction of the
6 board of county commissioners in the construction,
7 reconstruction, maintenance, or repair of the county highways or
8 bridges on such county highways within such county.
- 9 ~~(4)~~ **(3)** Each month the remainder of the net amount in the motor
10 vehicle highway account shall be credited to the state highway
11 fund for the use of the department.
- 12 ~~(5)~~ **(4)** Money in the fund may not be used for any toll road or toll
13 bridge project.
- 14 ~~(6)~~ **(5)** Notwithstanding any other provisions of this section,
15 money in the motor vehicle highway account fund may be
16 appropriated to the Indiana department of transportation from the
17 ~~forty-seven percent (47%)~~ **amounts** distributed to the political
18 subdivisions of the state **under subdivisions (2) and (3)** to pay
19 the costs incurred by the department in providing services to those
20 subdivisions.
- 21 ~~(7)~~ **(6)** Notwithstanding any other provisions of this section or of
22 IC 8-14-8, for the purpose of maintaining a sufficient working
23 balance in accounts established primarily to facilitate the
24 matching of federal and local money for highway projects, money
25 may be appropriated to the Indiana department of transportation
26 as follows:
- 27 (A) One-half (1/2) from the ~~forty-seven percent (47%)~~
28 **amounts** set aside under subdivisions (1) and (2) for counties
29 and for those cities and towns with a population greater than
30 five thousand (5,000).
- 31 (B) One-half (1/2) from the distressed road fund under
32 IC 8-14-8.
- 33 **(7) In the case of a municipality incorporated after December**
34 **31, 2017, the municipality's initial annual distribution under**
35 **this section shall be determined based on the amount the**
36 **municipality would have received under the distribution**
37 **formula in this section as in effect June 30, 2017, increased by**
38 **applying the annual index factor determined in the manner**
39 **described in IC 6-6-1-6.2(b) for each year that is after 2017**
40 **and that precedes the year in which the municipality is**
41 **incorporated.**
- 42 SECTION 44. IC 8-14-1-11 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 11. (a) The
 2 department may create a local agency revolving fund from money
 3 appropriated under section ~~3(7)~~ **3(6)** of this chapter for the purpose of
 4 maintaining a sufficient working balance in accounts established
 5 primarily to facilitate the matching of federal and local money for
 6 highway projects.

7 (b) The revolving fund balance must be maintained through
 8 reimbursement from a local unit for money used by that unit to match
 9 federal funds.

10 (c) If the local unit fails to reimburse the revolving fund, the
 11 department shall notify the local unit that the department has found the
 12 outstanding accounts receivable to be uncollectible.

13 (d) The attorney general shall review the outstanding accounts
 14 receivable and if the attorney general agrees with the department's
 15 assessment of the account's status, the attorney general shall certify to
 16 the auditor of state that the outstanding accounts receivable is
 17 uncollectible and request a transfer of funds as provided in subsection
 18 (e).

19 (e) Upon receipt of a certificate as specified in subsection (d), the
 20 auditor of state shall:

21 (1) immediately notify the delinquent local unit of the claim; and

22 (2) if proof of payment is not furnished to the auditor of state
 23 within thirty (30) days after the notification, transfer an amount
 24 equal to the outstanding accounts receivable to the department
 25 from the delinquent local unit's allocations from the motor vehicle
 26 highway account for deposit in the local agency revolving fund.

27 (f) Transfers shall be made under subsection (e) until the unpaid
 28 amount has been paid in full under the terms of the agreement.
 29 However, the agreement may be amended if both the department and
 30 the unit agree to amortize the transfer over a period not to exceed five
 31 (5) years.

32 (g) Money in the fund at the end of a fiscal year does not revert to
 33 the state general fund.

34 SECTION 45. IC 8-14-3-3 IS ADDED TO THE INDIANA CODE
 35 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
 36 1, 2017]: **Sec. 3. (a) There is annually appropriated two hundred
 37 fifty thousand dollars (\$250,000) from the motor vehicle highway
 38 account to the department to develop and maintain a centralized
 39 electronic statewide asset management data base that may be used
 40 to aggregate data on local road conditions. The data base shall be
 41 developed in cooperation with the department and the office of
 42 management and budget.**



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

6 SECTION 46. IC 8-14-10-4 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. As used in this
 8 chapter, "state highway" means any highway that is designated as part
 9 of the state highway system under IC 8-23-4. The term includes all
 10 bridges, tunnels, overpasses, underpasses, **highway railroad**
 11 **crossings**, interchanges, entrance plazas, approaches, buildings, and
 12 facilities that the department considers necessary for the operation of
 13 the highway, together with all property, rights, easements, and interests
 14 that are acquired by the department for the construction or
 15 reconstruction of the highway.

16 SECTION 47. IC 8-14.5-6-1 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. Except as provided
 18 in sections 2 and 5 of this chapter, the authority may, by resolution,
 19 issue and sell bonds or notes of the authority for the purpose of
 20 providing funds to carry out the provisions of this article with respect
 21 to the construction of a project or projects or the refunding of any
 22 bonds or notes, together with any reasonable costs associated with a
 23 refunding. However, the authority may not issue any bonds or notes for
 24 the construction of a project:

25 **(1) after July 1, 2007, for a project that is not a highway**
 26 **railroad crossing upgrade project described in IC 8-14.5-8;**
 27 **and**

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

30 **The amount of the bonds or notes issued for purposes of**
 31 **subdivision (2) may not cause the annual payments on all the bonds**
 32 **and notes for this purpose to exceed ten million dollars**
 33 **(\$10,000,000).**

34 SECTION 48. IC 8-14.5-8 IS ADDED TO THE INDIANA CODE
 35 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2017]:

37 **Chapter 8. State Highway Railroad Crossing Remediation**
 38 **Projects**

39 **Sec. 1. (a) The department may approve state highway railroad**
 40 **crossing remediation projects under this chapter for financing**
 41 **under this article.**

42 **(b) The department shall establish a documented policy and**



1 procedure consistent with the requirements of IC 8-6-1 for making
 2 determinations of whether a project should be approved under this
 3 chapter.

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

6 (1) The crossing is at a state highway.

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

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

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

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

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

21 SECTION 49. IC 8-15-2-1, AS AMENDED BY P.L.94-2015,
 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2017]: Sec. 1. (a) In order to remove the handicaps and
 24 hazards on the congested highways in Indiana, to facilitate vehicular
 25 traffic throughout the state, to promote the agricultural and industrial
 26 development of the state, and to provide for the general welfare by the
 27 construction of modern express highways embodying safety devices,
 28 including center division, ample shoulder widths, long sight distances,
 29 multiple lanes in each direction, and grade separations at intersections
 30 with other highways and railroads, the authority may:

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

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

39 (3) finance, develop, construct, reconstruct, improve, or maintain
 40 improvements for manufacturing, commercial, or public
 41 transportation activities within a county through which a toll road
 42 passes;



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

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

7 (B) intersects with a road or a street that interchanges with a
 8 toll road project;

9 (5) finance improvements necessary for developing transportation
 10 corridors in northwestern Indiana; and

11 (6) exercise these powers in participation with any governmental
 12 entity or with any individual, partnership, limited liability
 13 company, or corporation.

14 (b) Notwithstanding subsection (a), the authority shall not construct,
 15 maintain, operate, nor contract for the construction, maintenance, or
 16 operation of transient lodging facilities on, or adjacent to, such toll road
 17 projects.

18 (c) This chapter:

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

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

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

26 ~~(1) Imposing tolls on motor vehicles for use of Interstate Highway~~
 27 ~~69.~~

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

32 SECTION 50. IC 8-15-3-0.5 IS ADDED TO THE INDIANA CODE
 33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: **Sec. 0.5. As used in this chapter, "authority"**
 35 **refers to the Indiana finance authority established under IC 4-4-11.**

36 SECTION 51. IC 8-15-3-9, AS AMENDED BY P.L.94-2015,
 37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2017]: Sec. 9. (a) ~~Subject to subsection (c)~~; The governor
 39 must approve the location of any tollway.

40 (b) The department may, in any combination, plan, design, develop,
 41 construct, reconstruct, maintain, repair, police, finance, and operate
 42 tollways, public improvements, and arterial streets and roads at those



- 1 locations that the governor approves.
- 2 (c) The department may, in any combination, plan, design, develop,
3 construct, reconstruct, improve, finance, operate, repair, or maintain
4 public improvements such as roads and streets, sewer lines, water lines,
5 and other utilities if these improvements are:
- 6 (1) adjacent or appurtenant to a tollway; or
7 (2) necessary or desirable for the financing, construction,
8 operation, or maintenance of a tollway.
- 9 (d) The department may, in any combination, plan, design, develop,
10 construct, reconstruct, improve, maintain, repair, operate, or finance
11 the construction or reconstruction of an arterial highway or an arterial
12 street that:
- 13 (1) is adjacent to, appurtenant to, or interchanges with a tollway;
14 or
15 (2) intersects with a road or street that interchanges with a
16 tollway.
- 17 (e) ~~Before the governor, the department, or an operator may carry~~
18 ~~out any of the following activities under this chapter, the general~~
19 ~~assembly must enact a statute authorizing that activity:~~
- 20 (1) ~~Approve the location of a tollway other than a tollway that is~~
21 ~~approved before July 1, 2011.~~
- 22 (2) ~~Impose tolls on motor vehicles for use of Interstate Highway~~
23 ~~69.~~
- 24 (f) ~~Notwithstanding subsection (e), during the period beginning July~~
25 ~~1, 2011, and ending June 30, 2021, the general assembly is not required~~
26 ~~to enact a statute authorizing the governor, the department, or an~~
27 ~~operator to approve the location of a tollway with respect to the~~
28 ~~following projects:~~
- 29 (1) ~~A project on which construction begins after June 30, 2011,~~
30 ~~not including any part of Interstate Highway 69 other than a part~~
31 ~~described in subdivision (4).~~
- 32 (2) ~~The addition of toll lanes, including high occupancy toll lanes,~~
33 ~~to a highway, roadway, or other facility in existence on July 1,~~
34 ~~2011, if the number of nontolled lanes on the highway, roadway,~~
35 ~~or facility as of July 1, 2011, does not decrease due to the addition~~
36 ~~of the toll lanes.~~
- 37 (3) ~~The Ellettsville Expressway, a limited access facility connecting~~
38 ~~Interstate Highway 65 in northwestern Indiana with an interstate~~
39 ~~highway in Illinois.~~
- 40 (4) ~~A project that is located within a metropolitan planning area~~
41 ~~(as defined by 23 U.S.C. 134) and that connects the state of~~
42 ~~Indiana with the commonwealth of Kentucky.~~



1 SECTION 52. IC 8-15-3-36 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: **Sec. 36. (a) Before July 1, 2017, the department**
 4 **may, after approval by the governor, submit a request to the**
 5 **Federal Highway Administration for a waiver to toll lanes on**
 6 **interstate highways. If:**

7 (1) a waiver is granted under this subsection; and

8 (2) the department, with the approval of the governor, decides
 9 to establish toll lanes under the waiver;

10 the first toll lanes established on an interstate highway must be
 11 located at least seventy-five (75) miles from an interstate highway
 12 or bridge on which travel is subject to tolling as of July 1, 2017.

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

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

22 SECTION 53. IC 8-21-11-4 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The airport
 24 development grant fund and the airport development revolving loan
 25 fund are established for the purposes of this chapter. The department
 26 shall administer the two (2) funds.

27 (b) The department shall pay the expenses of administering the
 28 funds.

29 (c) The treasurer of state shall invest the money in each fund not
 30 currently needed to meet the obligations of the fund in the same
 31 manner as other public funds may be invested. Interest that accrues
 32 from these investments shall be deposited in the fund that earns the
 33 interest.

34 (d) Money deposited in the airport development grant fund
 35 under IC 6-6-13-15(2)(B) may be used only to make matching
 36 grants to airports under section 5(a)(1) of this chapter for capital
 37 improvements.

38 (e) Money in a fund at the end of a state fiscal year does not
 39 revert to the state general fund.

40 SECTION 54. IC 8-23-29-2, AS ADDED BY P.L.208-2014,
 41 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2017]: Sec. 2. The department shall contract with a third party



1 to study transportation infrastructure funding mechanisms. The contract
2 must include the following terms:

3 (1) A description of the funding mechanisms that will be studied.

4 The funding mechanisms must include the following:

5 (A) An option that is based on variables, including vehicle
6 gross weight and miles traveled.

7 (B) An option that accounts for variations in usage and degree
8 of damage caused to transportation infrastructure by vehicles
9 of different sizes and configurations.

10 (C) A flat per vehicle fee.

11 (D) Adjustments to one (1) or more of the following:

12 (i) ~~The state gross retail tax on motor fuel imposed under~~
13 ~~IC 6-2.5-7.~~

14 (ii) (i) The gasoline tax imposed under IC 6-6-1.1.

15 (iii) (ii) The special fuel tax imposed under IC 6-6-2.5.

16 (iv) (iii) The motor carrier fuel tax imposed under
17 IC 6-6-4.1, including the surcharge tax imposed under
18 IC 6-6-4.1-4.5.

19 (E) Tolls.

20 (F) Any other mechanism the department determines is
21 appropriate.

22 (2) The duration of the study, which must be an adequate length
23 of time to ensure that a quality and comprehensive analysis of all
24 topics will be thoroughly reviewed, but is not to exceed two (2)
25 years.

26 (3) An inventory of the transportation infrastructure that will be
27 maintained through revenue generated by the funding
28 mechanisms included in the study. The inventory must include
29 state and local highways, roads, and streets.

30 (4) The rating system by which the maintenance of the
31 transportation infrastructure will be evaluated.

32 SECTION 55. IC 8-23-9-54, AS AMENDED BY P.L.47-2006,
33 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2017]: Sec. 54. (a) To provide funds for carrying out the
35 provisions of this chapter, there is created a state highway fund from
36 the following sources:

37 (1) All money in the general fund to the credit of the state
38 highway account.

39 (2) All money that is received from the Department of
40 Transportation or other federal agency and known as federal aid.

41 (3) All money paid into the state treasury to reimburse the state
42 for money paid out of the state highway fund.



- 1 (4) All money provided by Indiana law for the construction,
 2 maintenance, reconstruction, repair, and control of public
 3 highways, as provided under this chapter.
 4 (5) All money that on May 22, 1933, was to be paid into the state
 5 highway fund under contemplation of any statute in force as of
 6 May 22, 1933.
 7 (6) All money that may at any time be appropriated from the state
 8 treasury.
 9 (7) Any part of the state highway fund unexpended at the
 10 expiration of any fiscal year, which shall remain in the fund and
 11 be available for the succeeding years.
 12 (8) Any money credited to the state highway fund from the motor
 13 vehicle highway account under ~~IC 8-14-1-3(4)~~. **IC 8-14-1-3(3)**.
 14 (9) Any money credited to the state highway fund from the
 15 highway road and street fund under IC 8-14-2-3.
 16 (10) Any money credited to the state highway fund under
 17 IC 6-6-1.1-801.5, IC 6-6-4.1-5, or IC 8-16-1-17.1.
 18 (11) Any money distributed to the state highway fund under
 19 IC 8-14-14, IC 8-15.5, or IC 8-15.7.
 20 (b) All expenses incurred in carrying out this chapter shall be paid
 21 out of the state highway fund.
 22 SECTION 56. IC 8-23-30-3, AS ADDED BY P.L.146-2016,
 23 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 MARCH 23, 2016 (RETROACTIVE)]: Sec. 3. A local unit may apply
 25 to the department for a grant from the fund for an eligible project if the
 26 local unit:
 27 (1) uses a transportation asset management plan approved by the
 28 department; and
 29 (2) commits to a local match by using one (1) or more of the
 30 following:
 31 (A) ~~Revenue attributable to an increase, after June 30, 2016,~~
 32 ~~in Any money~~ the local unit's motor vehicle excise surtax or
 33 ~~wheel tax rate under IC 6-3-5.~~ **unit is authorized to use for a**
 34 **local road or bridge project.**
 35 (B) Money received by the local unit as a special distribution
 36 of local income taxes under IC 6-3.6-9-17.
 37 (C) Money in the local unit's rainy day fund under
 38 IC 36-1-8-5.1.
 39 The application must be in the form and manner prescribed by the
 40 department.
 41 SECTION 57. IC 8-23-30-7, AS ADDED BY P.L.146-2016,
 42 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 58. 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.

~~(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) 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 59. 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	Weight (Pounds)	Fee (\$)
Greater than	Equal to	



1		or less than	
2	0	11,000	\$ 30.35
3	11,000	16,000	144
4	16,000	26,000	180
5	26,000	36,000	300 450
6	36,000	48,000	504 756
7	48,000	66,000	720 1,080
8	66,000	78,000	960 1,440
9	78,000		1,356 2,034

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

13 ~~(b)~~ **(c) The revenue collected from a fee described in subsection**
 14 **(a) that is not required to be distributed under subsection (b) and**
 15 **that results from the part of the fee that is equal to the amount of**
 16 **the fee in effect on June 30, 2017, shall be distributed as follows:**

- 17 (1) Twenty-five cents (\$0.25) to the state police building account.
- 18 (2) For a truck with a declared gross weight of eleven thousand
- 19 (11,000) pounds or less, thirty cents (\$0.30) to the spinal cord and
- 20 brain injury fund.
- 21 (3) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- 22 (4) Two dollars and ninety cents (\$2.90) to the highway, road and
- 23 street fund.
- 24 (5) Four dollars (\$4) to the crossroads 2000 fund.
- 25 (6) For a vehicle registered before July 1, 2019, as follows:
- 26 (A) One dollar and twenty-five cents (\$1.25) to the integrated
- 27 public safety communications fund.
- 28 (B) Three dollars and ten cents (\$3.10) to the commission
- 29 fund.
- 30 (7) For a vehicle registered after June 30, 2019, four dollars and
- 31 thirty-five cents (\$4.35) to the commission fund.
- 32 (8) Any remaining amount to the motor vehicle highway account.

33 **(d) The revenue collected from a fee described in subsection (a)**
 34 **that is not required to be distributed under subsection (b) and that**
 35 **results from the part of the fee that exceeds the amount of the fee**
 36 **in effect on June 30, 2017, shall be deposited in the motor vehicle**
 37 **highway account established under IC 8-14-1.**

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

40 SECTION 60. IC 9-18.1-5-10, AS ADDED BY P.L.198-2016,
 41 SECTION 326, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) The following vehicles shall



- 1 be registered as semitrailers:
- 2 (1) A semitrailer converted to a full trailer through the use of a
- 3 converter dolly.
- 4 (2) A trailer drawn behind a semitrailer.
- 5 (3) A trailer drawn by a vehicle registered under the International
- 6 Registration Plan.
- 7 (b) The fee for a permanent registration of a semitrailer is
- 8 eighty-two dollars (\$82).
- 9 **(c) A fee described in subsection (b) that is collected for a**
- 10 **registration issued through an Indiana based International**
- 11 **Registration Plan account shall be distributed as set forth in**
- 12 **section 10.5 of this chapter.**
- 13 **(d) The fee described in subsection (b) that is not required to be**
- 14 **distributed under subsection (c) shall be distributed as follows:**
- 15 (1) Twenty-five cents (\$0.25) to the state police building account.
- 16 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- 17 (3) Two dollars and ninety cents (\$2.90) to the highway, road and
- 18 street fund.
- 19 (4) Twelve dollars (\$12) to the crossroads 2000 fund.
- 20 (5) For a vehicle registered before July 1, 2019, as follows:
- 21 (A) One dollar and twenty-five cents (\$1.25) to the integrated
- 22 public safety communications fund.
- 23 (B) Three dollars and ten cents (\$3.10) to the commission
- 24 fund.
- 25 (6) For a vehicle registered after June 30, 2019, four dollars and
- 26 thirty-five cents (\$4.35) to the commission fund.
- 27 (7) Any remaining amount to the motor vehicle highway account.
- 28 ~~(e)~~ **(e) A permanent registration under subsection (b) must be**
- 29 **renewed on an annual basis. The fee to renew a permanent registration**
- 30 **is eight dollars and seventy-five cents (\$8.75). The fee is in addition to**
- 31 **any applicable excise tax. and shall be distributed as follows:**
- 32 **(f) A fee described in subsection (e) that is collected for a**
- 33 **registration issued through an Indiana based International**
- 34 **Registration Plan account shall be distributed as set forth in**
- 35 **section 10.5 of this chapter.**
- 36 **(g) A fee described in subsection (e) that is not required to be**
- 37 **distributed under subsection (f) shall be distributed as follows:**
- 38 (1) Twenty-five cents (\$0.25) to the state police building account.
- 39 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.
- 40 (3) Three dollars (\$3) to the crossroads 2000 fund.
- 41 (4) Three dollars and ten cents (\$3.10) to the commission fund.
- 42 (5) Any remaining amount to the motor vehicle highway account.



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

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

7 SECTION 61. IC 9-18.1-5-10.5 IS ADDED TO THE INDIANA
8 CODE AS A NEW SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2017]: **Sec. 10.5. (a) This section applies after**
10 **June 30, 2017.**

11 **(b) This section applies only to fees described in sections 8(a),**
12 **9(a), 10(b), and 10(e) of this chapter that are collected under the**
13 **International Registration Plan or through an Indiana based**
14 **International Registration Plan account.**

15 **(c) The revenue that is from the fees collected under subsection**
16 **(b) during each state fiscal year and that results from the part of**
17 **a fee that is equal to the amount of the fee in effect on June 30,**
18 **2017, shall be distributed as follows:**

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

21 **(2) Any remaining amounts to the motor vehicle highway**
22 **account.**

23 **(d) The revenue that is from the fees collected under subsection**
24 **(b) during each state fiscal year and that results from the part of**
25 **a fee that exceeds the amount of the fee in effect on June 30, 2017,**
26 **shall be deposited in the motor vehicle highway account established**
27 **under IC 8-14-1.**

28 SECTION 62. IC 9-18.1-5-12 IS ADDED TO THE INDIANA
29 CODE AS A NEW SECTION TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2017]: **Sec. 12. (a) The supplemental fee in**
31 **this section applies after December 31, 2017, to each electric**
32 **vehicle and hybrid vehicle that is required to be registered under**
33 **IC 9-18.1.**

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

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

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

41 **(c) As used in this section, "hybrid vehicle" means a vehicle**
42 **that:**



- 1 (1) draws propulsion energy from both an internal
 2 combustion engine and an energy storage device; and
 3 (2) employs a regenerative braking system to recover waste
 4 energy to charge the energy storage device that is providing
 5 propulsion energy.

6 (d) In addition to any other fee required to register an electric
 7 vehicle under this chapter, the supplemental fee to register an
 8 electric vehicle is one hundred fifty dollars (\$150) through
 9 December 31, 2022. Before October 1, 2022, and before each
 10 October 1 of every fifth year thereafter, the bureau shall determine
 11 a new fee amount to take effect as of January 1 of the following
 12 year by determining the product of:

- 13 (1) the fee in effect for the determination year; multiplied by
 14 (2) the factor determined under IC 6-6-1.6-2.

15 The fee shall be rounded to the nearest dollar.

16 (e) In addition to any other fee required to register a hybrid
 17 vehicle under this chapter, the supplemental fee to register a
 18 hybrid vehicle is seventy-five dollars (\$75) through December 31,
 19 2022. Before October 1, 2022, and before each October 1 of every
 20 fifth year thereafter, the bureau shall determine a new fee amount
 21 to take effect as of January 1 of the following year by determining
 22 the product of:

- 23 (1) the fee in effect for the determination year; multiplied by
 24 (2) the factor determined under IC 6-6-1.6-2.

25 The fee shall be rounded to the nearest dollar.

26 (f) The fee shall be deposited in the motor vehicle highway
 27 account established under IC 8-14-1.

28 SECTION 63. IC 9-18.1-15 IS ADDED TO THE INDIANA CODE
 29 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2017]:

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

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

34 **Sec. 2. (a)** The following shall pay an annual transportation
 35 infrastructure improvement fee:

- 36 (1) The owner of a motor vehicle with a declared gross weight
 37 equal to or less than twenty-six thousand (26,000) pounds that
 38 is registered in Indiana.
 39 (2) The owner of a commercial motor vehicle with a declared
 40 gross weight greater than twenty-six thousand (26,000)
 41 pounds that is registered in Indiana.

42 (b) The amount of the annual fee is:



1 (1) fifteen dollars (\$15), in the case of a motor vehicle with a
 2 declared gross weight equal to or less than twenty-six
 3 thousand (26,000) pounds; and

4 (2) one hundred dollars (\$100), in the case of a commercial
 5 motor vehicle with a declared gross weight greater than
 6 twenty-six thousand (26,000) pounds.

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

9 (d) Fees collected under this chapter shall be deposited as
 10 follows:

11 (1) Fees described in subsection (b)(1) shall be deposited in the
 12 local road and bridge matching grant fund established under
 13 IC 8-23-30.

14 (2) Fees described in subsection (b)(2) shall be deposited in the
 15 motor vehicle highway account established under IC 8-14-1.

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

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

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

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

30 (1) the motor vehicle is registered in a calendar month
 31 following the month in which:

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

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

35 (2) the motor vehicle is newly:

36 (A) purchased; or

37 (B) registered in Indiana.

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

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



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

- 2 **(A) the number of full calendar months occurring after the**
 3 **date of the sale or destruction of the motor vehicle and**
 4 **before the date on which the person would have been**
 5 **required to reregister the motor vehicle; divided by**
 6 **(B) twelve (12).**

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

9 SECTION 64. IC 13-20-13-7 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) A fee of **five**
 11 **dollars and** twenty-five cents (~~\$0.25~~) (**\$5.25**) is imposed on the sale of
 12 the following:

- 13 (1) Each new tire that is sold at retail.
 14 (2) Each new tire mounted on a new vehicle sold at retail.

15 (b) The person that sells the new tire or vehicle at retail to the
 16 ultimate consumer of the tire or vehicle shall collect the fee imposed
 17 by this section.

18 (c) A person that collects a fee under subsection (b):

- 19 (1) shall pay the fees collected under subsection (b):
 20 (A) to the department of state revenue; and
 21 (B) at the same time and in the same manner that the person
 22 pays the state gross retail tax collected by the person to the
 23 department of state revenue;
 24 (2) shall indicate on the return:
 25 (A) prescribed by the department of state revenue; and
 26 (B) used for the payment of state gross retail taxes;
 27 that the person is also paying fees collected under subsection (b);
 28 and
 29 (3) is entitled to deduct and retain one percent (1%) of the fees
 30 required to be paid to the department of state revenue under this
 31 subsection.

32 (d) The department of state revenue shall deposit fees collected
 33 under this section **as follows:**

- 34 **(1) Twenty-five cents (\$0.25) from each fee collected shall be**
 35 **deposited** in the waste tire management fund established by this
 36 chapter.
 37 **(2) Five dollars (\$5) from each fee collected shall be deposited**
 38 **in the motor vehicle highway account established under**
 39 **IC 8-14-1.**

40 SECTION 65. IC 13-20-13-8, AS AMENDED BY P.L.37-2012,
 41 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2017]: Sec. 8. (a) Except as provided in subsection (d)(2),



- 1 (d)(3), (d)(6), and (d)(7), the waste tire management fund is established
 2 for the following purposes:
- 3 (1) The department may use not more than thirty-five percent
 4 (35%) of the money deposited in the fund each year for:
- 5 (A) the removal and disposal of waste tires from sites where
 6 the waste tires have been disposed of improperly; and
 7 (B) operating the waste tire education program under section
 8 15 of this chapter.
- 9 (2) The department may use the remaining money deposited in
 10 the fund each year to:
- 11 (A) provide grants and loans under section 9(b) of this chapter
 12 to entities involved in waste tire management activities; and
 13 (B) pay the expenses of administering the programs described
 14 in:
- 15 (i) subdivision (1)(B); and
 16 (ii) clause (A).
- 17 (b) The expenses of administering the fund shall be paid from
 18 money in the fund.
- 19 (c) Money in the fund at the end of a state fiscal year does not revert
 20 to the state general fund.
- 21 (d) Sources of money for the fund are the following:
- 22 (1) Fees paid under section 4(a)(6) of this chapter and
 23 IC 13-20-14-5(c).
- 24 (2) Fees ~~collected under section 7~~ **deposited under section**
 25 **7(d)(1)** of this chapter. All money deposited in the fund under this
 26 subdivision may be used by the department for waste reduction,
 27 recycling, removal, or remediation projects.
- 28 (3) Costs and damages recovered from a person or other entity
 29 under section 14 of this chapter or IC 13-20-14-8. All money
 30 deposited in the fund under this subdivision may be used by the
 31 department for removal and remediation projects.
- 32 (4) Fees established by the general assembly for the purposes of
 33 this chapter.
- 34 (5) Appropriations made by the general assembly.
- 35 (6) Gifts and donations intended for deposit in the fund. A gift or
 36 donation deposited in the fund under this subdivision may be
 37 specified to be entirely for the use of the department.
- 38 (7) Civil penalties collected under IC 13-30-4 for violations of:
- 39 (A) this chapter;
 40 (B) IC 13-20-14; and
 41 (C) rules adopted under section 11 of this chapter and
 42 IC 13-20-14-6.



- 1 All money deposited in the fund under this subdivision may be
 2 used by the department for eligible projects.
- 3 SECTION 66. IC 36-9-42.2-2, AS ADDED BY P.L.141-2013,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2017]: Sec. 2. As used in this chapter, "eligible entity" means
 6 ~~a county or municipality that receives~~, **any entity eligible to receive**,
 7 directly or indirectly, federal funds **through the state or a**
 8 **metropolitan planning organization or otherwise.**
- 9 SECTION 67. IC 36-9-42.2-2.5 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2017]: **Sec. 2.5. As used in this chapter,**
 12 **"exchanged funds" means the state funds allocated to the program**
 13 **in accordance with section 6(b) of this chapter.**
- 14 SECTION 68. IC 36-9-42.2-3, AS ADDED BY P.L.141-2013,
 15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2017]: Sec. 3. As used in this chapter, "federal funds" means
 17 **the total amount of federal transportation funds received by an**
 18 **eligible entity through the federal surface transportation program**
 19 **provided by the federal government to the state.**
- 20 SECTION 69. IC 36-9-42.2-3.3 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2017]: **Sec. 3.3. As used in this chapter, "local**
 23 **share" means twenty-five percent (25%) of the federal funds**
 24 **received by the state in a year.**
- 25 SECTION 70. IC 36-9-42.2-3.5 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2017]: **Sec. 3.5. As used in this chapter,**
 28 **"metropolitan planning organization" means a federally mandated**
 29 **transportation policy making organization that:**
- 30 **(1) is designated to serve a particular transportation planning**
 31 **area within the state; and**
- 32 **(2) receives, directly or indirectly, federal funds.**
- 33 SECTION 71. IC 36-9-42.2-4.5 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2017]: **Sec. 4.5. As used in this chapter,**
 36 **"transportation asset management plan" has the meaning set forth**
 37 **in IC 8-23-30-1(4).**
- 38 SECTION 72. IC 36-9-42.2-5, AS ADDED BY P.L.141-2013,
 39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2017]: Sec. 5. The federal fund exchange program is
 41 established to provide eligible entities and the department with greater
 42 flexibility in funding transportation projects. The department shall



1 administer the program as follows:

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

6 **(2) Exchanged funds may be expended for any transportation**
 7 **purpose allowable under federal law.**

8 **(3) Exchanged funds may be expended on any phase of a**
 9 **project, including:**

10 **(A) periodic project oversight services;**

11 **(B) construction inspection services; and**

12 **(C) reimbursement for items that were conducted before**
 13 **the application or request for exchanged funds or before**
 14 **the award of exchanged funds.**

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

22 **(5) After the initial award of exchanged funds for a project**
 23 **and before the department's closeout of the project, an**
 24 **eligible entity may apply to the department or metropolitan**
 25 **planning organization, whichever is applicable, to be awarded**
 26 **additional exchanged funds as considered necessary to pay for**
 27 **project change orders.**

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

34 **(7) Professional services must be performed by an entity that**
 35 **is prequalified by the department.**

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

40 SECTION 73. IC 36-9-42.2-6, AS ADDED BY P.L.141-2013,
 41 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2017]: Sec. 6. (a) Not later than fifteen (15) days after



1 receiving information from the federal government regarding the
 2 state's distribution of federal funds, the department shall ~~determine~~
 3 the amount of state funds available for the program. ~~calculate the local~~
 4 share for that year and notify the budget agency of the amount.

5 (b) After review by the budget committee and after approval by
 6 the budget director, the department may exchange up to one
 7 hundred percent (100%) of the local share for state dollars.

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

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

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

18 (d) The department may allocate additional state funds to the
 19 program at any time. In making ~~the its~~ determination the department
 20 shall consider ~~the following~~:

21 (1) whether ~~adequate~~ additional state funds are available to ~~fund~~
 22 for the program without putting at risk other transportation
 23 activities or projects needing state funds.

24 (2) Whether the department can readily and effectively use
 25 federal funds received through the program.

26 SECTION 74. IC 36-9-42.2-7, AS ADDED BY P.L.141-2013,
 27 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2017]: Sec. 7. (a) An eligible entity is ~~eligible to participate~~
 29 in the program upon entering into an exchange agreement with ~~may~~
 30 apply to the department or to a metropolitan planning organization
 31 to receive exchanged funds if:

32 (1) the project:

33 (A) is eligible under federal law; or

34 (B) is part of a transportation asset management plan
 35 approved by the department; and

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

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



1 (1) The amount of federal funds the eligible entity wants to
 2 exchange and the proposed exchange rate: **exchanged funds the**
 3 **eligible entity has requested.**

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

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

9 (4) ~~The availability of state funds.~~ **The nature of the project and**
 10 **whether it has an economic significance for the region in**
 11 **which the eligible entity is located.**

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

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

17 SECTION 75. IC 36-9-42.2-7.5 IS REPEALED [EFFECTIVE JULY
 18 1, 2017]. Sec. 7.5: (a) The department may enter into an exchange
 19 agreement only if the exchange agreement is first approved by the
 20 office of management and budget and the attorney general:

21 (b) The executive of an eligible entity may enter into an exchange
 22 agreement on behalf of the eligible entity. However, the executive of
 23 an eligible entity may enter into an exchange agreement only if the
 24 exchange agreement is first approved by the fiscal body of the eligible
 25 entity:

26 SECTION 76. IC 36-9-42.2-8 IS REPEALED [EFFECTIVE JULY
 27 1, 2017]. Sec. 8: An exchange agreement must provide the following:

28 (1) The eligible entity may exchange only federal funds for state
 29 funds:

30 (2) The eligible entity may use state funds only for a capital
 31 project that will fulfill the purpose of the original federal project
 32 award and that is approved by the department.

33 (3) If the eligible entity uses state funds to replace local funds in
 34 order to use the local funds for purposes unrelated to
 35 transportation, the eligible entity:

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

37 (B) may not participate in the program during the succeeding
 38 fiscal year.

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

41 (5) The eligible entity agrees to provide local matching funds
 42 equal to not less than ten percent (10%) of the estimated project



1 cost:

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

4 SECTION 77. IC 36-9-42.2-9, AS ADDED BY P.L.141-2013,
5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2017]: Sec. 9. Not later than November 1 of each year, the
7 department shall submit a report on the program to the general
8 assembly in an electronic format under IC 5-14-6. A report submitted
9 under this section must include:

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

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

15 SECTION 78. IC 36-9-42.2-10, AS ADDED BY P.L.141-2013,
16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2017]: Sec. 10. ~~An eligible entity that participates in the~~
18 ~~program shall comply with~~ Applicable public purchasing laws and
19 competitive bidding requirements **must be complied** with respect to
20 **for** projects funded through the program.

21 SECTION 79. IC 36-9-42.2-11, AS ADDED BY P.L.141-2013,
22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2017]: Sec. 11. The department may adopt rules under
24 IC 4-22-2 **or guidelines, or both**, to implement this chapter.

25 SECTION 80. [EFFECTIVE JULY 1, 2017] **(a) IC 6-6-14-4, as**
26 **amended by this act, applies to decals issued after June 30, 2017.**

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

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

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

33 SECTION 81. [EFFECTIVE UPON PASSAGE] **(a) IC 6-6-4.1-4.5,**
34 **as amended by this act, applies to the collection of the motor fuel**
35 **surchARGE tax imposed on the consumption of special fuel that is**
36 **not an alternative fuel as follows:**

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

40 **(2) For special fuel subject to a tax precollection agreement**
41 **under IC 6-6-2.5-35(j), the special fuel removed after June 30,**
42 **2017, by a licensed supplier from a terminal outside Indiana**



1 **for sale for export or for export to Indiana.**
2 **(3) For special fuel imported into Indiana, other than into a**
3 **terminal, the special fuel imported into Indiana after June 30,**
4 **2017, as measured by invoiced gallons received at a terminal**
5 **or at a bulk plant.**
6 **(b) This SECTION expires June 30, 2018.**
7 **SECTION 82. 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 13, nays 9.

EH 1002—LS 7350/DI 58



HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 12, line 30, delete "thereafter," and insert "**through July 1, 2024,**".

Page 15, line 1, delete "2018." and insert "**2018 through July 1, 2024,**".

Page 16, line 6, delete "thereafter," and insert "**through July 1, 2024,**".

Page 24, line 12, delete "thereafter," and insert "**through July 1, 2024,**".

(Reference is to HB 1002 as printed February 10, 2017.)

LEHMAN

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 37, line 14, after "." insert "**If:**

(1) a waiver is granted under this subsection; and

(2) the department, with the approval of the governor, decides to establish toll lanes under the waiver;

the first toll lanes established on an interstate highway must be located at least seventy-five (75) miles from an interstate highway or bridge on which travel is subject to tolling as of July 1, 2017."

(Reference is to HB 1002 as printed February 10, 2017.)

BROWN T



HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 37, between lines 23 and 24, begin a new paragraph and insert:
 "SECTION 52. IC 8-15.5-4-1.5, AS AMENDED BY P.L.213-2015, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1.5. (a) This section applies only to a toll road project and not to a freeway project or a facility project.

(b) The authority may not issue a request for proposals for a toll road project under this article unless the authority has received a preliminary feasibility study and an economic impact study for the project from the department, **conducted a public hearing, and concluded the periods for public comments and the authority's replies.**

(c) The economic impact study must, at a minimum, include an analysis of the following matters with respect to the proposed project:

- (1) Economic impacts on existing commercial and industrial development.
- (2) Potential impacts on employment.
- (3) Potential for future development near the project area, including consideration of locations for interchanges that will maximize opportunities for development.
- (4) Fiscal impacts on revenues to local units of government.
- (5) Demands on government services, such as public safety, public works, education, zoning and building, and local airports.

The authority shall post a copy of the economic impact study on the authority's Internet web site and shall also provide copies of the study to the governor and the legislative council (in an electronic format under IC 5-14-6).

(d) After completion of the economic impact study, the authority must conduct a public hearing on the results of the study in the county seat of the county in which the proposed project would be located. At least ten (10) days before each public hearing, the authority shall:

- (1) post notice of the public hearing on the authority's Internet web site;
- (2) publish notice of the public hearing one (1) time in accordance with IC 5-3-1 in two (2) newspapers of general circulation in the county; and
- (3) include in the notices under subdivisions (1) and (2):
 - (A) the date, time, and place of the hearing;
 - (B) the subject matter of the hearing;



- (C) a description of the purpose of the economic impact study;
- (D) a description of the proposed project and its location; and
- (E) a statement concerning the availability of the study on the authority's Internet web site.

At the hearing, the authority shall allow the public to be heard on the economic impact study and the proposed project.

(e) For the thirty (30) days following the public hearing on the results of the economic impact study, the authority shall receive comments from the public on the proposed project. The comments may address any aspect of the proposed project.

(f) Within fifteen (15) days following the close of the public comment period, the authority shall publish on the authority's Internet web site the authority's replies to the public comments submitted to the authority during the public comment period.

SECTION 53. IC 8-15.7-4-1, AS AMENDED BY P.L.163-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) The department may request proposals from private entities for all or part of the development, financing, and operation of one (1) or more projects.

(b) If all or part of the project will consist of a tollway, the department shall take the following steps before the commencement of the procurement process under this chapter:

(1) Except as provided by subsection (c), the department shall cause to be prepared a preliminary feasibility study and an economic impact study on that part of the project consisting of a tollway by a firm or firms internationally recognized in the preparation of studies or reports on the financial feasibility and economic impact of proposed toll road projects. Before the preparation of the preliminary feasibility study and the economic impact study, the department must conduct a public hearing on the proposed studies in the county seat of the county in which the proposed project would be located. At least ten (10) days before each public hearing, the authority shall:

- (A) post notice of the public hearing on the department's Internet web site;
- (B) publish notice of the public hearing one (1) time in accordance with IC 5-3-1 in two (2) newspapers of general circulation in the county in which the proposed project would be located; and
- (C) include in the notices under clauses (A) and (B):
 - (i) the date, time, and place of the hearing;
 - (ii) the subject matter of the hearing;



(iii) a description of the purpose of the proposed preliminary feasibility study and economic impact study; and

(iv) a description of the proposed project and its location.

At the hearing, the department shall allow the public to be heard on the proposed studies and the proposed project.

(2) The preliminary feasibility study must be based upon a public-private financial and project delivery structure. The economic impact study must, at a minimum, include an analysis of the following matters with respect to the proposed project:

(A) Economic impacts on existing commercial and industrial development.

(B) Potential impacts on employment.

(C) Potential for future development near the project area, including consideration of locations for interchanges that will maximize opportunities for development.

(D) Fiscal impacts on revenues to local units of government.

(E) Demands on government services, such as public safety, public works, education, zoning and building, and local airports.

The department shall post copies of the preliminary feasibility study and the economic impact study on the department's Internet web site and shall also provide copies of the studies to the governor and to the legislative council (in an electronic format under IC 5-14-6).

(3) After the completion of the preliminary feasibility study and the economic impact statement, the department shall schedule a public hearing on the proposed project and the studies in the county seat of the county that would be an affected jurisdiction for purposes of the proposed project. At least ten (10) days before the public hearing, the department shall:

(A) post notice of the public hearing on the department's Internet web site;

(B) publish notice of the hearing one (1) time in accordance with IC 5-3-1 in two (2) newspapers of general circulation in the county; and

(C) include the following in the notices under clauses (A) and (B):

(i) The date, time, and place of the hearing.

(ii) The subject matter of the hearing.

(iii) A description of the proposed project, its location, the part of the project consisting of a tollway, and, consistent with the assessments reached in the preliminary feasibility



study, the estimated total cost of the acquisition, construction, installation, equipping, and improving of the proposed project, as well as the part of the project consisting of a tollway.

(iv) The address and telephone number of the department.

(v) A statement concerning the availability of the preliminary feasibility study and the economic impact study on the department's Internet web site.

(4) At the hearing, the department shall allow the public to be heard on the proposed project, the preliminary feasibility study, and the economic impact study.

(5) For the thirty (30) days following the public hearing on the proposed project, the department shall receive comments from the public on the proposed project. The comments may address any aspect of the proposed project.

(6) Within fifteen (15) days following the close of the public comment period, the department shall publish on the department's Internet web site the department's replies to the public comments submitted to the department during the public comment period.

~~(5)~~ (7) After the completion of the ~~public hearings response period~~ described in subdivision ~~(3)~~; **(6)**, the department shall submit the preliminary feasibility study, ~~and~~ the economic impact study, **the public comments received, and the department responses to the public comments** to the budget committee for its review before the commencement of the procurement process under this chapter. If the preliminary feasibility study or the economic impact study submitted for review provides for any tolls, the budget committee shall hold a meeting and conduct a review of the preliminary feasibility study and the economic impact study not later than ninety (90) days after the date the preliminary feasibility study and the economic impact study are submitted for review.

(c) The following provisions apply if the department determines that a feasibility study for the Illiana Expressway that was prepared before March 15, 2010, meets the requirements of subsection (b) concerning the preparation of a preliminary feasibility study:

(1) The department is not required to prepare an additional preliminary feasibility study.

(2) The requirement under subsection (b)(1) for a public hearing before preparation of a preliminary feasibility study does not



apply. However, the requirement under subsection (b)(1) for a public hearing on the economic impact study does apply.

(3) The feasibility study prepared before March 15, 2010, is considered to be the preliminary feasibility study for purposes of subsection (b)(3) through (b)(5)."

Renumber all SECTIONS consecutively.

(Reference is to HB 1002 as printed February 10, 2017.)

PIERCE

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1002, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 6-2.5-5-51 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 51. (a) As used in this section, "special fuel" has the meaning set forth in IC 6-6-2.5-22.**

(b) The sale of special fuel is exempt from the state gross retail tax.

SECTION 2. IC 6-2.5-6-10, AS AMENDED BY P.L.227-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) In order to compensate retail merchants and those required to remit gasoline use tax for collecting and timely remitting the state gross retail tax, the state use tax, and the gasoline use tax, every retail merchant or person required to remit the gasoline use tax, except as provided in subsection (c), is entitled to deduct and retain from the amount of those taxes otherwise required to be remitted under ~~IC 6-2.5-7-5~~, IC 6-2.5-3.5 or under this chapter, if timely remitted, a retail merchant's collection allowance.

(b) The allowance equals a percentage of the retail merchant's state gross retail and use tax or the person's gasoline use tax liability accrued during a calendar year, specified as follows:

(1) Seventy-three hundredths percent (0.73%), if the retail merchant's state gross retail and use tax or gasoline use tax liability accrued during the state fiscal year ending on June 30 of



the immediately preceding calendar year did not exceed sixty thousand dollars (\$60,000).

(2) Fifty-three hundredths percent (0.53%), if the retail merchant's state gross retail and use tax or gasoline use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year:

(A) was greater than sixty thousand dollars (\$60,000); and

(B) did not exceed six hundred thousand dollars (\$600,000).

(3) Twenty-six hundredths percent (0.26%), if the retail merchant's state gross retail and use tax liability or the person's gasoline use tax accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year was greater than six hundred thousand dollars (\$600,000).

(c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not entitled to the allowance provided by this section. A retail merchant is not entitled to the allowance provided by this section with respect to gasoline use taxes imposed by IC 6-2.5-3.5.

SECTION 3. IC 6-2.5-7-2 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 2: Except as provided in section 2.5 of this chapter, a retail merchant who uses a metered pump to dispense special fuel shall display on the pump the total price per unit of the special fuel. Subject to the provisions of section 2.5 of this chapter, a retail merchant may not advertise the special fuel at a price that is different than the price that the retail merchant is required to display on the metered pump.

SECTION 4. IC 6-2.5-7-2.5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 2.5: (a) This section does not apply to alternative fuel (as defined by IC 6-6-2.5-1) dispensed after December 31, 2013, and before January 1, 2017.

(b) A retail merchant may designate any metered pumps at a business location that dispense special fuel as being "for trucks only". To do this, a retail merchant must place on the pump a sign that states that fuel dispensed from the metered pump may only be placed in the fuel supply tanks of a truck. A sign that reads "TRUCKS ONLY" is sufficient to meet the requirements of this subsection.

(c) A retail merchant may not dispense special fuel from a metered pump that is designated for trucks only into the supply tank of a vehicle that is not a truck.

(d) A retail merchant is not required to display the total price per unit of the special fuel on a metered pump if that particular metered pump is designated for trucks only.

(e) A retail merchant may advertise special fuel at a price that does not include gross retail taxes that may be due on the sale of the special



fuel only if the retail merchant maintains a metered pump that is designated for trucks only. If a retail merchant advertises special fuel at a price that does not include any gross retail taxes that may be due on the sale of the special fuel, the retail merchant must display in easily read lettering above or below the advertised price the words "EXEMPT TRUCKS ONLY".

SECTION 5. IC 6-2.5-7-3, AS AMENDED BY P.L.227-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. With respect to the sale of special fuel or kerosene which is dispensed from a metered pump, unless the purchaser provides an exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant shall collect, for each unit of special fuel or kerosene sold, state gross retail tax in an amount equal to the product, rounded to the nearest one-tenth of one cent (\$0.001), of:

- (1) the price per unit before the addition of state and federal taxes; multiplied by
- (2) seven percent (7%).

Unless the exemption certificate is provided, the retail merchant shall collect the state gross retail tax prescribed in this section even if the transaction is exempt from taxation under IC 6-2.5-5.

SECTION 6. IC 6-2.5-7-4 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 4. (a) If a sale of special fuel is exempt from the state gross retail tax, the person who pays the tax to the retail merchant may file a claim for refund with the department. The person must file the claim on the form, in the manner, and with the supporting documentation, prescribed by the department. If a person properly files a claim for refund, the department shall refund to the person the state gross retail tax collected with respect to the exempt transaction:

(b) Notwithstanding the other provisions of this section, the department may prescribe simplified procedures to make adjustments for exempt transactions:

SECTION 7. IC 6-2.5-7-5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 5. (a) Each retail merchant who dispenses special fuel from a metered pump shall, in the manner prescribed in IC 6-2.5-6, report to the department the following information:

- (1) The total number of gallons of special fuel sold from a metered pump during the period covered by the report.
- (2) The total amount of money received from the sale of special fuel during the period covered by the report.
- (3) That portion of the amount described in subdivision (2) that represents state and federal taxes imposed under this article;



IC 6-6-2.5; or Section 4041 or Section 4081 of the Internal Revenue Code:

(b) Concurrently with filing the report, the retail merchant shall remit the state gross retail tax in an amount which equals six and fifty-four hundredths percent (6.54%) of the gross receipts, including state gross retail taxes but excluding Indiana and federal special fuel taxes, received by the retail merchant from the sale of the special fuel that is covered by the report and on which the retail merchant was required to collect state gross retail tax. The retail merchant shall remit that amount regardless of the amount of state gross retail tax which the merchant has actually collected under this chapter. However, the retail merchant is entitled to deduct and retain the amounts prescribed in subsection (c), IC 6-2.5-6-10, and IC 6-2.5-6-11.

(c) A retail merchant is entitled to deduct from the amount of state gross retail tax required to be remitted under subsection (b) an amount equal to:

- (1) the sum of the prepayment amounts made during the period covered by the retail merchant's report; minus
- (2) the sum of prepayment amounts collected by the retail merchant, in the merchant's capacity as a qualified distributor, during the period covered by the retail merchant's report.

For purposes of this section, a prepayment of the gross retail tax is presumed to occur on the date on which it is invoiced.

SECTION 8. IC 6-2.5-7-6.5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 6.5: (a) If the deduction under section 5(c) of this chapter exceeds the amount of gross retail tax required to be remitted under section 5(b) of this chapter, the retail merchant is entitled to a credit. The credit shall be used as follows:

- (1) First, the credit shall be applied against gross retail and use tax liability of the retail merchant that is required to be remitted under IC 6-2.5-6.
- (2) Second, any amount remaining shall be applied against the gasoline tax liability of the retail merchant, as determined under IC 6-6-1.1, excluding any liability for gasoline delivered to a taxable marine facility.

A retail merchant may file a claim for a refund instead of taking a credit or for a refund of any excess tax payment remaining after the credits allowed by this section:

(b) A retail merchant that is entitled to a refund under this section must file a claim for the refund on the refund claim form approved by the department and must include any supporting documentation reasonably required by the department. If a retail merchant files a



completed refund claim form that includes all supporting documentation; the excess tax payment that is not refunded within ninety (90) days accrues interest as provided in IC 6-8.1-9-2.

(c) Before the fifth day of each month, the department shall determine and notify the treasurer of state of the amount of credits applied during the preceding month against the gasoline tax under this section. The treasurer of state shall transfer from the general fund:

- (1) to the highway, road and street fund, twenty-five percent (25%) of the amount set forth in the department's notice; and
- (2) to the motor fuel tax fund of the motor vehicle highway account, seventy-five percent (75%) of the amount set forth in the department's notice.

SECTION 9. IC 6-2.5-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) Except as provided in IC 6-2.5-7, A person who:

- (1) displays an advertised price, marked price, or publicly stated price that includes the state gross retail or use taxes;
- (2) offers to assume or absorb part of a customer's state gross retail or use tax on a sale; or
- (3) offers to refund part of a customer's state gross retail or use tax as a part of a sale;

commits a Class B infraction.

(b) A retail merchant who:

- (1) uses a metered pump to dispense gasoline; or special fuel;
- (2) is required to display on the pump the total price per unit of the gasoline or special fuel under IC 6-2.5-7-2; and
- (3) advertises the gasoline or special fuel at a price other than that required by IC 6-2.5-7-2;

commits a Class B infraction."

Delete pages 2 through 5.

Page 6, delete lines 1 through 3.

Page 6, delete lines 19 through 42.

Page 7, delete lines 1 through 39.

Page 8, delete lines 31 through 42.

Page 9, delete lines 1 through 38.

Page 10, delete lines 34 through 42.

Delete page 11.

Page 12, delete lines 1 through 2.

Page 12, delete lines 12 through 42, begin a new paragraph and insert:

"SECTION 32. IC 6-6-1.1-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. (a) A license

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tax of ~~eighteen cents (\$0.18) per gallon~~ is imposed on the use of all gasoline used in Indiana **at the applicable rate specified in subsection (b)**, except as otherwise provided by this chapter. The distributor shall initially pay the tax on the billed gallonage of all gasoline the distributor receives in this state, less any deductions authorized by this chapter. The distributor shall then add the per gallon amount of tax to the selling price of each gallon of gasoline sold in this state and collected from the purchaser so that the ultimate consumer bears the burden of the tax.

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

- (1) Before July 1, 2017, eighteen cents (\$0.18).**
- (2) For July 1, 2017, through June 30, 2018, twenty-three cents (\$0.23).**
- (3) For July 1, 2018, through June 30, 2019, twenty-eight cents (\$0.28).**
- (4) Beginning July 1, 2019, and each July 1 through July 1, 2024, the department shall determine an applicable rate equal to the product of:**
 - (A) the rate in effect on June 30; multiplied by**
 - (B) the factor determined under IC 6-6-1.6-2.**

The rate shall be rounded to the nearest cent (\$0.01). However, after June 30, 2019, the new applicable rate may not exceed the rate in effect on June 30 plus one cent (\$0.01). The department shall publish the rate that will take effect on July 1 on the department's Internet web site not later than June 1.

SECTION 33. IC 6-6-1.1-209 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 209. (a) Persons having title to gasoline in storage and held for sale on the effective date of an increase in the license tax rate imposed under section 201 of this chapter are subject to an inventory tax based upon the gallonage in storage as of the close of the business day preceding the effective date of the increased license tax rate.

(b) Persons subject to the tax imposed under this section shall:

- (1) take an inventory to determine the gallonage in storage for purposes of determining the inventory tax;
- (2) report that gallonage on forms provided by the administrator; and
- (3) pay the tax due within thirty (30) days of the prescribed inventory date.

(c) The amount of the inventory tax is equal to the inventory tax rate times the gallonage in storage as determined under subsection (a). The



inventory tax rate is equal to the difference of the increased license tax rate minus the previous license tax rate.

(d) The inventory tax shall be considered a listed tax for the purposes of IC 6-8.1.

(e) Revenue collected from the inventory tax imposed under this section shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 34. IC 6-6-1.1-502, AS AMENDED BY P.L.211-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 502. (a) Except as provided in subsection (b), at the time of filing each monthly report, each distributor shall pay to the administrator the full amount of tax due under this chapter for the preceding calendar month, computed as follows:

(1) Enter the total number of invoiced gallons of gasoline received during the preceding calendar month.

(2) Subtract the number of gallons for which deductions are provided by sections 701 through 705 of this chapter from the number of gallons entered under subdivision (1).

(3) Subtract the number of gallons reported under section 501(3) of this chapter.

(4) Multiply the number of invoiced gallons remaining after making the computation in subdivisions (2) and (3) by the tax rate prescribed by section 201 of this chapter to compute that part of the gasoline tax to be deposited in the highway, road, and street fund under section ~~802(2)~~ **802(b)(2)** of this chapter or in the motor fuel tax fund under section ~~802(3)~~ **802(b)(3)** of this chapter.

(5) Multiply the number of gallons subtracted under subdivision (3) by the tax rate prescribed by section 201 of this chapter to compute that part of the gasoline tax to be deposited in the fish and wildlife fund under section ~~802(1)~~ **802(b)(1)** of this chapter.

(b) If the department determines that a distributor's:

(1) estimated monthly gasoline tax liability for the current year;
or

(2) average monthly gasoline tax liability for the preceding year; exceeds five thousand dollars (\$5,000), the distributor shall pay the monthly gasoline taxes due by electronic fund transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.



SECTION 35. IC 6-6-1.1-801.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 801.5. **(a) This section applies only to the revenue collected under this chapter from the first eighteen cents (\$0.18) of the gasoline tax rate imposed under this chapter.**

~~(a)~~ **(b)** The administrator shall transfer one-ninth (1/9) of the taxes that are collected under this chapter to the state highway road construction and improvement fund.

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

~~(c)~~ **(d)** 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~~ **local road and street account under IC 8-14-2-4** 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~~ **local road and street account under IC 8-14-2-4**. Money distributed under this subsection may be used only for purposes that money distributed from the ~~motor vehicle highway account~~ **local road and street account** may be expended under ~~IC 8-14-1~~ **IC 8-14-2**.

~~(d)~~ **(e)** After the transfers required by subsections ~~(a)~~ **(b)** through ~~(c)~~ **(d)**, 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 to the auditor of state for distribution in the following manner:

(1) ~~thirty percent (30%)~~ **Sixty percent (60%)** 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)~~ **(2)** Forty percent (40%) to the Indiana department of transportation.



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

(~~f~~) (g) All amounts distributed under subsection (~~d~~) (e) may only be used for purposes that money distributed from the ~~motor vehicle highway account~~ **local road and street account** may be expended under ~~IC 8-14-1~~. **IC 8-14-2.**

SECTION 36. IC 6-6-1.1-802 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 802. (a) **This section applies only to the revenue collected under this chapter from the first eighteen cents (\$0.18) of the gasoline tax rate imposed under this chapter.**

(b) The administrator shall, after the transfer specified in section 801.5 of this chapter, deposit the remainder of the revenues collected under this chapter **and described in subsection (a)** in the following manner:

- (1) The taxes collected with respect to gasoline delivered to a taxable marine facility shall be deposited in the fish and wildlife fund established by IC 14-22-3-2.
- (2) Twenty-five percent (25%) of the taxes collected under this chapter, except the taxes referred to in subdivision (1), shall be deposited in the highway, road and street fund established under IC 8-14-2-2.1.
- (3) The remainder of the revenues collected under this chapter shall be deposited in the motor fuel tax fund of the motor vehicle highway account.

SECTION 37. IC 6-6-1.1-802.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 802.5. The revenue collected under this chapter from that part of the gasoline tax rate imposed under this chapter that exceeds eighteen cents (\$0.18) shall be deposited in the motor vehicle highway account established under IC 8-14-1 and used only for Indiana's roads."**

Delete page 13.

Page 14, delete line 1.

Page 14, delete lines 14 through 41.

Page 14, line 42, delete "3." and insert "2."

Page 15, line 1, delete "2018" and insert "2019".

Page 15, line 6, delete "equals" and insert "equal".

Page 15, between lines 17 and 18, begin a new paragraph and insert:



"(c) The department shall continue to calculate the annual index factor after 2024 for purposes of IC 8-14-1-3(1)(B)."

Page 15, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 40. IC 6-6-2.5-28, AS AMENDED BY P.L.190-2014, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) A license tax of ~~sixteen cents (\$0.16)~~ per:

- ~~(1) gallon;~~
- ~~(2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)); in the case of a special fuel that is liquid natural gas; or~~
- ~~(3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)); in the case of a special fuel that is compressed natural gas;~~

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

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

- (1) Before July 1, 2017, sixteen cents (\$0.16).**
- (2) For July 1, 2017, through June 30, 2018, nineteen cents (\$0.19).**
- (3) For July 1, 2018, through June 30, 2019, twenty-two cents (\$0.22).**
- (4) Beginning July 1, 2019, and each July 1 through July 1, 2024, the department shall determine an applicable rate equal to the product of:**

- (A) the rate in effect on June 30; multiplied by**
- (B) the factor determined under IC 6-6-1.6-2.**

The rate shall be rounded to the nearest cent (\$0.01). However, after June 30, 2019, the new applicable rate may not exceed the rate in effect on June 30 plus one cent (\$0.01). The department shall publish the rate that will take effect on July 1 on the department's Internet web site not later than June 1.

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

~~(e)~~ **(d)** Except as provided in subsection ~~(d)~~; **(e)**, the tax imposed on special fuel by subsection (a) shall be measured by invoiced gallons (or diesel or gasoline gallon equivalents in the case of a special fuel described in ~~subsection (a)(2) or (a)(3)~~ **section 22.5(2) or 22.5(3)**) of



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

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

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

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

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

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

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

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

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



SECTION 41. IC 6-6-2.5-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 29. (a) Persons having title to special fuel in storage and held for sale on the effective date of an increase in the license tax rate imposed under section 28 of this chapter are subject to an inventory tax based on the gallons in storage as of the close of the business day preceding the effective date of the increased license tax rate.

(b) Persons subject to the tax imposed under this section shall:

- (1) take an inventory to determine the gallons in storage for purposes of determining the inventory tax;
- (2) report the gallons listed in subdivision (1) on forms provided by the commissioner; and
- (3) pay the tax due not more than thirty (30) days after the prescribed inventory date.

In determining the amount of special fuel tax due under this section, the person may exclude the amount of special fuel that will not be pumped out of the storage tank because the special fuel is below the mouth of the draw pipe. For this purpose, the person may deduct two hundred (200) gallons for a storage tank with a capacity of less than ten thousand (10,000) gallons, and four hundred (400) gallons for a storage tank with a capacity that exceeds ten thousand (10,000) gallons.

(c) The amount of the inventory tax is equal to the inventory tax rate times the gallons in storage as determined under subsection (b). The inventory tax rate is equal to the difference of the increased license tax rate minus the previous license tax rate.

(d) The inventory tax shall be considered a listed tax for the purposes of IC 6-8.1.

(e) Revenue collected from the inventory tax imposed under this section shall be deposited in the motor vehicle highway account established under IC 8-14-1."

Delete page 16.

Page 17, delete lines 1 through 22.

Page 22, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 44. IC 6-6-2.5-68 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 68. **(a) This section applies only to the revenue collected under this chapter from the first sixteen cents (\$0.16) of the special fuel tax rate imposed under this chapter.**

~~(a)~~ **(b)** 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 to the auditor of state for distribution in the following manner:

(1) ~~Thirty percent (30%)~~ **Sixty percent (60%)** 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~~.

(~~3~~) **(2)** Forty percent (40%) to the Indiana department of transportation.

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

(~~c~~) **(d)** All amounts distributed under subsection (~~a~~) **(b)** may only be used for purposes that money distributed from the ~~motor vehicle highway account~~ **local road and street account** may be expended under ~~IC 8-14-1~~ **IC 8-14-2**.

(~~d~~) **(e)** All revenue collected under this chapter **and described in subsection (a)** shall be used in the same manner as the revenue collected under IC 6-6-1.1. The administrator shall, after the transfers specified in subsection (~~a~~), **(b)**, deposit the remainder of the revenues collected under this chapter **and described in subsection (a)** in the same manner that revenues are deposited under IC 6-6-1.1-802.

SECTION 45. IC 6-6-2.5-68.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 68.5. The revenue collected from that part of the special fuel tax rate imposed under this chapter that exceeds sixteen cents (\$0.16) shall be deposited in the motor vehicle highway account established under IC 8-14-1.**

Page 23, line 28, after "(c)" delete "." and insert "**and on the consumption of special fuel (other than natural gas or an alternative fuel) by a person that is not a carrier at the applicable rate specified in subsection (c).**".

Page 23, line 38, beginning with "**Beginning**" begin a new line blocked left.

Page 24, delete lines 5 through 22, begin a new paragraph and insert:



"(c) The surcharge tax described in subsection (b) is imposed at the following applicable rate per surcharge gallon:

- (1) Before July 1, 2017, eleven cents (\$0.11).**
- (2) For July 1, 2017, through June 30, 2018, sixteen cents (\$0.16).**
- (3) For July 1, 2018, through June 30, 2019, twenty-one cents (\$0.21).**
- (4) Beginning July 1, 2019, and each July 1 through July 1, 2024, the department shall determine an applicable rate equal to the product of:**

- (A) the rate in effect on June 30; multiplied by**
- (B) the factor determined under IC 6-6-1.6-2.**

The rate shall be rounded to the nearest cent (\$0.01). However, after June 30, 2019, the new applicable rate may not exceed the rate in effect on June 30 plus one cent (\$0.01). The department shall publish the rate that will take effect on July 1 on the department's Internet web site not later than June 1."

Page 27, delete lines 16 through 35, begin a new paragraph and insert:

"SECTION 50. 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 **from the first eleven cents (\$0.11) of the surcharge tax rate imposed** under section 4.5 of this chapter as follows:

- (1) Forty-five and one-half percent (45.5%) in the state highway fund (IC 8-23-9-54).
- (2) Forty-five and one-half percent (45.5%) in the motor vehicle highway account (IC 8-14-1).
- (3) Nine percent (9%) in the motor carrier regulation fund administered by the department.

(c) The department shall deposit revenue collected from that part of the surcharge tax rate imposed under section 4.5 of this chapter that exceeds eleven cents (\$0.11) in the motor vehicle highway account established under IC 8-14-1.

~~(c)~~ **(d)** 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)."



Page 29, delete lines 19 through 42, begin a new paragraph and insert:

"SECTION 53. IC 6-6-4.1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 21. A **person carrier** subject to the taxes imposed under sections 4 through 4.5 of this chapter who fails to file a quarterly report as required by section 10 of this chapter shall pay a civil penalty of three hundred dollars (\$300) for each report that is not filed.

SECTION 54. IC 6-6-4.1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 22. (a) If a **person carrier**:

- (1) fails to file a return for taxes due under this chapter;
 - (2) fails to pay the full amount of tax shown on the person's return by the due date for the return or the payment; or
 - (3) incurs a deficiency upon a determination by the department;
- the **person carrier** is subject to interest on the nonpayment.

(b) The interest for a failure described in subsection (a) is the rate of interest calculated under the interest provisions of the International Fuel Tax Agreement entered into by the department under IC 6-8.1-3-14.

SECTION 55. IC 6-6-13-6, AS ADDED BY P.L.288-2013, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) Except as provided in section 7 of this chapter, an excise tax of ~~ten~~ **twenty** cents (~~\$0.10~~) (**\$0.20**) per gallon is imposed on the gross retail income received by a retailer on each gallon of aviation fuel purchased in Indiana. A retailer shall add the per gallon amount of tax to the selling price of each gallon of aviation fuel sold by the retailer so that the ultimate consumer bears the burden of the tax.

(b) For purposes of this chapter, the gross retail income received by the retailer from the sale of aviation fuel does not include the amount of any excise tax imposed upon the sale under federal law.

SECTION 56. IC 6-6-13-15, AS ADDED BY P.L.288-2013, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 15. The department shall transfer aviation fuel excise taxes collected under this chapter to the treasurer of state for deposit:

- (1) **before July 1, 2017**, in the state general fund; **and**
- (2) **after June 30, 2017**, as follows:
 - (A) **Fifty percent (50%) in the state general fund.**
 - (B) **Fifty percent (50%) in the airport development grant fund established by IC 8-21-11-4."**

Page 30, delete lines 1 through 8.



Page 30, delete lines 40 through 42, begin a new paragraph and insert:

"(c) The revenue collected from that part of a fee imposed under this section that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1."

Delete page 31.

Page 32, delete lines 1 through 3.

Page 33, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 69. IC 8-14-1-3, AS AMENDED BY P.L.2-2014, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 3. The money collected for the motor vehicle highway account fund and remaining after refunds and the payment of all expenses incurred in the collection thereof, and after the deduction of the amount appropriated to the department for traffic safety, shall be allocated to and distributed among the department and subdivisions designated as follows:

(1) Of the net amount in the motor vehicle highway account the auditor of state shall set aside ~~for the cities and towns of the state fifteen percent (15%) thereof. This sum shall be allocated to the cities and towns upon the basis that the population of each city and town bears to the total population of all the cities and towns and distribute to cities and towns the amounts determined under this subdivision. The amount that each city or town is entitled to receive under this subdivision in 2018 and in each calendar year thereafter is equal to the result of:~~

(A) the amount of the distribution received by the city or town under this section during the preceding calendar year; multiplied by

(B) the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for the preceding year.

The amount received by a city or town under this subdivision shall be used for the construction or reconstruction and maintenance of streets and alleys and shall be annually budgeted as now provided by law. However, no part of such sum shall be used for any other purpose than for the purposes defined in this chapter. If any funds allocated to any city or town shall be used by any officer or officers of such city or town for any purpose or purposes other than for the purposes as defined in this chapter, such officer or officers shall be liable upon their official bonds to such city or town in such amount so used for other purposes than for the purposes as defined in this chapter, together with the costs



of said action and reasonable attorney fees, recoverable in an action or suit instituted in the name of the state of Indiana on the relation of any taxpayer or taxpayers resident of such city or town. A monthly distribution thereof of funds accumulated during the preceding month shall be made by the auditor of state.

(2) Of the net amount in the motor vehicle highway account, the auditor of state shall set aside for the counties of the state thirty-two percent (32%) thereof. However, as to the allocation to cities and towns under subdivision (1) and as to the allocation to counties under this subdivision, in the event that the amount in the motor vehicle highway account fund remaining after refunds and after the payment of all expenses incurred in the collection thereof shall be less than twenty-two million six hundred and fifty thousand dollars (\$22,650,000) in any fiscal year, then the amount so set aside in the next calendar year for distributions to counties shall be reduced fifty-four percent (54%) of such deficit and the amount so set aside for distribution in the next calendar year to cities and towns shall be reduced thirteen percent (13%) of such deficit. Such reduced distributions shall begin with the distribution January 1 of each year and distribute to counties the amounts determined under this subdivision. The amount that each county is entitled to receive under this subdivision in 2018 and in each calendar year thereafter is equal to the result of:

- (A) the amount of the distribution received by the county under this section during the preceding calendar year; multiplied by
- (B) the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for the preceding year.

(3) The amount set aside for the counties of the state under the provisions of subdivision (2) shall be allocated monthly upon the following basis:

- (A) Five percent (5%) of the amount allocated to the counties to be divided equally among the ninety-two (92) counties.
- (B) Sixty-five percent (65%) of the amount allocated to the counties to be divided on the basis of the ratio of the actual miles, now traveled and in use, of county roads in each county to the total mileage of county roads in the state, which shall be annually determined, accurately, by the department and submitted to the auditor of state before April 1 of each year.
- (C) Thirty percent (30%) of the amount allocated to the counties to be divided on the basis of the ratio of the motor



vehicle registrations of each county to the total motor vehicle registration of the state.

All money so distributed to the several counties of the state shall constitute a special road fund for each of the respective counties and shall be under the exclusive supervision and direction of the board of county commissioners in the construction, reconstruction, maintenance, or repair of the county highways or bridges on such county highways within such county.

~~(4)~~ **(3)** Each month the remainder of the net amount in the motor vehicle highway account shall be credited to the state highway fund for the use of the department.

~~(5)~~ **(4)** Money in the fund may not be used for any toll road or toll bridge project.

~~(6)~~ **(5)** Notwithstanding any other provisions of this section, money in the motor vehicle highway account fund may be appropriated to the Indiana department of transportation from the ~~forty-seven percent (47%)~~ **amounts** distributed to the political subdivisions of the state **under subdivisions (2) and (3)** to pay the costs incurred by the department in providing services to those subdivisions.

~~(7)~~ **(6)** Notwithstanding any other provisions of this section or of IC 8-14-8, for the purpose of maintaining a sufficient working balance in accounts established primarily to facilitate the matching of federal and local money for highway projects, money may be appropriated to the Indiana department of transportation as follows:

(A) One-half (1/2) from the ~~forty-seven percent (47%)~~ **amounts** set aside under subdivisions (1) and (2) for counties and for those cities and towns with a population greater than five thousand (5,000).

(B) One-half (1/2) from the distressed road fund under IC 8-14-8.

(7) In the case of a municipality incorporated after December 31, 2017, the municipality's initial annual distribution under this section shall be determined based on the amount the municipality would have received under the distribution formula in this section as in effect June 30, 2017, increased by applying the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for each year that is after 2017 and that precedes the year in which the municipality is incorporated.



SECTION 70. IC 8-14-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 11. (a) The department may create a local agency revolving fund from money appropriated under section ~~3(7)~~ **3(6)** of this chapter for the purpose of maintaining a sufficient working balance in accounts established primarily to facilitate the matching of federal and local money for highway projects.

(b) The revolving fund balance must be maintained through reimbursement from a local unit for money used by that unit to match federal funds.

(c) If the local unit fails to reimburse the revolving fund, the department shall notify the local unit that the department has found the outstanding accounts receivable to be uncollectible.

(d) The attorney general shall review the outstanding accounts receivable and if the attorney general agrees with the department's assessment of the account's status, the attorney general shall certify to the auditor of state that the outstanding accounts receivable is uncollectible and request a transfer of funds as provided in subsection (e).

(e) Upon receipt of a certificate as specified in subsection (d), the auditor of state shall:

- (1) immediately notify the delinquent local unit of the claim; and
- (2) if proof of payment is not furnished to the auditor of state within thirty (30) days after the notification, transfer an amount equal to the outstanding accounts receivable to the department from the delinquent local unit's allocations from the motor vehicle highway account for deposit in the local agency revolving fund.

(f) Transfers shall be made under subsection (e) until the unpaid amount has been paid in full under the terms of the agreement. However, the agreement may be amended if both the department and the unit agree to amortize the transfer over a period not to exceed five (5) years.

(g) Money in the fund at the end of a fiscal year does not revert to the state general fund."

Page 37, line 14, delete "shall" and insert "**may, after approval by the governor,**".

Page 37, delete lines 31 through 42, begin a new paragraph and insert:

"SECTION 76. IC 8-21-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The airport development grant fund and the airport development revolving loan



fund are established for the purposes of this chapter. The department shall administer the two (2) funds.

(b) The department shall pay the expenses of administering the funds.

(c) The treasurer of state shall invest the money in each fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund that earns the interest.

(d) Money deposited in the airport development grant fund under IC 6-6-13-15(2)(B) may be used only to make matching grants to airports under section 5(a)(1) of this chapter for capital improvements.

~~(e)~~ (e) Money in a fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 77. IC 8-23-29-2, AS ADDED BY P.L.208-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. The department shall contract with a third party to study transportation infrastructure funding mechanisms. The contract must include the following terms:

(1) A description of the funding mechanisms that will be studied.

The funding mechanisms must include the following:

(A) An option that is based on variables, including vehicle gross weight and miles traveled.

(B) An option that accounts for variations in usage and degree of damage caused to transportation infrastructure by vehicles of different sizes and configurations.

(C) A flat per vehicle fee.

(D) Adjustments to one (1) or more of the following:

~~(i)~~ (i) The state gross retail tax on motor fuel imposed under IC 6-2.5-7.

~~(ii)~~ (ii) The gasoline tax imposed under IC 6-6-1.1.

~~(iii)~~ (iii) The special fuel tax imposed under IC 6-6-2.5.

~~(iv)~~ (iv) The motor carrier fuel tax imposed under IC 6-6-4.1, including the surcharge tax imposed under IC 6-6-4.1-4.5.

(E) Tolls.

(F) Any other mechanism the department determines is appropriate.

(2) The duration of the study, which must be an adequate length of time to ensure that a quality and comprehensive analysis of all



topics will be thoroughly reviewed, but is not to exceed two (2) years.

(3) An inventory of the transportation infrastructure that will be maintained through revenue generated by the funding mechanisms included in the study. The inventory must include state and local highways, roads, and streets.

(4) The rating system by which the maintenance of the transportation infrastructure will be evaluated."

Delete pages 38 through 42.

Page 43, delete lines 1 through 8, begin a new paragraph and insert:

"SECTION 78. IC 8-23-9-54, AS AMENDED BY P.L.47-2006, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 54. (a) To provide funds for carrying out the provisions of this chapter, there is created a state highway fund from the following sources:

(1) All money in the general fund to the credit of the state highway account.

(2) All money that is received from the Department of Transportation or other federal agency and known as federal aid.

(3) All money paid into the state treasury to reimburse the state for money paid out of the state highway fund.

(4) All money provided by Indiana law for the construction, maintenance, reconstruction, repair, and control of public highways, as provided under this chapter.

(5) All money that on May 22, 1933, was to be paid into the state highway fund under contemplation of any statute in force as of May 22, 1933.

(6) All money that may at any time be appropriated from the state treasury.

(7) Any part of the state highway fund unexpended at the expiration of any fiscal year, which shall remain in the fund and be available for the succeeding years.

(8) Any money credited to the state highway fund from the motor vehicle highway account under ~~IC 8-14-1-3(4)~~: **IC 8-14-1-3(3)**.

(9) Any money credited to the state highway fund from the highway road and street fund under IC 8-14-2-3.

(10) Any money credited to the state highway fund under IC 6-6-1.1-801.5, IC 6-6-4.1-5, or IC 8-16-1-17.1.

(11) Any money distributed to the state highway fund under IC 8-14-14, IC 8-15.5, or IC 8-15.7.

(b) All expenses incurred in carrying out this chapter shall be paid out of the state highway fund."



Page 43, delete lines 28 through 33.

Page 44, line 40, delete "315" and insert "450".

Page 44, line 41, delete "529" and insert "756".

Page 44, line 42, delete "756" and insert "1,080".

Page 45, line 1, delete "1,008" and insert "1,440".

Page 45, line 2, delete "1,423" and insert "2,034".

Page 45, line 6, delete "A" and insert "**The revenue collected from a**".

Page 45, line 7, after "(b)" insert "**and that results from the part of the fee that is equal to the amount of the fee in effect on June 30, 2017,**".

Page 45, delete lines 23 through 28.

Page 45, line 29, reset in roman "(8)".

Page 45, line 29, delete "(9)".

Page 45, between lines 30 and 31, begin a new paragraph and insert:

"(d) The revenue collected from a fee described in subsection (a) that is not required to be distributed under subsection (b) and that results from the part of the fee that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1."

Page 45, line 31, delete "(d)" and insert "(e)".

Page 47, delete lines 8 through 9, begin a new paragraph and insert:

"(c) The revenue that is from the fees collected under subsection (b) during each state fiscal year and that results from the part of a fee that is equal to the amount of the fee in effect on June 30, 2017, shall be distributed as follows:"

Page 47, delete lines 12 through 15.

Page 47, line 16, delete "(3)" and insert "(2)".

Page 47, between lines 17 and 18, begin a new paragraph and insert:

"(d) The revenue that is from the fees collected under subsection (b) during each state fiscal year and that results from the part of a fee that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1."

Page 47, line 22, after "vehicle" insert "**and hybrid vehicle**".

Page 47, between lines 29 and 30, begin a new paragraph and insert:

"(c) As used in this section, "hybrid vehicle" means a vehicle that:

- (1) draws propulsion energy from both an internal combustion engine and an energy storage device; and**



(2) employs a regenerative braking system to recover waste energy to charge the energy storage device that is providing propulsion energy."

Page 47, line 30, delete "(c)" and insert "(d)".

Page 47, line 38, delete "IC 6-6-1.6-3." and insert "**IC 6-6-1.6-2.**".

Page 47, between lines 39 and 40, begin a new paragraph and insert:

"(e) In addition to any other fee required to register a hybrid vehicle under this chapter, the supplemental fee to register a hybrid vehicle is seventy-five dollars (\$75) through December 31, 2022. Before October 1, 2022, and before each October 1 of every fifth year thereafter, the bureau shall determine a new fee amount to take effect as of January 1 of the following year by determining the product of:

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

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

The fee shall be rounded to the nearest dollar."

Page 47, line 40, delete "(d)" and insert "(f)".

Page 47, line 40, delete "local road and bridge" and insert "**motor vehicle highway account established under IC 8-14-1.**".

Page 47, delete line 41.

Page 48, delete lines 6 through 10, begin a new paragraph and insert:

"Sec. 2. (a) The following shall pay an annual transportation infrastructure improvement fee:

(1) The owner of a motor vehicle with a declared gross weight equal to or less than twenty-six thousand (26,000) pounds that is registered in Indiana.

(2) The owner of a commercial motor vehicle with a declared gross weight greater than twenty-six thousand (26,000) pounds that is registered in Indiana.

(b) The amount of the annual fee is:

(1) fifteen dollars (\$15), in the case of a motor vehicle with a declared gross weight equal to or less than twenty-six thousand (26,000) pounds; and

(2) one hundred dollars (\$100), in the case of a commercial motor vehicle with a declared gross weight greater than twenty-six thousand (26,000) pounds."

Page 48, line 13, delete "in the" and insert "as follows:

(1) Fees described in subsection (b)(1) shall be deposited in the local road and bridge matching grant fund established under IC 8-23-30.



(2) Fees described in subsection (b)(2) shall be deposited in the motor vehicle highway account established under IC 8-14-1."

Page 48, delete lines 14 through 15.

Page 49, delete lines 9 through 40, begin a new paragraph and insert:

"SECTION 87. IC 13-20-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) A fee of **five dollars and twenty-five cents** (~~\$0.25~~) (**\$5.25**) is imposed on the sale of the following:

(1) Each new tire that is sold at retail.

(2) Each new tire mounted on a new vehicle sold at retail.

(b) The person that sells the new tire or vehicle at retail to the ultimate consumer of the tire or vehicle shall collect the fee imposed by this section.

(c) A person that collects a fee under subsection (b):

(1) shall pay the fees collected under subsection (b):

(A) to the department of state revenue; and

(B) at the same time and in the same manner that the person pays the state gross retail tax collected by the person to the department of state revenue;

(2) shall indicate on the return:

(A) prescribed by the department of state revenue; and

(B) used for the payment of state gross retail taxes;

that the person is also paying fees collected under subsection (b); and

(3) is entitled to deduct and retain one percent (1%) of the fees required to be paid to the department of state revenue under this subsection.

(d) The department of state revenue shall deposit fees collected under this section **as follows:**

(1) Twenty-five cents (\$0.25) from each fee collected shall be deposited in the waste tire management fund established by this chapter.

(2) Five dollars (\$5) from each fee collected shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 88. IC 13-20-13-8, AS AMENDED BY P.L.37-2012, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) Except as provided in subsection (d)(2), (d)(3), (d)(6), and (d)(7), the waste tire management fund is established for the following purposes:



- (1) The department may use not more than thirty-five percent (35%) of the money deposited in the fund each year for:
 - (A) the removal and disposal of waste tires from sites where the waste tires have been disposed of improperly; and
 - (B) operating the waste tire education program under section 15 of this chapter.
- (2) The department may use the remaining money deposited in the fund each year to:
 - (A) provide grants and loans under section 9(b) of this chapter to entities involved in waste tire management activities; and
 - (B) pay the expenses of administering the programs described in:
 - (i) subdivision (1)(B); and
 - (ii) clause (A).
- (b) The expenses of administering the fund shall be paid from money in the fund.
- (c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.
- (d) Sources of money for the fund are the following:
 - (1) Fees paid under section 4(a)(6) of this chapter and IC 13-20-14-5(c).
 - (2) Fees ~~collected under section 7~~ **deposited under section 7(d)(1)** of this chapter. All money deposited in the fund under this subdivision may be used by the department for waste reduction, recycling, removal, or remediation projects.
 - (3) Costs and damages recovered from a person or other entity under section 14 of this chapter or IC 13-20-14-8. All money deposited in the fund under this subdivision may be used by the department for removal and remediation projects.
 - (4) Fees established by the general assembly for the purposes of this chapter.
 - (5) Appropriations made by the general assembly.
 - (6) Gifts and donations intended for deposit in the fund. A gift or donation deposited in the fund under this subdivision may be specified to be entirely for the use of the department.
 - (7) Civil penalties collected under IC 13-30-4 for violations of:
 - (A) this chapter;
 - (B) IC 13-20-14; and
 - (C) rules adopted under section 11 of this chapter and IC 13-20-14-6.

All money deposited in the fund under this subdivision may be used by the department for eligible projects."



Page 50, line 2, strike "a county or municipality that".

Page 50, line 2, delete "is" and insert "**any entity**".

Page 50, line 3, after "through" insert "**the state or**".

Page 51, line 13, after "source" delete "." and insert ", **except as provided by federal law.**".

Page 51, line 20, after "awarded" insert "**additional**".

Page 51, delete line 21.

Page 51, line 22, after "funds" insert "**as considered necessary**".

Page 52, line 1, delete "shall" and insert "**may**".

Page 52, line 1, after "exchange" insert "**up to**".

Page 52, line 27, after "project" insert ":

(A) is eligible under federal law; or

(B)".

Page 52, line 30, after "(20%)" insert ", **or a match consistent with federal law,**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1002 as reprinted February 15, 2017.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 2.

