



February 2, 2023

HOUSE BILL No. 1072

DIGEST OF HB 1072 (Updated February 1, 2023 2:06 pm - DI 140)

Citations Affected: IC 13-23; IC 16-44.

Synopsis: Aviation fuel inspection fees. Provides that the fee for the inspection of gasoline or kerosene shall be imposed on "avgas" (aviation fuel used in piston engine powered aircraft) and jet fuel. Establishes an aviation fuel account (account) within the underground petroleum storage tank excess liability trust fund and requires that the inspection fees on avgas and jet fuel be deposited in the account. Provides that the account may be used only for financial responsibility, corrective action, third party indemnification, and administration expenses related to avgas and jet fuel. Provides that, beginning December 31, 2023, an amount equal to the difference between: (1) the entire balance in the account; and (2) a reserve amount that, in combination with an estimate of the fees that will be deposited in the account during the following calendar year, is reasonably anticipated to be sufficient to meet the other purposes of the account in the following year; shall be transferred annually from the account to the airport development grant fund.

Effective: July 1, 2023.

Morrison, Speedy

January 9, 2023, read first time and referred to Committee on Environmental Affairs.
January 19, 2023, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.
February 2, 2023, reported — Do Pass.

HB 1072—LS 6706/DI 55



February 2, 2023

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1072

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

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

- 1 SECTION 1. IC 13-23-7-1.2 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2023]: **Sec. 1.2. (a) The aviation fuel account is established within
4 the ELTF. The account shall be administered by the commissioner
5 or the commissioner's designee.**
6 **(b) The account consists of the following:**
7 **(1) Fees on the inspection of avgas (as defined in
8 IC 16-44-2-0.5) and jet fuel (as defined in IC 16-44-2-1.5) that
9 are deposited in the account under IC 16-44-2-18(g).**
10 **(2) All earnings on investments of funds in the account.**
11 **(3) Gifts and donations intended for deposit in the fund.**
12 **(4) Any other money authorized to be deposited in or
13 appropriated to the account.**
14 **(c) Money in the account is continuously appropriated for
15 purposes of this section.**
16 **(d) The treasurer of state shall invest the money in the account
17 not currently needed to meet the obligations of the account in the**

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1 same manner as other public money may be invested. Interest that
2 accrues from these investments shall be deposited in the account.

3 (e) Money in the account may be used only for the following
4 purposes:

5 (1) Assisting owners and operators of tanks used for the
6 storage of avgas or jet fuel in establishing evidence of
7 financial responsibility, if necessary under IC 13-23-4.

8 (2) Providing a source of money to satisfy liabilities for
9 corrective action involving avgas or jet fuel.

10 (3) Providing a source of money for the indemnification of
11 third parties under IC 13-23-9-3 in claims involving avgas or
12 jet fuel.

13 (4) Providing a source of money to pay the expenses incurred
14 by the department:

15 (A) for job activities and expenses that consist exclusively
16 of administering the aviation fuel account;

17 (B) in inspecting aviation fuel storage tanks; and

18 (C) in providing training through the program established
19 under IC 13-23-7-1(a)(4)(C) to operators of underground
20 tanks used to store avgas or jet fuel.

21 (5) Beginning December 31, 2023, annually providing to the
22 airport development grant fund established by IC 8-21-11-4
23 an amount equal to the difference between:

24 (A) the entire balance in the aviation fuel account; and

25 (B) a reserve amount that, in combination with an estimate
26 of the fees that will be deposited in the aviation fuel
27 account under subsection (b)(1) during the following
28 calendar year, is reasonably anticipated by the
29 commissioner or the commissioner's designee as
30 administrator of the aviation fuel account to be sufficient
31 to meet the purposes set forth in subdivisions (1) through
32 (4) in the following year.

33 (f) The expenses of administering the account shall be paid from
34 money in the account.

35 (g) Money that is in the account at the end of a state fiscal year
36 does not revert to the state general fund.

37 SECTION 2. IC 16-44-2-0.5 IS ADDED TO THE INDIANA CODE
38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
39 1, 2023]: Sec. 0.5. As used in this chapter, "avgas" means aviation
40 fuel used in piston engine powered aircraft within the general
41 aviation community.

42 SECTION 3. IC 16-44-2-1.5 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2023]: **Sec. 1.5. As used in this chapter, "jet fuel" means aviation
3 fuel designed for use in aircraft powered by gas-turbine engines.**

4 SECTION 4. IC 16-44-2-18, AS AMENDED BY P.L.234-2019,
5 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2023]: Sec. 18. (a) **The fee imposed by subsection (b):**

7 **(1) applies to avgas to the same extent and in the same manner
8 as it applies to gasoline; and**

9 **(2) applies to jet fuel to the same extent and in the same
10 manner as it applies to kerosene;**

11 **except as provided in subsection (g).**

12 **(b)** Except as provided in subsection ~~(b)~~; **(c)**, fees for the inspection
13 of gasoline or kerosene shall be at the rate of fifty cents (\$0.50) per
14 barrel (fifty (50) gallons) on all gasoline or kerosene received in
15 Indiana less deductions provided in this section.

16 ~~(b)~~ **(c)** A fee for inspection of gasoline or kerosene may not be
17 charged for the following:

18 (1) On transport or tank car shipments direct to the federal
19 government.

20 (2) On gasoline or kerosene received and subsequently exported
21 from Indiana or returned to refineries or marine or pipeline
22 terminals in Indiana.

23 ~~(c)~~ **(d)** Fees shall be paid to the state department by the person
24 receiving gasoline or kerosene in Indiana at the time gasoline or
25 kerosene products are received, unless the person receiving the
26 gasoline or kerosene is licensed as a distributor under the gasoline tax
27 law (IC 6-6-1.1). In that case, the person in receipt of the gasoline or
28 kerosene shall do the following:

29 (1) Include in the person's monthly gasoline tax report a statement
30 of all gasoline and kerosene received during the preceding
31 calendar month on which inspection fees are due.

32 (2) Remit the amount of the inspection fees at the same time the
33 monthly motor fuel tax report is due.

34 ~~(d)~~ **(e)** A refiner or other person supplying gasoline or kerosene to
35 the first receiver in Indiana may elect to pay the fees monthly on all
36 gasoline or kerosene supplied to persons in Indiana not licensed as
37 distributors under the gasoline tax law (IC 6-6-1.1). If the supplier is
38 not licensed as a distributor under the gasoline tax law of Indiana (IC
39 6-6-1.1), the supplier shall, as a condition precedent to such election,
40 file with the state department a corporate surety bond that meets the
41 following conditions:

42 (1) Is in the form and amount that the state department



1 determines, not to exceed two thousand dollars (\$2,000).
2 (2) Is conditioned that the supplier does the following:
3 (A) Reports all gasoline and kerosene supplied by the supplier
4 to persons in Indiana not licensed as distributors under the
5 gasoline tax law (IC 6-6-1.1).
6 (B) Pays inspection fees monthly on or before the twenty-fifth
7 day of each calendar month for the preceding calendar month.
8 ~~(e)~~ (f) A person taking credit for gasoline or kerosene exported or
9 returned to a refinery or terminal shall substantiate that credit in the
10 manner that the state department reasonably requires by rule.
11 (g) Fees collected under this section for the inspection of:
12 (1) avgas; and
13 (2) jet fuel;
14 shall be deposited in the aviation fuel account of the ELTF under
15 IC 13-23-7-1.2.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1072, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1072 as introduced.)

MORRISON

Committee Vote: Yeas 10, Nays 3

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1072, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1072 as printed January 19, 2023.)

THOMPSON

Committee Vote: Yeas 15, Nays 1

