



February 26, 2014

**ENGROSSED
HOUSE BILL No. 1104**

DIGEST OF HB 1104 (Updated February 25, 2014 10:31 am - DI 58)

Citations Affected: IC 8-23.

Synopsis: Alternative transportation funding mechanisms. Requires the Indiana department of transportation to contract with a third party for a study of alternative funding mechanisms for the maintenance of Indiana's transportation infrastructure.

Effective: Upon passage.

Soliday, Frye R, Stemler, Smaltz

(SENATE SPONSORS — WYSS, BANKS, ARNOLD J)

January 9, 2014, read first time and referred to Committee on Roads and Transportation.
January 16, 2014, amended, reported — Do Pass.
January 21, 2014, read second time, ordered engrossed. Engrossed.
January 23, 2014, read third time, passed. Yeas 93, nays 1.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Tax and Fiscal Policy.
February 25, 2014, amended, reported favorably — Do Pass.

EH 1104—LS 6806/DI 103



February 26, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1104

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

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

1 SECTION 1. IC 8-23-29 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:

4 **Chapter 29. Transportation Infrastructure Funding**
5 **Mechanisms**

6 **Sec. 1. As used in this chapter, "study" refers to the study of**
7 **transportation infrastructure funding mechanisms that is the**
8 **subject of the contract described in section 2 of this chapter.**

9 **Sec. 2. The department shall contract with a third party to study**
10 **transportation infrastructure funding mechanisms. The contract**
11 **must include the following terms:**

12 (1) A description of the funding mechanisms that will be
13 studied. The funding mechanisms must include the following:

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

16 (B) An option that accounts for variations in usage and

EH 1104—LS 6806/DI 103



- 1 degree of damage caused to transportation infrastructure
 2 by vehicles of different sizes and configurations.
 3 (C) A flat per vehicle fee.
 4 (D) Adjustments to one (1) or more of the following:
 5 (i) The state gross retail tax on motor fuel imposed under
 6 IC 6-2.5-7.
 7 (ii) The gasoline tax imposed under IC 6-6-1.1.
 8 (iii) The special fuel tax imposed under IC 6-6-2.5.
 9 (iv) The motor carrier fuel tax imposed under IC 6-6-4.1,
 10 including the surcharge tax imposed under
 11 IC 6-6-4.1-4.5.
 12 (E) Tolls.
 13 (F) Any other mechanism the department determines is
 14 appropriate.
- 15 (2) The duration of the study, which must be an adequate
 16 length of time to ensure that a quality and comprehensive
 17 analysis of all topics will be thoroughly reviewed, but is not to
 18 exceed two (2) years.
- 19 (3) An inventory of the transportation infrastructure that will
 20 be maintained through revenue generated by the funding
 21 mechanisms included in the study. The inventory must include
 22 state and local highways, roads, and streets.
- 23 (4) The rating system by which the maintenance of the
 24 transportation infrastructure will be evaluated.
- 25 **Sec. 3. The study must do the following:**
- 26 (1) Review the literature of similar studies conducted in other
 27 jurisdictions.
- 28 (2) Determine the costs of maintaining the transportation
 29 infrastructure designated in the contract under the rating
 30 system designated in the contract.
- 31 (3) For each mechanism studied, calculate the per unit
 32 amount required to generate revenue sufficient to cover the
 33 costs described in subdivision (2).
- 34 (4) Identify and discuss the following concerns for each
 35 mechanism studied:
 36 (A) Privacy.
 37 (B) Ease of use.
 38 (C) Compliance.
 39 (D) Revenue collection costs.
- 40 (5) Evaluate the effects of each funding mechanism on
 41 alternative fuel and advanced technology vehicles.
- 42 (6) Identify and analyze the technologies supporting each



1 **mechanism studied.**
2 **Sec. 4. Not later than July 1 of each year of the study, the**
3 **department shall provide the results of the study to date in an**
4 **electronic format under IC 5-14-6 to the following:**
5 **(1) The joint study committee on transportation and**
6 **infrastructure assessment and solutions established by**
7 **IC 2-5-28.5-2.**
8 **(2) The legislative council.**
9 **(3) The governor.**
10 **Sec. 5. The department shall pay the amount necessary for the**
11 **study out of any funds available for the purpose.**
12 **Sec. 6. Upon conclusion of the study, the department shall**
13 **consider the appropriateness of implementing a voluntary pilot**
14 **program based on one (1) or more of the mechanisms included in**
15 **the study.**
16 **SECTION 2. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1104, 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 2, line 4, delete "the" and insert "**one (1) or more of the following:**

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

(ii) The".

Page 2, between lines 5 and 6, begin a new line triple block indented and insert:

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

(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."

Page 2, delete lines 11 through 15 and insert "**state and local highways, roads, and streets.**

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

Page 2, line 19, delete "cost" and insert "**costs**".

Page 2, line 20, delete "to the standard" and insert "**under the rating system**".

Page 2, line 22, delete "Depending on the mechanism," and insert "**For each mechanism studied,**".

Page 2, delete lines 25 through 26, begin a new line block indented and insert:

"(4) Identify and discuss the following concerns for each mechanism studied:

(A) Privacy.

(B) Ease of use.

(C) Compliance.

(D) Revenue collection costs."

Page 2, between lines 28 and 29, begin a new line block indented and insert:

"(6) Identify and analyze the technologies supporting each mechanism studied."

Page 2, between lines 38 and 39, begin a new paragraph and insert:



"Sec. 6. Upon conclusion of the study, the department shall consider the appropriateness of implementing a voluntary pilot program based on one (1) or more of the mechanisms included in the study."

and when so amended that said bill do pass.

(Reference is to HB 1104 as introduced.)

SOLIDAY, Chair

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1104, 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 2, line 15, delete "must be at least" and insert "**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**".

and when so amended that said bill do pass.

(Reference is to HB 1104 as printed January 17, 2014.)

HERSHMAN, Chairperson

Committee Vote: Yeas 9, Nays 0.

