



January 27, 2014

HOUSE BILL No. 1180

DIGEST OF HB 1180 (Updated January 23, 2014 10:46 am - DI 96)

Citations Affected: IC 6-3.1; IC 6-6; IC 9-13; IC 9-18; IC 9-19.

Synopsis: Various commercial vehicle matters. Makes various changes concerning the administration of the tax credit for natural gas powered vehicles. Excludes natural gas products from the definition of alternative fuel. Excludes alternative fuels from the definition of special fuel. Specifies that propane and butane are alternative fuels. Establishes an alternative fuel decal system. Provides that the road tax credit for motor carriers consuming compressed natural gas must be claimed on a quarterly basis. Requires the department of state revenue to register commercial fleets consisting of at least 25 vehicles, including at least one vehicle having a declared gross vehicle weight exceeding 26,000 pounds. (Current law allows the department to register fleets of at least 25 vehicles that all have declared gross vehicle weights exceeding 26,000 pounds.) Provides that the operator of a motor vehicle using compressed gas as a motor fuel is subject to the same nighttime operating requirements outside the corporate limits of a municipality as other vehicles and is permitted to carry flares or red-burning fuses.

Effective: January 1, 2014 (retroactive); April 1, 2014; July 1, 2014; January 1, 2015.

**Frye R, McMillin, DeLaney,
Moseley**

January 14, 2014, read first time and referred to Committee on Roads and Transportation.
January 27, 2014, amended, reported — Do Pass.

HB 1180—LS 6685/DI 92



January 27, 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.

HOUSE BILL No. 1180

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 6-3.1-34.6-6, AS ADDED BY P.L.277-2013,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 6. As used in this
4 chapter, "qualified vehicle" means a natural gas powered vehicle that:
5 (1) has a gross vehicle weight rating of more than thirty-three
6 thousand (33,000) pounds; **and**
7 (2) **is purchased or leased from a dealer located in Indiana.**
8 SECTION 2. IC 6-3.1-34.6-10, AS ADDED BY P.L.277-2013,
9 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 10. The total amount of
11 the tax credits granted in a particular year to all persons under this
12 chapter may not exceed **the** lesser of:
13 (1) three million dollars (\$3,000,000) per year; or
14 (2) the revenue, as estimated by the budget agency, that is
15 attributable to the imposition of the gross retail and use tax on
16 transactions involving ~~alternative fuel~~ **(as defined by**

HB 1180—LS 6685/DI 92



1 ~~IC 6-6-2.5-1~~ **the purchase of a natural gas product (as defined**
 2 **by IC 6-6-2.5-16.5)** to fuel a motor vehicle ~~used in providing~~
 3 ~~public transportation for persons or property as a result of~~
 4 ~~IC 6-2.5-5-27(b)~~ for the year the credit is claimed.

5 In addition, the tax credits granted for all years to all persons under this
 6 chapter may not exceed three (3) times the per year amount under
 7 subdivision (1) or (2), whichever applies for a particular year.

8 SECTION 3. IC 6-3.1-34.6-12, AS ADDED BY P.L.277-2013,
 9 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 12. (a) To receive a
 11 credit under this chapter, a person **placing a qualified vehicle into**
 12 **service** must:

13 (1) ~~claim the credit on the person's state tax return or returns~~
 14 **apply for the department's approval of the tax credit and**
 15 **notify the department of the person's purchase or lease of a**
 16 **qualified vehicle** in the manner prescribed by the department;
 17 ~~and~~

18 (2) **submit proof of the purchase or lease to the department**
 19 **and** file with the department information that the department
 20 determines is necessary for the calculation of the credit under this
 21 chapter;

22 (3) **attach proof of the department's approval of the tax credit**
 23 **to the person's state tax return or returns; and**

24 (4) **claim the approved tax credit on the person's state tax**
 25 **return or returns in the manner prescribed by the**
 26 **department.**

27 (b) The department shall record the time of filing of each ~~return~~
 28 ~~claiming a credit under this section~~ **application for the department's**
 29 **approval of a tax credit** and shall, except as provided in subsection
 30 (c), ~~grant~~ **approve** ~~granting~~ the credit to the person, if the person
 31 otherwise qualifies for a credit under this chapter, in the chronological
 32 order in which the ~~return~~ **application for the department's approval**
 33 is filed in the year.

34 (c) If the total credits ~~granted~~ **approved** under this section equal the
 35 maximum amount allowable in the year, a ~~return claiming the~~
 36 ~~department may not approve an application for~~ the credit filed later
 37 in that year. ~~may not be approved.~~

38 SECTION 4. IC 6-6-2.5-1, AS AMENDED BY P.L.277-2013,
 39 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 1. As used in this
 41 chapter, "alternative fuel" means a liquefied petroleum gas, ~~liquid or~~
 42 ~~compressed natural gas product; or a combination of liquefied~~



1 petroleum gas and a compressed natural gas product, not including a
 2 biodiesel fuel or biodiesel blend, used in an internal combustion engine
 3 or motor to propel any form of vehicle, machine, or mechanical
 4 contrivance. The term includes all forms of fuel commonly or
 5 commercially known or sold as butane or propane. or liquid or
 6 compressed natural gas.

7 SECTION 5. IC 6-6-2.5-16.5 IS ADDED TO THE INDIANA
 8 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 16.5. As**
 9 **used in this chapter, "natural gas product" means:**
 10

11 (1) a liquid or compressed natural gas product; or

12 (2) a combination of liquefied petroleum gas and a
 13 compressed natural gas product;

14 used in an internal combustion engine or motor to propel any form
 15 of vehicle, machine, or mechanical contrivance.

16 SECTION 6. IC 6-6-2.5-22, AS AMENDED BY P.L.277-2013,
 17 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 22. As used in this
 19 chapter, "special fuel" means all combustible gases and liquids that are:

20 (1) suitable for the generation of power in an internal combustion
 21 engine or motor; or

22 (2) used exclusively for heating, industrial, or farm purposes other
 23 than for the operation of a motor vehicle.

24 Special fuel includes biodiesel and blended biodiesel (as defined in
 25 IC 6-6-2.5-1.5) and ~~alternative fuels.~~ **natural gas products.** However,
 26 the term does not include **an alternative fuel**, gasoline (as defined in
 27 IC 6-6-1.1-103), ethanol produced, stored, or sold for the manufacture
 28 of or compounding or blending with gasoline, kerosene, and jet fuel (if
 29 the purchaser of the jet fuel has provided to the seller proof of the
 30 purchaser's federal jet fuel registration at or before the time of sale).

31 SECTION 7. IC 6-6-12-5, AS ADDED BY P.L.277-2013,
 32 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 5. **(a) Before July 1,**
 34 **2014**, a carrier that consumes compressed natural gas to propel a
 35 vehicle described in IC 6-6-4.1-2(a) may claim a credit against the road
 36 taxes imposed upon the carrier's consumption of compressed natural
 37 gas in the previous state fiscal year.

38 **(b) After June 30, 2014, a carrier that** consumes compressed
 39 natural gas to propel a vehicle described in IC 6-6-4.1-2(a) may claim
 40 a credit against the road taxes imposed upon the carrier's consumption
 41 of compressed natural gas in the previous calendar quarter. **A carrier**
 42 **must claim the credit in the manner prescribed under section 7 of**



1 this chapter before the following due dates:

- 2 (1) **October 30 in 2014 and each year thereafter.**
 3 (2) **January 30 in 2015 and each year thereafter.**
 4 (3) **April 30 in 2015 and each year thereafter.**
 5 (4) **July 30 in 2015 and each year thereafter.**

6 SECTION 8. IC 6-6-12-6, AS ADDED BY P.L.277-2013,
 7 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2014 (RETROACTIVE)]; Sec. 6. The amount of a credit
 9 allowed under this chapter is equal to twelve percent (12%) of the road
 10 taxes imposed upon the carrier's consumption of compressed natural
 11 gas in:

- 12 (1) the previous state fiscal year **for compressed natural gas**
 13 **consumed before July 1, 2014.**
 14 (2) the previous calendar quarter **for compressed natural gas**
 15 **consumed after June 30, 2014.**

16 SECTION 9. IC 6-6-14 IS ADDED TO THE INDIANA CODE AS
 17 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE APRIL
 18 1, 2014]:

19 **Chapter 14. Alternative Fuel Decals**

20 **Sec. 1. As used in this chapter, "alternative fuel" means a**
 21 **liquefied petroleum gas used in an internal combustion engine or**
 22 **motor to propel any form of vehicle, machine, or mechanical**
 23 **contrivance. The term includes all forms of fuel commonly or**
 24 **commercially known or sold as butane or propane.**

25 **Sec. 2. As used in this chapter, "department" means the**
 26 **department of state revenue.**

27 **Sec. 3. As used in this chapter, "special fuel" has the meaning**
 28 **set forth in IC 6-6-2.5-22.**

29 **Sec. 4. (a) The owner of one (1) of the following motor vehicles**
 30 **that is registered in Indiana and that is propelled by alternative**
 31 **fuel shall obtain an alternative fuel decal for the motor vehicle and**
 32 **pay an annual fee in accordance with the following schedule:**

33 **SCHEDULE**

34 Motor Vehicle	35 Annual Fee
36 A passenger motor vehicle, truck, or bus, 37 the declared gross weight of which is 38 equal to or less than 9,000 pounds.	39 \$100
40 A recreational vehicle.	41 \$100
42 A truck or bus, the declared gross 43 weight of which is greater than 9,000 pounds 44 but equal to or less than 11,000 pounds.	45 \$175
46 An alternative fuel delivery truck powered	



- 1 by alternative fuel, which is a truck the
 2 declared gross weight of which is greater
 3 than 11,000 pounds. \$250
 4 A truck or bus, the declared gross weight
 5 of which is greater than 11,000 pounds,
 6 except an alternative fuel delivery truck. \$300
 7 A tractor, designed to be used with a
 8 semitrailer. \$500
 9 Only one (1) fee is required to be paid per motor vehicle per year.
 10 (b) The annual fee may be prorated on a quarterly basis if:
 11 (1) application is made after June 30 of a year; and
 12 (2) the motor vehicle is newly:
 13 (A) converted to alternative fuel;
 14 (B) purchased; or
 15 (C) registered in Indiana.
 16 Sec. 5. The department may by rules adopted under IC 4-22-2
 17 increase or decrease the fees for decals under this chapter. If the
 18 department increases or decreases fees, the fees must be
 19 established so that owners of motor vehicles propelled by
 20 alternative fuel pay an amount substantially comparable to license
 21 taxes paid by owners of motor vehicles propelled by special fuel.
 22 Sec. 6. (a) The owner of a motor vehicle that is propelled by
 23 alternative fuel and is:
 24 (1) registered outside Indiana; and
 25 (2) operated on a public highway in Indiana;
 26 shall obtain a temporary trip permit. An alternative fuel
 27 temporary trip permit may be purchased from a licensed propane
 28 dealer who sells alternative fuels.
 29 (b) A temporary trip permit is valid for seventy-two (72) hours
 30 from the time of purchase. The fee for each permit is five dollars
 31 and fifty cents (\$5.50). The fee for an alternative temporary trip
 32 permit must be collected from the purchaser by the licensed
 33 propane dealer and paid monthly to the administrator on forms
 34 prescribed by the department.
 35 Sec. 7. (a) Before dispensing alternative fuel into a motor
 36 vehicle, a person desiring to make alternative fuel sales in Indiana
 37 must be licensed by the department as a propane dealer. A person
 38 may apply for a propane dealer license on a form prescribed by the
 39 department. The department may make any reasonable
 40 investigation of an applicant before issuing a license to the
 41 applicant. The fee for a propane dealer license is fifty dollars (\$50).
 42 (b) The department shall issue a license card to each applicant



1 approved for a propane dealer license. A licensed propane dealer
2 shall display the license card in a conspicuous place at each
3 location operated by the licensed propane dealer where alternative
4 fuel is dispensed into motor vehicles in Indiana.

5 (c) The department may rescind a propane dealer license if the
6 propane dealer fails to comply with any requirement of this
7 chapter.

8 (d) Fees collected under this section must be deposited,
9 allocated, and distributed in the same manner that special fuel
10 taxes are deposited, allocated, and distributed under IC 6-6-2.5-67.

11 Sec. 8. (a) The administrator shall issue an alternative fuel decal
12 to an owner of a motor vehicle propelled by alternative fuel who
13 applies for a decal, pays to the administrator the fee, and provides
14 the information that is required by the administrator.

15 (b) An alternative fuel decal is effective from April 1 of each
16 year through March 31 of the next year. The administrator may
17 extend the expiration date for not more than thirty (30) days.
18 During the month of March, the owner shall display the valid decal
19 through March 31 or the decal issued to the owner for the next
20 twelve (12) months. If the administrator grants an extension of the
21 expiration date, the owner shall continue to display the decal for
22 which the extension was granted.

23 Sec. 9. (a) The owner of a motor vehicle propelled by alternative
24 fuel shall affix the alternative fuel decal to the lower left side of the
25 front windshield of the motor vehicle for which it was issued. The
26 decal may be displayed only on the motor vehicle for which the
27 decal was issued.

28 (b) Upon application of the owner and surrender of a decal, the
29 administrator may issue a new decal or give credit toward the fee
30 for a decal for another vehicle or for a subsequent twelve (12)
31 months. Upon receipt of the new decal or a credit statement, the
32 owner shall return to the administrator:

33 (1) the old decal; or

34 (2) a sworn statement indicating that the old decal has been
35 destroyed.

36 (c) A credit under this section shall be computed by multiplying
37 the fee paid for the old decal by a fraction. The denominator of the
38 fraction is the number of whole and partial quarters for which the
39 old decal was issued. The numerator of the fraction is the number
40 of remaining whole quarters that the old decal would have been
41 valid.

42 (d) A credit under this section may not be given during the last



1 three (3) months before the decal expires.

2 (e) No refunds may be allowed under this section.

3 Sec. 10. A person may place or cause to be placed alternative
4 fuel into the fuel supply tank of a motor vehicle only under one (1)
5 of the following conditions:

6 (1) The motor vehicle has a valid alternative fuel decal affixed
7 to the front windshield.

8 (2) The operator has a copy of a completed application for a
9 decal for the motor vehicle, which application was filed with
10 the department not more than thirty (30) days before the sale
11 of the fuel.

12 SECTION 10. IC 9-13-2-30.5 IS ADDED TO THE INDIANA
13 CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2015]: Sec. 30.5. "Commercial fleet"
15 means a fleet of vehicles that:

16 (1) is owned by the same person;

17 (2) consists of at least twenty-five (25) commercial vehicles (as
18 defined by section 31.5 of this chapter); and

19 (3) includes at least one (1) vehicle having a declared gross
20 vehicle weight rating exceeding twenty-six thousand (26,000)
21 pounds.

22 SECTION 11. IC 9-18-2-4.5, AS AMENDED BY P.L.293-2013(ts),
23 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2015]: Sec. 4.5. (a) Upon payment of the annual
25 registration fee under IC 9-29-5, and any applicable commercial
26 vehicle excise tax under IC 6-6-5.5, the department of state revenue
27 may issue a license plate for each commercial vehicle registered to the
28 registered owner of at least twenty-five (25) commercial vehicles, with
29 a declared gross vehicle weight rating exceeding twenty-six thousand
30 (26,000) pounds: a **commercial fleet**. The license plate issued under
31 this section for a commercial vehicle is permanently valid.

32 (b) If the registered owner of at least twenty-five (25) commercial
33 vehicles with a declared gross vehicle weight rating exceeding
34 twenty-six thousand (26,000) pounds a **commercial fleet** submits the
35 application of registration for the commercial vehicles on an aggregate
36 basis, it must be by electronic means. If the application is approved, the
37 department of state revenue shall issue a certificate of registration that
38 shall be carried at all times in the vehicle for which it is issued.

39 (c) The registration for a commercial vehicle is void when the
40 registered owner:

41 (1) sells (and does not replace);

42 (2) disposes of; or



1 (3) does not renew the registration of;
2 the commercial vehicle or the commercial vehicle is destroyed.

3 (d) This section does not relieve the owner of the vehicle from
4 payment of any applicable commercial vehicle excise tax under
5 IC 6-6-5.5 on a yearly basis.

6 (e) A registered plate issued under subsection (a) may be transferred
7 to another vehicle in a fleet of the same weight and plate type, with a
8 new certificate issued under subsection (b), upon application to the
9 department of state revenue. A commercial vehicle excise tax credit
10 may be applied to any plate transfer of the same vehicle type and same
11 weight category.

12 (f) The department of state revenue shall adopt rules under
13 IC 4-22-2 necessary to administer this section.

14 (g) The following apply to rules adopted by the bureau before
15 January 1, 2014, under subsection (f):

16 (1) The rules are transferred to the department of state revenue on
17 January 1, 2014, and are considered, after December 31, 2013,
18 rules of the department of state revenue.

19 (2) After December 31, 2013, the rules are treated as if they had
20 been adopted by the department of state revenue.

21 SECTION 12. IC 9-19-5-6 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. (a) A person may not
23 operate a motor truck, passenger bus, or truck-tractor upon a highway
24 outside the corporate limits of a municipality from a half hour after
25 sunset to a half hour before sunrise unless the vehicle carries the
26 following equipment:

27 (1) At least three (3):

28 (A) flares (liquid-burning pot torches);

29 (B) red electric lanterns; or

30 (C) portable red emergency reflectors;

31 each of which must be capable of being seen and distinguished at
32 a distance of not less than six hundred (600) feet under normal
33 atmospheric conditions at nighttime.

34 (2) At least three (3) red-burning fuses unless red electric lanterns
35 or red portable emergency reflectors are carried.

36 (3) At least two (2) red-cloth flags, not less than twelve (12)
37 inches square, with standards to support the flags.

38 (b) A flare (liquid-burning pot torch), fusee, electric lantern, or cloth
39 warning flag may not be used to comply with this section unless the
40 equipment has been submitted to and approved by the director of traffic
41 safety.

42 (c) A portable reflector unit may not be used to comply with this



- 1 section unless the unit:
- 2 (1) is designed and constructed to include two (2) reflecting
- 3 elements, one (1) above the other, each of which must be capable
- 4 of reflecting red light clearly visible from all distances within six
- 5 hundred (600) feet to one hundred (100) feet under normal
- 6 atmospheric conditions at night when directly in front of lawful
- 7 upper beams of head lamps; and
- 8 (2) has been submitted to and approved by the director of traffic
- 9 safety.
- 10 (d) A person may not operate at the time and under conditions stated
- 11 in subsection (a) a:
- 12 (1) motor vehicle used for the transportation of explosives; **or**
- 13 (2) cargo tank truck used for the transportation of flammable
- 14 liquids or compressed gases; **or**
- 15 ~~(3) motor vehicle using compressed gas as a fuel;~~
- 16 unless three (3) red electric lanterns or three (3) portable red
- 17 emergency reflectors are carried in the vehicle that meet the
- 18 requirements of subsection (a). A person may not carry in such a
- 19 vehicle a flare, fusee, or signal produced by flame.
- 20 **SECTION 13. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1180, 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 22, after "that" insert "**is propelled by alternative fuel and**".

and when so amended that said bill do pass.

(Reference is to HB 1180 as introduced.)

SOLIDAY, Chair

Committee Vote: yeas 12, nays 0.

