

HOUSE BILL No. 1185

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-14; IC 8-23.

Synopsis: Road funding. Provides that the amounts currently distributed from the motor vehicle highway account and the local road and street account to counties, cities, and towns based upon the proportionate share of road and street mileage shall instead be distributed based on the proportionate share of road and street vehicle miles traveled. Provides that the Indiana department of transportation shall establish guidelines outlining the procedures required to determine vehicle miles traveled. Changes references from the "auditor of state" to the "state comptroller" to conform with P.L.201-2023.

Effective: July 1, 2024.

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January 9, 2024, read first time and referred to Committee on Roads and Transportation.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1185



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 8-14-1-3, AS AMENDED BY P.L.108-2019,
2 SECTION 152, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2024]: Sec. 3. **(a)** The money collected for the
4 motor vehicle highway account fund and remaining after refunds and
5 the payment of all expenses incurred in the collection of the money and
6 after transferring three hundred twenty-five thousand dollars
7 (\$325,000) each month to the motor carrier regulation fund (IC
8 8-2.1-23), shall be allocated to and distributed among the department
9 and subdivisions designated as follows:

10 (1) Of the net amount in the motor vehicle highway account the
11 ~~auditor of state~~ **comptroller** shall set aside for the cities and
12 towns of the state twelve and thirteen hundredths percent
13 (12.13%). This sum shall be allocated to the cities and towns
14 upon the basis that the population of each city and town bears to
15 the total population of all the cities and towns and shall be used
16 for the construction or reconstruction and maintenance of streets
17 and alleys and shall be annually budgeted as now provided by



1 law. However, no part of such sum shall be used for any other
 2 purpose than for the purposes defined in this chapter. If any funds
 3 allocated to any city or town shall be used by any officer or
 4 officers of such city or town for any purpose or purposes other
 5 than for the purposes as defined in this chapter, such officer or
 6 officers shall be liable upon their official bonds to such city or
 7 town in such amount so used for other purposes than for the
 8 purposes as defined in this chapter, together with the costs of said
 9 action and reasonable attorney fees, recoverable in an action or
 10 suit instituted in the name of the state of Indiana on the relation
 11 of any taxpayer or taxpayers resident of such city or town. A
 12 monthly distribution thereof of funds accumulated during the
 13 preceding month shall be made by the ~~auditor of~~ state
 14 **comptroller**.

15 (2) Of the net amount in the motor vehicle highway account, the
 16 ~~auditor of~~ state **comptroller** shall set aside for the counties of the
 17 state twenty-five and eighty-seven hundredths percent (25.87%).
 18 However, as to the allocation to cities and towns under
 19 subdivision (1) and as to the allocation to counties under this
 20 subdivision, in the event that the amount in the motor vehicle
 21 highway account fund remaining after refunds and after the
 22 payment of all expenses incurred in the collection thereof is less
 23 than twenty-two million six hundred fifty thousand dollars
 24 (\$22,650,000) in any fiscal year, then the amount so set aside in
 25 the next calendar year for distributions to counties shall be
 26 reduced fifty-four percent (54%) of such deficit and the amount
 27 so set aside for distribution in the next calendar year to cities and
 28 towns shall be reduced thirteen percent (13%) of such deficit.
 29 Such reduced distributions shall begin with the distribution
 30 January 1 of each year.

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

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

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



- 1 **department shall determine total vehicle miles traveled in**
 2 **each county according to procedures adopted by the**
 3 **department.**
 4 (C) Thirty percent (30%) of the amount allocated to the
 5 counties to be divided on the basis of the ratio of the motor
 6 vehicle registrations of each county to the total motor vehicle
 7 registration of the state. The bureau of motor vehicles shall
 8 annually determine the amount under this clause and submit
 9 its determination to the ~~auditor of state~~ **comptroller** before
 10 April 1 each year.
- 11 All money so distributed to the several counties of the state shall
 12 constitute a special road fund for each of the respective counties
 13 and shall be under the exclusive supervision and direction of the
 14 board of county commissioners in the construction,
 15 reconstruction, maintenance, or repair of the county highways or
 16 bridges on such county highways within such county.
- 17 (4) Each month the remainder of the net amount in the motor
 18 vehicle highway account shall be credited to the state highway
 19 fund for the use of the department.
- 20 (5) Money in the fund may not be used for any toll road or toll
 21 bridge project.
- 22 (6) Notwithstanding any other provisions of this section, money
 23 in the motor vehicle highway account fund may be appropriated
 24 to the Indiana department of transportation from the amounts
 25 distributed to the political subdivisions of the state to pay the
 26 costs incurred by the department in providing services to those
 27 subdivisions.
- 28 (7) Notwithstanding any other provisions of this section or of
 29 IC 8-14-8, for the purpose of maintaining a sufficient working
 30 balance in accounts established primarily to facilitate the
 31 matching of federal and local money for highway projects, money
 32 may be appropriated to the Indiana department of transportation
 33 as follows:
- 34 (A) One-half (1/2) from the amounts set aside under
 35 subdivisions (1) and (2) for counties and for those cities and
 36 towns with a population greater than five thousand (5,000).
 37 (B) One-half (1/2) from the distressed road fund under
 38 IC 8-14-8.
- 39 **(b) The department shall establish guidelines outlining the**
 40 **procedures required to determine vehicle miles traveled as**
 41 **required under subsection (a).**
 42 SECTION 2. IC 8-14-1-11 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11. (a) The department
 2 may create a local agency revolving fund from money appropriated
 3 under section ~~3(7)~~ **3(a)(7)** 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~~ **comptroller** that the outstanding accounts
 17 receivable is uncollectible and request a transfer of funds as provided
 18 in subsection (e).

19 (e) Upon receipt of a certificate as specified in subsection (d), the
 20 ~~auditor of state~~ **comptroller** 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 **comptroller** within thirty (30) days after the notification, transfer
 24 an amount equal to the outstanding accounts receivable to the
 25 department from the delinquent local unit's allocations from the
 26 motor vehicle highway account for deposit in the local agency
 27 revolving fund.

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

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

35 SECTION 3. IC 8-14-2-4, AS AMENDED BY P.L.185-2018,
 36 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2024]: Sec. 4. (a) The ~~auditor of state~~ **comptroller** shall
 38 establish a special account to be called the "local road and street
 39 account" and credit this account monthly with thirty-seven percent
 40 (37%) of the money deposited in the highway, road and street fund.

41 (b) The ~~auditor state~~ **comptroller** shall distribute to units of local
 42 government money from this account each month. Before making any



1 other distributions under this chapter, the ~~auditor~~ **state comptroller**
 2 shall distribute E85 incentive payments to all political subdivisions
 3 entitled to a payment under section 8 of this chapter **(before its**
 4 **expiration)**.

5 (c) After distributing E85 incentive payments required under section
 6 8 of this chapter **(before its expiration)**, the ~~auditor~~ of state
 7 **comptroller** shall allocate to each county the remaining money in this
 8 account on the basis of the ratio of each county's passenger car
 9 registrations to the total passenger car registrations of the state. The
 10 ~~auditor~~ **state comptroller** shall further determine the suballocation
 11 between the county and the cities within the county as follows:

12 (1) In counties having a population of more than fifty thousand
 13 (50,000), sixty percent (60%) of the money shall be distributed on
 14 the basis of the population of the city or town as a percentage of
 15 the total population of the county and forty percent (40%)
 16 distributed on the basis of the ratio of city and town street ~~mileage~~
 17 **vehicle miles traveled** to county road ~~mileage~~: **vehicle miles**
 18 **traveled**.

19 (2) In counties having a population of fifty thousand (50,000) or
 20 less, twenty percent (20%) of the money shall be distributed on
 21 the basis of the population of the city or town as a percentage of
 22 the total population of the county and eighty percent (80%)
 23 distributed on the basis of the ratio of city and town street ~~mileage~~
 24 **vehicle miles traveled** to county road ~~mileage~~: **vehicle miles**
 25 **traveled**.

26 (3) For the purposes of allocating funds as provided in this
 27 section, towns which become incorporated as a town between the
 28 effective dates of decennial censuses shall be eligible for
 29 allocations upon the effectiveness of a corrected population count
 30 for the town under IC 1-1-3.5.

31 (4) Money allocated under the provisions of this section to
 32 counties containing a consolidated city shall be credited or
 33 allocated to the department of transportation of the consolidated
 34 city.

35 (d) Each month the ~~auditor~~ of state **comptroller** shall inform the
 36 department of the amounts allocated to each unit of local government
 37 from the local road and street account.

38 (e) **The department shall establish guidelines outlining the**
 39 **procedures required to determine vehicle miles traveled as**
 40 **required under subsection (c).**

41 SECTION 4. IC 8-23-9-54, AS AMENDED BY P.L.47-2006,
 42 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2024]: Sec. 54. (a) To provide funds for carrying out the
 2 provisions of this chapter, there is created a state highway fund from
 3 the following sources:

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

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

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

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

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

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

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

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

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

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

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

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

31 SECTION 5. IC 8-23-15-1 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 1. The department shall
 33 periodically inventory the mileage, **vehicle miles traveled**, and use of
 34 the local road systems under the jurisdiction of the counties and the
 35 street systems under the jurisdiction of municipalities.

36 SECTION 6. IC 8-23-15-4 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. The department shall
 38 use the inventory developed under this chapter in its annual
 39 certification of county road ~~mileage~~: **vehicle miles traveled**.

