



January 26, 2018

HOUSE BILL No. 1290

DIGEST OF HB 1290 (Updated January 24, 2018 11:56 am - DI 123)

Citations Affected: IC 6-6; IC 8-14; IC 8-17; IC 8-23; IC 9-13; IC 9-18.1; IC 9-21.

Synopsis: Transportation finance. Repeals the motor carrier surcharge tax and increases the special fuel tax by \$0.21 per gallon. Distributes part of the special fuel tax revenue to the motor carrier regulation fund. Specifies how netted International Fuel Tax Agreement Clearinghouse refunds and receipts are deposited or credited. Specifies that the commercial vehicle excise tax rate calculation that must be done on or before October 1 of each year is effective on January 1 of the following year. Excludes the transportation infrastructure improvement fee and the supplemental fees for registering electric and hybrid vehicles from the calculation of the commercial vehicle excise tax. Changes various distribution percentages of revenue distributed from the motor vehicle highway account and highway, road and street fund. Provides that at least 50% of the revenue distributed to counties, cities, and towns must be used for the construction, reconstruction, and preservation of highways in the respective jurisdictions. Makes various changes to the accounting system for local roads and streets. Provides that all

(Continued next page)

Effective: Upon passage; January 1, 2018 (retroactive); July 1, 2018.

Soliday, Brown T

January 11, 2018, read first time and referred to Committee on Roads and Transportation. January 25, 2018, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

HB 1290—LS 7094/DI 113



Digest Continued

registration fees collected under the International Registration Plan (IRP) or through an Indiana based IRP account (rather than only certain specified fees collected under the IRP or an Indiana based IRP account under current law) are covered by the statute providing for the first \$125,000 of such revenue each state fiscal year to be distributed to the state police building account and any remaining amounts to be distributed to the motor vehicle highway account. Specifies that the transportation infrastructure improvement fee shall be apportioned under the IRP. Specifies conditions under which a vehicle platoon may be operated in Indiana. Defines certain terms. Makes conforming changes.

HB 1290—LS 7094/DI 113



January 26, 2018

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1290

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 6-6-2.5-28, AS AMENDED BY P.L.218-2017,
2 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2018]: Sec. 28. (a) A license tax is imposed on all special fuel
4 sold or used in producing or generating power for propelling motor
5 vehicles, except fuel used under section 30(a)(8) or 30.5 of this
6 chapter, at the applicable rate specified in subsection (b). The tax shall
7 be paid at those times, in the manner, and by those persons specified in
8 this section and section 35 of this chapter.
9 (b) The license tax described in subsection (a) is imposed at the
10 following applicable rate per special fuel gallon:
11 (1) Before July 1, 2017, sixteen cents (\$0.16).
12 (2) For July 1, 2017, through June 30, 2018, the lesser of:
13 (A) the rate resulting from using the factors determined under
14 IC 6-6-1.6-2; or
15 (B) twenty-six cents (\$0.26).
16 (3) For July 1, 2018, through June 30, 2019, the product of:
17 (A) the sum of:

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- (i) the rate in effect on June 30; and
- (ii) twenty-one cents (\$0.21); multiplied by

B) the factor determined under IC 6-6-1.6-3

(3) (4) Beginning July 1, 2018, 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 6-6-1.6-3.

The rate shall be rounded to the nearest cent (\$0.01). **However, after June 30, 2018, and before July 1, 2019, the new applicable rate may not exceed the rate in effect on June 30 plus twenty-three cents (\$0.23). However, After June 30, 2018, 2019, the new applicable rate may not exceed the rate in effect on June 30 plus one cent (\$0.01). two cents (\$0.02).** 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.

(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.

(d) Except as provided in subsection (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 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)~~ 35(j) 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



1 exempt use of special fuel in such a vehicle must maintain adequate
2 records as required by the department to document the vehicle's taxable
3 and exempt use.

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

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

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

15 (1) violates; or

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

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

21 SECTION 2. IC 6-6-2.5-68, AS AMENDED BY P.L.218-2017,
22 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2018]: Sec. 68. **(a) Each month, the first one and five tenths**
24 **percent (1.5%) of revenue collected under this chapter shall be**
25 **deposited in the motor carrier regulation fund administered by the**
26 **department.**

27 **(b) All revenue collected under this chapter that remains after the**
28 **distribution of revenue specified under subsection (a) shall be used**
29 **in the same manner as the revenue collected under IC 6-6-1.1. The**
30 **administrator shall deposit the revenues collected under this chapter**
31 **that remain after the distribution of revenues specified under**
32 **subsection (a) in the same manner that revenues are deposited under**
33 **IC 6-6-1.1-802.**

34 SECTION 3. IC 6-6-4.1-1, AS AMENDED BY P.L.218-2017,
35 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2018]: Sec. 1. As used in this chapter:

37 (a) "Carrier" means a person who operates or causes to be operated
38 a commercial motor vehicle on any highway in Indiana.

39 (b) "Commercial motor vehicle" means a vehicle which is listed in
40 section 2(a) of this chapter and which is not excluded from the
41 application of this chapter under section 2(b) of this chapter.

42 (c) "Commissioner" means the commissioner of the Indiana



1 department of state revenue.

2 (d) "Declared gross weight" means the weight at which a motor
3 vehicle is registered with:

4 (1) the bureau of motor vehicles; or
5 (2) a state other than Indiana.

6 (e) "Department" means the Indiana department of state revenue.

7 (f) "Diesel gallon equivalent" means the amount of an alternative
8 fuel that produces the same number of British thermal units of energy
9 as a gallon of diesel fuel.

10 (g) "Gasoline gallon equivalent" means the amount of an alternative
11 fuel that produces the same number of British thermal units of energy
12 as a gallon of gasoline.

13 (h) "Highway" means the entire width between the boundary lines
14 of every publicly maintained way that is open in any part to the use of
15 the public for purposes of vehicular travel.

16 (i) "Motor fuel" means gasoline (as defined in IC 6-6-1.1), special
17 fuel (as defined in IC 6-6-2.5), and alternative fuel (as defined in
18 IC 6-6-2.5).

19 (j) "Quarter" means calendar quarter.

20 (k) "Motor vehicle" has the meaning set forth in IC 6-6-1.1-103.

21 (l) "Recreational vehicle" means motor homes, pickup trucks with
22 attached campers, and buses when used exclusively for personal
23 pleasure. A vehicle is not a recreational vehicle if the vehicle is used
24 in connection with a business.

25 (m) "Alternative fuel" has the meaning set forth in IC 6-6-2.5-1.

26 (n) "Special fuel" has the meaning set forth in IC 6-6-2.5-22.

27 (o) "Surecharge gallon" means, as applicable:

28 (1) a gallon of gasoline or special fuel (other than natural gas or
29 an alternative fuel commonly or commercially known or sold as
30 butane or propane);

31 (2) a diesel gallon equivalent of a special fuel that is liquid natural
32 gas; or

33 (3) a gasoline gallon equivalent of a special fuel that is
34 compressed natural gas or an alternative fuel commonly or
35 commercially known or sold as butane or propane.

36 SECTION 4. IC 6-6-4.1-4, AS AMENDED BY P.L.218-2017,
37 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2018]: Sec. 4. (a) A tax is imposed on the consumption of
39 motor fuel by a carrier in its operations on highways in Indiana. The
40 rate of this tax is determined as follows:

41 (1) When imposed upon the consumption of gasoline or special
42 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.

6 (2) When imposed upon the consumption of a special fuel that is
7 an alternative fuel, the tax rate is either of the following:

8 (A) The same rate per diesel gallon equivalent as the rate per
9 gallon at which special fuel is taxed under IC 6-6-2.5, in the
10 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.

15 The tax shall be paid quarterly by the carrier to the department on or
16 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.

23 (c) The amount of tax that a carrier shall pay for a particular quarter
24 under this section equals the product of the tax rate in effect for that
25 quarter, multiplied by the amount of motor fuel consumed by the
26 carrier in its operation on highways in Indiana and upon which the
27 carrier has not paid tax imposed under IC 6-6-1.1, IC 6-6-2.5, or
28 section 4.5 of this chapter (**before its repeal**).

(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.

37 SECTION 5. IC 6-6-4.1-4.3 IS REPEALED [EFFECTIVE JULY 1,
38 2018]. See. 4.3. (a) Persons having title to motor fuel in storage and
39 held for sale to a carrier in the carrier's operations on highways in
40 Indiana on the effective date of an increase in the surcharge tax rate
41 imposed under section 4.5 of this chapter are subject to an inventory
42 tax based on the surcharge gallons in storage as of the close of the



1 business day preceding the effective date of the increased surcharge tax
 2 rate.

- 3 (b) Persons subject to the tax imposed under this section shall:
 4 (1) take an inventory to determine the surcharge gallons in storage
 5 for purposes of determining the inventory tax;
 6 (2) report the surcharge gallons listed in subdivision (1) on forms
 7 provided by the commissioner; and
 8 (3) pay the tax due not more than thirty (30) days after the
 9 prescribed inventory date.

10 In determining the amount of surcharge tax due under this section, the
 11 person may exclude the amount of motor fuel that will not be pumped
 12 out of the storage tank because the motor fuel is below the mouth of the
 13 draw pipe. For this purpose, the person may deduct two hundred (200)
 14 surcharge gallons for a storage tank with a capacity of less than ten
 15 thousand (10,000) surcharge gallons, and four hundred (400) surcharge
 16 gallons for a storage tank with a capacity that exceeds ten thousand
 17 (10,000) surcharge gallons.

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

22 (d) The inventory tax shall be considered a listed tax for the
 23 purposes of IC 6-8-1.

24 SECTION 6. IC 6-6-4.1-4.5 IS REPEALED [EFFECTIVE JULY 1,
 25 2018]. See. 4.5. (a) A surcharge tax is imposed on the consumption of
 26 motor fuel by a carrier in its operations on highways in Indiana at the
 27 applicable rate specified in subsection (b). Beginning July 1, 2017, the
 28 surcharge tax that applies to special fuel that is not an alternative fuel
 29 shall be collected and remitted in the manner specified for the special
 30 fuel tax under IC 6-6-2.5 as required by the department. A carrier shall
 31 reconcile the amount owed under this section as part of the carrier's
 32 motor fuel use tax reconciliation under this chapter. However, for a
 33 carrier that has not paid any surcharge tax at the time of purchase, the
 34 tax shall be paid quarterly by the carrier to the department on or before
 35 the last day of the month immediately following the quarter.

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

- 38 (1) Before July 1, 2017, eleven cents (\$0.11) per surcharge gallon.
 39 (2) For July 1, 2017, through June 30, 2018, the lesser of:
 40 (A) the rate resulting from using the factors determined under
 41 IC 6-6-1.6-2; or
 42 (B) twenty-one cents (\$0.21).



(3) Beginning July 1, 2018, 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 6-6-1.6-3.

The rate shall be rounded to the nearest cent (\$0.01). However, after June 30, 2018, 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.

(c) 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.

(d) 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.

(e) 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 this 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.

SECTION 7. IC 6-6-4.1-4.7, AS AMENDED BY P.L.218-2017, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4.7. (a) This section applies only to a claim for a proportional use credit under section 4(d) **or 4.5(e)** of this chapter **or section 4.5(e) of this chapter (before its repeal)** for taxes first due and payable after July 31, 1999.

(b) A carrier must be certified by the department in order to qualify for a proportional use credit under section 4(d) or 4.5(e) of this chapter **or section 4.5(e) of this chapter (before its repeal)**.

(c) A carrier must apply to the department for certification before April 1 of the first calendar year for which the proportional use credit will be claimed. An application for certification must be in writing upon forms prescribed by the department and must be signed and verified by the carrier. The department must include on all application



1 forms suitable spaces for a listing of the following:
2 (1) The carrier's federal Social Security number or federal tax
3 identification number.
4 (2) The address of the carrier's principal place of business.
5 (3) A description of each of the carrier's vehicles that has a
6 common fuel supply reservoir for both locomotion on a public
7 highway and a commercial purpose.
8 (4) The vehicle identification number for each vehicle described
9 in subdivision (3).
10 (d) The department may certify that a carrier is qualified to claim a
11 proportional use credit under section 4(d) **or 4.5(e)** of this chapter **or**
12 **section 4.5(e) of this chapter (before its repeal)** only upon payment
13 by the carrier to the department of a one (1) time fee of seven dollars
14 (\$7). The carrier must pay the fee at the time the application for
15 certification is submitted to the department. The department shall
16 deposit the fee in the motor carrier regulation fund established by
17 IC 8-2.1-23-1.
18 (e) A carrier must notify the department, on forms prescribed by the
19 department, of any change of address by the carrier. The carrier must
20 provide the notice not more than ten (10) days after the change of
21 address. The department may revoke or suspend the certification of a
22 carrier that fails to comply with this subsection.
23 (f) All certificates issued under this section are personal and may
24 not be transferred.
25 (g) The department may require a carrier that has been issued a
26 certificate under this section to submit additional information from
27 time to time at reasonable intervals, as determined by the department.
28 (h) The department may adopt rules under IC 4-22-2 to carry out
29 this section.
30 SECTION 8. IC 6-6-4.1-4.8, AS AMENDED BY P.L.218-2017,
31 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2018]: Sec. 4.8. (a) This section applies only to a claim for a
33 proportional use credit under section 4(d) **or 4.5(e)** of this chapter **or**
34 **section 4.5(e) of this chapter (before its repeal)** for taxes first due
35 and payable after July 31, 1999.
36 (b) In order to obtain a proportional use credit against taxes imposed
37 under section 4 **or 4.5** of this chapter **or section 4.5 of this chapter**
38 **(before its repeal)** a carrier must file a claim with the department. The
39 claim must be submitted on a form prescribed by the department and
40 must be filed with the quarterly return for the taxable period for which
41 the proportional use credit is claimed. A carrier is not entitled to a
42 proportional use credit under section 4(d) **or 4.5(e)** of this chapter **or**



1 **section 4.5(e) of this chapter (before its repeal)** unless the carrier:

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

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

8 (c) The department shall determine the aggregate amount of
9 proportional use credits claimed under section 4(d) ~~or 4.5(e)~~ of this
10 chapter **or section 4.5(e) of this chapter (before its repeal)** for each
11 quarter. The department may approve the full amount of a proportional
12 use credit claimed by a carrier if the aggregate amount of proportional
13 use credits claimed for the quarter and for the fiscal year do not exceed
14 the limits set forth in subsection (d). If the aggregate amount of
15 proportional use credits claimed in a quarter exceeds the limits set forth
16 in subsection (d), the department shall pay the claims for that quarter
17 on a pro rata basis.

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

23 (1) For the quarter ending September 30 of a year, an amount
24 equal to one million three hundred seventy-five thousand dollars
25 (\$1,375,000).

26 (2) For the quarter ending December 31 of a year, an amount
27 equal to:

28 (A) six hundred twenty-five thousand dollars (\$625,000); plus
29 (B) the greater of zero (0) or the result of:

30 (i) the limit determined for the previous quarter under this
31 subsection; minus

32 (ii) the aggregate amount of claims approved for the
33 previous quarter.

34 (3) For the quarter ending March 31 of a year, an amount equal
35 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 (4) For the quarter ending June 30 of a year, an amount equal to:



(A) eight hundred seventy-five thousand dollars (\$875,000);
plus

(B) the greater of zero (0) or the result of:

(i) the limit determined for the previous quarter under this subsection; minus

(ii) the aggregate amount of claims approved for the previous quarter.

8 SECTION 9. IC 6-6-4.1-5, AS AMENDED BY P.L.218-2017,
9 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2018]: Sec. 5. (a) The department shall deposit revenue
11 collected under sections 4 and 12 of this chapter in the state highway
12 fund (IC 8-23-9-54).

15 (1) Forty-seven and seventy-five hundredths percent (47.75%) in
16 the state highway fund (IC 8-23-9-54).

23 (1) Thirty-five percent (35%) in the motor vehicle highway
24 account (IC 8-14-1).

25 (2) Sixty-five percent (65%) in the state highway fund
26 (IC 8-23-9-54).

27 SECTION 10. IC 6-6-4.1-6, AS AMENDED BY P.L.218-2017,
28 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2018]: Sec. 6. (a) A carrier is entitled to a credit against the
30 tax imposed under section 4 of this chapter if the carrier, or a lessor
31 operating under the carrier's annual permit, has:

32 (1) paid the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and
33 section 4.5 of this chapter **(before its repeal)** on motor fuel
34 purchased in Indiana;

35 (2) consumed the motor fuel outside Indiana; and
36 (3) paid a gasoline, special fuel, or road tax with respect to the
37 fuel in one (1) or more other states or jurisdictions.

38 (b) The amount of credit for a quarter is equal to the tax paid under
39 IC 6-6-1.1, IC 6-6-2.5, and section 4.5 of this chapter **(before its**
40 **repeal)** on motor fuel that:



(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.

11 SECTION 11. IC 6-6-4.1-7, AS AMENDED BY P.L.218-2017,
12 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2018]: Sec. 7. (a) As used in this section, the credit of a carrier
14 for any quarter is the amount by which the credit to which the carrier
15 is entitled under section 6 of this chapter for that quarter exceeds the
16 tax liability of the carrier under ~~sections~~ **section 4 and 4.5** of this
17 chapter **and section 4.5 of this chapter (before its repeal)** for that
18 quarter.

22 (c) A carrier is entitled to the refund of any credit not previously
23 used to offset a tax liability or for any erroneously paid tax or penalty.
24 To obtain the refund, the carrier shall submit to the department a
25 properly completed application in accordance with rules adopted by the
26 department under IC 4-22-2. The application must be submitted within
27 three (3) years after the end of:

28 (1) the quarter in which the credit accrued; or
29 (2) the calendar year that contains the taxable period in which the
30 tax or penalty was erroneously paid.

31 Along with the application, the carrier shall submit any evidence
32 required by the department and any reports required by the department
33 under this chapter.

34 (d) The department shall pay interest on any part of a refund that is
35 not made within ninety (90) days after the date on which all of the
36 following have been completed:

37 (1) The filing of:
38 (A) the properly completed application for refund; or
39 (B) the quarterly return on which a refund is claimed.
40 (2) The submission of any evidence required by the department
41 of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and
42 section 4.5 of this chapter **(before its repeal)**.



15 SECTION 12. IC 6-6-4.1-14.5 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 14.5. (a) The
17 International Fuel Tax Agreement and any other agreement authorized
18 under IC 6-6, IC 6-8.1, or IC 9-28 shall be limited to the following
19 matters:

20 (1) Determining the base state for users.
21 (2) Specifying records requirements for users.
22 (3) Specifying audit procedures.
23 (4) Exchanging information.
24 (5) Defining persons eligible for tax licensing.
25 (6) Defining qualified motor vehicles.
26 (7) Determining if bonding is required.
27 (8) Specifying reporting requirements and periods, including the
28 following:
29 (A) Establishing uniform penalties and interest rates for late
30 reporting.
31 (B) Determining methods for collecting and forwarding motor
32 fuel taxes, special fuel taxes, and penalties to another state or
33 jurisdiction.
34 (9) Any other provisions designed to facilitate the administration
35 of the agreement.
36 (b) The International Fuel Tax Agreement and any other agreement
37 authorized under IC 6-6, IC 6-8.1, or IC 9-28 do not limit the authority
38 of the general assembly to do any of the following:
39 (1) Determine whether to impose a tax.
40 (2) Determine tax rates.
41 (3) Define tax exemptions or deductions.
42 (4) Determine what constitutes a taxable event that results in the



imposition of a tax.

(5) Determine any other matters related to the powers described in subdivisions (1) through (4).

(c) If:

(1) Indiana becomes a member of the International Fuel Tax Agreement;

(2) another member jurisdiction of the International Fuel Tax Agreement nets all of its International Fuel Tax Agreement returns received in a month according to the terms of the International Fuel Tax Agreement; and

(3) the overall result of the netting is that:

(A) more of the tax prescribed in section 4 of this chapter or section 4.5 of this chapter (before its repeal) was collected and will be transmitted to the department; or

(B) more of the tax prescribed in IC 6-6-1.1 or IC 6-6-2.5 must be refunded to carriers and will be transmitted from the department;

the transmittal described in subdivision (3) shall be done through the International Fuel Tax Agreement Clearinghouse or its successor program according to the terms of the International Fuel Tax Agreement.

(d) The funds received or requested as part of a transmittal described in subsection (c) shall be deposited or credited in the following manner:

(1) A transmittal to the department from a member jurisdiction of the International Fuel Tax Agreement of a collection of the tax prescribed in section 4 of this chapter or section 4.5 of this chapter (before its repeal) from carriers based in that member jurisdiction shall be deposited in the manner prescribed in section 5 of this chapter.

(2) A request to the department from a member jurisdiction of the International Fuel Tax Agreement of amounts of the tax prescribed in IC 6-6-1.1 or IC 6-6-2.5 to be refunded to carriers based in that member jurisdiction shall be credited in the manner prescribed in IC 6-6-1.1-803.

SECTION 13. IC 6-6-4.1-17, AS AMENDED BY P.L.45-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 17. If a carrier:

- (1) fails to file a quarterly report required by this chapter;
- (2) fails to pay the tax imposed under section 4 or section 4.5 of this chapter **or section 4.5 of this chapter (before its repeal)**;
- (3) files a report after the date established under this chapter;



13 SECTION 14. IC 6-6-4.1-20 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 20. A person subject to
15 the taxes imposed under ~~sections~~ **section 4 through 4.5** of this chapter
16 **and section 4.5 of this chapter (before its repeal)** who fails to keep
17 the books and records as required by IC 6-8.1-5 is subject to the penalty
18 imposed under IC 6-8.1-10-4.

19 SECTION 15. IC 6-6-4.1-21, AS AMENDED BY P.L.218-2017,
20 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2018]: Sec. 21. A carrier subject to the taxes imposed under
22 ~~sections section 4 through 4.5 of this chapter and section 4.5 of this~~
23 ~~chapter (before its repeal)~~ who fails to file a quarterly report as
24 required by section 10 of this chapter shall pay a civil penalty of three
25 hundred dollars (\$300) for each report that is not filed.

26 SECTION 16. IC 6-6-5.5-7, AS AMENDED BY P.L.256-2017,
27 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2018]: Sec. 7. (a) The commercial vehicle excise tax for a
29 vehicle to which this chapter applies will be determined by the
30 department on or before October 1 of each year **to be effective on**
31 **January 1 of the following year.**

37 STEP TWO: Determine the sum of registration fees paid and
38 collected under IC 9-29-5 (before its expiration) or IC 9-18.1 to
39 register vehicles to which this chapter applies during the **state**
40 fiscal year that ends June 30 immediately preceding the calendar
41 year for which the tax is first due and payable, **excluding:**

42 (A) the transportation infrastructure improvement fees



imposed under IC 9-18.1-15; and
(B) the supplemental fees to register electric vehicles and hybrid vehicles imposed under IC 9-18.1-5-12; during the state fiscal year.

STEP THREE: Determine the tax factor by dividing the STEP ONE result by the STEP TWO result.

(b) (c) Except as otherwise provided in this chapter, the annual **commercial vehicle** excise tax for commercial vehicles other than semitrailers is determined by multiplying the registration fee under IC 9-29-5 (before its expiration) or IC 9-18.1-5, **excluding the supplemental fee to register an electric or hybrid vehicle under IC 9-18.1-5-12**, by the tax factor determined in subsection (a). (b).

(e) (d) The annual **commercial vehicle** excise tax for a semitrailer shall be determined by multiplying sixteen dollars and seventy-five cents (\$16.75) by the tax factor determined in subsection (a). (b).

(d) (e) The amount of the commercial vehicle excise tax determined under this section shall be rounded upward to the next full dollar amount.

SECTION 17. IC 8-14-1-1, AS AMENDED BY P.L.257-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. As used in this chapter:

(1) "Motor vehicle highway account" means the account of the general fund of the state known as the "motor vehicle highway account" to which is credited collections from motor vehicle registration fees, licenses, driver's and chauffeur's license fees, gasoline taxes, auto transfer fees, certificate of title fees, weight taxes or excise taxes and all other similar special taxes, duties or excises of all kinds on motor vehicles, trailers, motor vehicle fuel, or motor vehicle owners or operators. The account also includes amounts distributed to the fund by the bureau of motor vehicles under IC 9.

(2) The term "department" refers to the Indiana department of transportation.

(3) The term "highways" includes roadway, rights of way, bridges, drainage structures, signs, guard rails, protective structures in connection with highways, drains, culverts, and bridges and the substructure and superstructure of bridges and approaches thereto and streets and alleys of cities or towns.

(4) The term "construction" means the planning, supervising, inspecting, actual building, draining, and all expenses incidental to the construction of a highway.

(5) The term "reconstruction" means a widening or a rebuilding



1 of the highway or any portion thereof.
 2

3 (6) The term "maintenance" when used in reference to cities,
 4 towns, and counties as applied to that part of the highway other
 5 than bridges, means the constant making of needed repairs, to
 6 preserve a smooth surfaced highway, adequately drained, marked
 7 and guarded by protective structures for public safety and, as to
 8 bridges, means the constant making of needed repairs to preserve
 9 a smooth surfaced highway thereon and the safety and
 10 preservation of the bridge and its approaches, together with the
 11 substructure and superstructure thereof; and such term also means
 12 and includes the acquisition and use, in any manner, of all needed
 13 equipment, fuel, materials, and supplies essential and incident
 14 thereto.

15 (7) **The term "preservation" means the preventative**
 16 **treatment, nonstructural treatment, rehabilitation, or**
 17 **structural repairs made to transportation infrastructure and**
 18 **related drainage that are included in an asset management**
 19 **plan approved by the Indiana department of transportation**
 20 **in collaboration with the local technical assistance program at**
 21 **Purdue University.**

22 (7) (8) The term "vehicle registration" means the number of
 23 vehicles subject to registration under IC 9-18 (before January 1,
 24 2017) or IC 9-18.1 (after December 31, 2016) which are
 25 registered thereunder, and, when used with respect to the state,
 26 shall mean the number of vehicles registered in the state and,
 27 when used in respect to a county, city, or town, shall mean the
 28 number of vehicles registered by owners resident in the county,
 29 city, or town.

30 SECTION 18. IC 8-14-1-3, AS AMENDED BY P.L.218-2017,
 31 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2018]: Sec. 3. The money collected for the motor vehicle
 33 highway account fund and remaining after refunds and the payment of
 34 all expenses incurred in the collection thereof, and after the deduction
 35 of the amount appropriated to the department for traffic safety, shall be
 36 allocated to and distributed among the department and subdivisions
 37 designated as follows:

38 (1) Of the net amount in the motor vehicle highway account the
 39 auditor of state shall set aside for the cities and towns of the state
 40 the applicable percentage set forth in section 3.5(a) of this
 41 chapter: **twelve and thirteen hundredths percent (12.13%).**
 42 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



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

17 (2) Of the net amount in the motor vehicle highway account, the
18 auditor of state shall set aside for the counties of the state ~~the applicable percentage set forth in section 3.5(b) of this chapter~~
19 **twenty-five and eighty-seven hundredths percent (25.87%).**
20 However, as to the allocation to cities and towns under
21 subdivision (1) and as to the allocation to counties under this
22 subdivision, in the event that the amount in the motor vehicle
23 highway account fund remaining after refunds and after the
24 payment of all expenses incurred in the collection thereof is less
25 than twenty-two million six hundred and fifty thousand dollars
26 (\$22,650,000) in any fiscal year, then the amount so set aside in
27 the next calendar year for distributions to counties shall be
28 reduced fifty-four percent (54%) of such deficit and the amount
29 so set aside for distribution in the next calendar year to cities and
30 towns shall be reduced thirteen percent (13%) of such deficit.
31 Such reduced distributions shall begin with the distribution
32 January 1 of each year.

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

- 36 (A) Five percent (5%) of the amount allocated to the counties
37 to be divided equally among the ninety-two (92) counties.
38 (B) Sixty-five percent (65%) of the amount allocated to the
39 counties to be divided on the basis of the ratio of the actual
40 miles, now traveled and in use, of county roads in each county
41 to the total mileage of county roads in the state, which shall be
42



1 annually determined, accurately, by the department and
 2 submitted to the auditor of state before April 1 of each year.

3 (C) Thirty percent (30%) of the amount allocated to the
 4 counties to be divided on the basis of the ratio of the motor
 5 vehicle registrations of each county to the total motor vehicle
 6 registration of the state.

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

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

16 (5) Money in the fund may not be used for any toll road or toll
 17 bridge project.

18 (6) Notwithstanding any other provisions of this section, money
 19 in the motor vehicle highway account fund may be appropriated
 20 to the Indiana department of transportation from the amounts
 21 distributed to the political subdivisions of the state to pay the
 22 costs incurred by the department in providing services to those
 23 subdivisions.

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

30 (A) One-half (1/2) from the amounts set aside under
 31 subdivisions (1) and (2) for counties and for those cities and
 32 towns with a population greater than five thousand (5,000).

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

35 SECTION 19. IC 8-14-1-3.5 IS REPEALED [EFFECTIVE JULY
 36 1, 2018]. ~~Sec. 3.5. (a) The following percentages apply to the amounts~~
 37 ~~set aside for the cities and towns of the state under section 3(1) of this~~
 38 ~~chapter:~~

39 (1) Before July 1, 2017, fifteen percent (15%).

40 (2) After June 30, 2017, and before July 1, 2018, fourteen and
 41 fifty-two hundredths percent (14.52%).

42 (3) After June 30, 2018, and before July 1, 2019, thirteen and one



hundredth percent (13.01%).

(4) After June 30, 2019, and before July 1, 2020, thirteen and one hundredth percent (13.01%).

(5) After June 30, 2020, and before July 1, 2021, twelve and ninety-three hundredths percent (12.93%).

(6) After June 30, 2021, and before July 1, 2022, twelve and eighty-five hundredths percent (12.85%).

(7) After June 30, 2022, twelve and seventy-seven hundredths percent (12.77%).

(b) The following percentages apply to the amounts set aside for the counties of the state under section 3(2) of this chapter:

(1) Before July 1, 2017, thirty-two percent (32%).

(2) After June 30, 2017, and before July 1, 2018, thirty and ninety-eight hundredths percent (30.98%).

(3) After June 30, 2018, and before July 1, 2019, twenty-seven and seventy-four hundredths percent (27.74%).

(4) After June 30, 2019, and before July 1, 2020, twenty-seven and seventy-four hundredths percent (27.74%).

(5) After June 30, 2020, and before July 1, 2021, twenty-seven and fifty-seven hundredths percent (27.57%).

(6) After June 30, 2021, and before July 1, 2022, twenty-seven and forty hundredths percent (27.40%).

(7) After June 30, 2022, twenty-seven and twenty-three hundredths percent (27.23%).

SECTION 20. IC 8-14-1-4 AS AMENDED BY RL 218 2017

SECTION 20. IC 8-14-1-4, AS AMENDED BY P.L.218-2017, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) The funds allocated to the respective counties of the state from the motor vehicle highway account shall annually be budgeted as provided by law, and, when distributed shall be used for construction, reconstruction, and maintenance of the highways of the respective counties, including highways which traverse the streets of incorporated towns, the cost of the repair and maintenance of which prior to the tenth day of September, 1932, was paid from the county gravel road repair fund excepting where the department is charged by law with the maintenance or construction of any such highway so traversing such streets. Subject to subsection (b), any surplus existing in the funds at the end of the year shall thereafter continue as a part of the highway funds of the said counties and shall be rebudgeted and used as already provided in this chapter. The purchase, rental and repair of highway equipment, painting of bridges and acquisition of grounds for erection and construction of storage buildings, acquisition of rights of way and the purchase of fuel oil, and



1 supplies necessary to the performance of construction, reconstruction
 2 and maintenance of highways, shall be paid out of the highway account
 3 of the various counties.

4 (b) ~~For funds distributed to a county from the motor vehicle~~
 5 ~~highway account after June 30, 2017, the~~ A county shall use at least
 6 fifty percent (50%) of the money **distributed to the county from the**
 7 **motor vehicle highway account** for the construction, reconstruction,
 8 and **maintenance preservation** of the county's highways.

9 SECTION 21. IC 8-14-1-5, AS AMENDED BY P.L.218-2017,
 10 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2018]: Sec. 5. (a) Subject to subsection (c), all funds allocated
 12 to cities and towns from the motor vehicle highway account shall be
 13 used by the cities and towns for the construction, reconstruction, repair,
 14 maintenance, oiling, sprinkling, snow removal, weed and tree cutting
 15 and cleaning of their highways as herein defined, and including also
 16 any curbs, and the city's or town's share of the cost of the separation of
 17 the grades of crossing of public highways and railroads, the purchase
 18 or lease of highway construction and maintenance equipment, the
 19 purchase, erection, operation and maintenance of traffic signs and
 20 signals, and safety zones and devices, and the painting of surfaces in
 21 highways for purposes of safety and traffic regulation. All of such
 22 funds shall be budgeted as provided by law.

23 (b) In addition to purposes for which funds may be expended under
 24 subsection (a), monies allocated to cities and towns under this chapter
 25 may be expended for the payment of principal and interest on bonds
 26 sold primarily to finance road, street, or thoroughfare projects.

27 (c) ~~For funds distributed to a city or town from the motor vehicle~~
 28 ~~highway account after June 30, 2017, the~~ A city or town shall use at
 29 least fifty percent (50%) of the money **distributed to the city or town**
 30 **from the motor vehicle highway account** for the construction,
 31 reconstruction, and **maintenance preservation** of the city's or town's
 32 highways.

33 SECTION 22. IC 8-14-2-3 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) The auditor of
 35 state shall credit the state highway fund established under IC 8-23-9-54
 36 monthly with ~~fifty-five sixty-three percent (55%)~~ (63%) of the money
 37 deposited in the highway, road and street fund.

38 (b) Funds allocated to the department under this chapter must be
 39 appropriated.

40 SECTION 23. IC 8-14-2-4, AS AMENDED BY P.L.182-2007,
 41 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2018]: Sec. 4. (a) The auditor of state shall establish a special



1 account to be called the "local road and street account" and credit this
2 account monthly with ~~forty-five~~ **thirty-seven** percent (45%) (37%) of
3 the money deposited in the highway, road and street fund.

4 (b) The auditor shall distribute to units of local government money
5 from this account each month. Before making any other distributions
6 under this chapter, the auditor shall distribute E85 incentive payments
7 to all political subdivisions entitled to a payment under section 8 of this
8 chapter.

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

16 (1) In counties having a population of more than fifty thousand
17 (50,000), sixty percent (60%) of the money shall be distributed on
18 the basis of the population of the city or town as a percentage of
19 the total population of the county and forty percent (40%)
20 distributed on the basis of the ratio of city and town street mileage
21 to county road mileage.

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

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

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

37 (d) Each month the auditor of state shall inform the department of
38 the amounts allocated to each unit of local government from the local
39 road and street account.

40 SECTION 24. IC 8-17-4.1-1 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. (a) This chapter
42 applies to:



- (1) all counties; and
- (2) municipalities with a population of at least ~~twenty~~ fifteen thousand (20,000) ~~(15,000)~~.

(b) As used in this chapter, "governing body" means the county executive, the city executive, or the town legislative body.

SECTION 25. IC 8-17-4.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018 (RETROACTIVE)]: Sec. 8. (a) On ~~March + June~~ 15 following the operational report year, the state board of accounts shall prepare a certified list of counties and municipalities that have **not** complied with this chapter.

(b) The state board of accounts shall immediately apprise the auditor of state when the certified list described in subsection (a) is initially certified or revised for an operational report year.

(b) (c) The auditor of state shall withhold the distribution of motor vehicle highway account funds from any county or municipality not appearing on the state board of accounts certified list until its annual operational report is certified. the state board of accounts certifies the compliance of the county or municipality with this chapter. If the auditor of state withholds distribution of motor vehicle highway account funds from a county or municipality under this subsection and the county or municipality is subsequently certified to be in compliance with this chapter, the auditor of state shall resume making distributions of motor vehicle highway account funds to the county or municipality and also distribute those motor vehicle highway account funds that were previously withheld.

SECTION 26. IC 8-23-29-2, AS ADDED BY P.L.208-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: 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) The state gross retail tax on motor fuel imposed under IC 6-2.5-7.

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



- (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.

(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.

SECTION 27. IC 9-13-2-168.3, AS ADDED BY P.L.188-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 168.3. "Solid waste hauler", for purposes of IC 9-21-8, has the meaning set forth in IC 9-21-8-0.4. **IC 9-21-8-0.5.**

SECTION 28. IC 9-13-2-196.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: **Sec. 196.2. "Vehicle platoon", for purposes of IC 9-21- has the meaning set forth in IC 9-21-8-0.5.**

SECTION 29. IC 9-18.1-5-4, AS AMENDED BY P.L.256-2017, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) The fee to register a not-for-hire bus is sixteen dollars and thirty-five cents (\$16.35). The fee

(b) Except as provided in subsection (c), a fee imposed and collected under subsection (a) 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) One dollar and twenty-five cents (\$1.25) to the integrated public safety communications fund.

(6) Three dollars and ten cents (\$3.10) to the commission fund.

(7) Any remaining amount to the motor vehicle highway account.

(c) A fee described in subsection (a) that is collected under the International Registration Plan shall be distributed as set forth in



1 **section 10.5 of this chapter.**2 SECTION 30. IC 9-18.1-5-10.5, AS ADDED BY P.L.218-2017,
3 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2018]: Sec. 10.5. (a) This section applies after June 30, 2017.5 (b) This section applies only to fees ~~described in sections 8(a), 9(a),~~
6 ~~and 10(b) of this chapter~~ that are collected under the International
7 Registration Plan or through an Indiana based International
8 Registration Plan account.9 (c) The fees collected as described in subsection (b) during each
10 state fiscal year shall be distributed as follows:11 (1) The first one hundred twenty-five thousand dollars (\$125,000)
12 to the state police building account.

13 (2) Any remaining amounts to the motor vehicle highway account.

14 SECTION 31. IC 9-18.1-6-4, AS AMENDED BY P.L.256-2017,
15 SECTION 117, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) Except as provided in
17 subsection ~~(d), (e)~~, the fee to register a recovery vehicle with a gross
18 vehicle weight rating greater than sixteen thousand (16,000) pounds is
19 five hundred four dollars (\$504).20 (b) Except as provided in subsection ~~(d), (e)~~, the fee to register a
21 recovery vehicle with a gross vehicle weight rating equal to or less than
22 sixteen thousand (16,000) pounds is seventy-two dollars (\$72).23 (c) **Except as provided in subsection (d)**, a fee imposed and
24 collected under subsection (a) or (b) shall be distributed as follows:

25 (1) Twenty-five cents (\$0.25) to the state police building account.

26 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.

27 (3) Two dollars and ninety cents (\$2.90) to the highway, road and
28 street fund.

29 (4) Four dollars (\$4) to the crossroads 2000 fund.

30 (5) One dollar and twenty-five cents (\$1.25) to the integrated
31 public safety communications fund.

32 (6) Three dollars and ten cents (\$3.10) to the commission fund.

33 (7) Any remaining amount to the motor vehicle highway account.

34 (d) **A fee described in subsection (a) that is collected under the**
35 **International Registration Plan shall be distributed as set forth in**
36 **IC 9-18.1-5-10.5.**37 ~~(d)~~ (e) The fee to register a recovery vehicle for a period other than
38 twelve (12) months is the amount determined under the following
39 formula:40 STEP ONE: Determine the number of months remaining until the
41 vehicle's next registration date under IC 9-18.1-11. A partial
42 month shall be rounded to one (1) month.

1 STEP TWO: Multiply the STEP ONE result by one-twelfth
2 (1/12).

3 STEP THREE: Multiply the STEP TWO product by the
4 applicable registration fee under subsection (a) or (b) for the
5 vehicle.

6 A fee imposed and collected under this subsection **that is not collected**
7 **under the International Registration Plan** shall be distributed under
8 subsection (c). A fee imposed and collected under this subsection
9 **that is collected under the International Registration Plan shall be**
10 **distributed under subsection (d).**

11 SECTION 32. IC 9-18.1-15-2, AS ADDED BY P.L.218-2017,
12 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 2. (a) Each year, the owner of a motor vehicle
14 that is registered in Indiana shall pay a transportation infrastructure
15 improvement fee.

16 (b) The amount of the annual transportation infrastructure
17 improvement fee is fifteen dollars (\$15).

18 (c) **The transportation infrastructure improvement fee specified**
19 **in subsection (b) shall be apportioned if the vehicle for which the**
20 **transportation infrastructure improvement fee applies is registered**
21 **under the International Registration Plan.**

22 (f) (d) The transportation infrastructure improvement fee for a
23 vehicle to which this chapter applies:

24 (1) is due and shall be paid each year at the time the vehicle is
25 registered;

26 (2) is a condition to the right to register or reregister the vehicle;
27 and

28 (3) is in addition to all other conditions, taxes, and fees prescribed
29 by law.

30 (f) (e) Except as provided in IC 9-33-3, a person is not entitled to
31 a refund of any unused transportation infrastructure improvement fee.

32 SECTION 33. IC 9-21-8-0.4 IS REPEALED [EFFECTIVE JULY
33 1, 2018]. Sec. 0.4. As used in this chapter, "solid waste hauler" means
34 a vehicle in which solid waste or recyclable materials are transported
35 to at:

36 (1) transfer station for further transport to a final disposal facility;
37 (2) final disposal facility; or

38 (3) materials recovery facility.

39 SECTION 34. IC 9-21-8-0.5, AS ADDED BY P.L.185-2011,
40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2018]: Sec. 0.5. **As used in The following definitions apply**
42 **throughout** this chapter:



1 **(1) "Solid waste hauler" means a vehicle in which solid waste**
2 **or recyclable materials are transported to a:**

- 3 **(A) transfer station for further transport to a final disposal**
4 **facility;**
5 **(B) final disposal facility; or**
6 **(C) materials recovery facility.**

7 **(2) "Text message" means a communication in the form of**
8 **electronic text sent from a telecommunications device.**

9 **(3) "Vehicle platoon" means a group of motor vehicles that**
10 **are traveling in a unified manner under electronic**
11 **coordination at speeds and following distances that are faster**
12 **and closer than would be reasonable and prudent without**
13 **electronic coordination.**

14 SECTION 35. IC 9-21-8-14 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 14. **(a) This section**
16 **does not apply to a person who drives a motor vehicle in a vehicle**
17 **platoon with respect to another motor vehicle in the same vehicle**
18 **platoon.**

19 **(b) A person who drives a motor vehicle may not follow another**
20 **vehicle more closely than is reasonable and prudent, having due regard**
21 **for the speed of both vehicles, the time interval between vehicles, and**
22 **the condition of the highway.**

23 SECTION 36. IC 9-21-8-15 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 15. **(a) This section**
25 **does not apply to a person who drives a motor vehicle in a vehicle**
26 **platoon with respect to another motor vehicle in the same vehicle**
27 **platoon.**

28 **(b) Except when overtaking and passing, a person who drives a**
29 **motor truck, motor truck drawing another vehicle, or tractor-trailer**
30 **combination, when traveling upon a roadway outside of a business or**
31 **residence district or upon a roadway that is a part of the interstate**
32 **highway system, whether within or without a business or residence**
33 **district, may not follow within three hundred (300) feet of another**
34 **motor truck, motor truck drawing another vehicle, or a tractor-trailer**
35 **combination.**

36 SECTION 37. IC 9-21-8-16 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 16. **(a) This section**
38 **does not apply to the following:**

- 39 **(1) Funeral or marching band processions.**
40 **(2) A person who drives a motor vehicle in a vehicle platoon**
41 **with respect to another motor vehicle in the same vehicle**
42 **platoon.**



6 SECTION 38. IC 9-21-22 IS ADDED TO THE INDIANA CODE
7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2018]:

Chapter 22. Vehicle Platoons

10 Sec. 1. A person may operate a motor vehicle as part of a vehicle
11 platoon on the streets and highways of Indiana if:

- (1) the person is authorized under Indiana law to operate a motor vehicle on the streets or highways of Indiana;
 - (2) the motor vehicle is authorized under Indiana law to be operated on the streets or highways of Indiana;
 - (3) the motor vehicle is properly equipped with necessary systems for participation in a vehicle platoon; and
 - (4) the leader of the vehicle platoon is authorized under this chapter to lead the vehicle platoon.

Sec. 2. A person may lead a vehicle platoon in Indiana if:

- (1) the person or the organization with which the person is associated has filed a plan for general vehicle platoon operations with the commissioner;
 - (2) the commissioner has not rejected the plan for general vehicle platoon operations in Indiana; and
 - (3) the person leads the vehicle platoon in accordance with the plan for general vehicle platoon operations in Indiana.

Sec. 3. If the commissioner receives a plan for general vehicle platoon operations in Indiana, the commissioner may approve the plan, do nothing, or reject the plan. The commissioner may reject the plan only on or before the thirtieth day after the date on which the commissioner receives the plan.

SECTION 39. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1290, 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 15, between lines 18 and 19, begin a new paragraph and insert:
"SECTION 17. IC 8-14-1-1, AS AMENDED BY P.L.257-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. As used in this chapter:

- (1) "Motor vehicle highway account" means the account of the general fund of the state known as the "motor vehicle highway account" to which is credited collections from motor vehicle registration fees, licenses, driver's and chauffeur's license fees, gasoline taxes, auto transfer fees, certificate of title fees, weight taxes or excise taxes and all other similar special taxes, duties or excises of all kinds on motor vehicles, trailers, motor vehicle fuel, or motor vehicle owners or operators. The account also includes amounts distributed to the fund by the bureau of motor vehicles under IC 9.
- (2) The term "department" refers to the Indiana department of transportation.
- (3) The term "highways" includes roadway, rights of way, bridges, drainage structures, signs, guard rails, protective structures in connection with highways, drains, culverts, and bridges and the substructure and superstructure of bridges and approaches thereto and streets and alleys of cities or towns.
- (4) The term "construction" means the planning, supervising, inspecting, actual building, draining, and all expenses incidental to the construction of a highway.
- (5) The term "reconstruction" means a widening or a rebuilding of the highway or any portion thereof.
- (6) The term "maintenance" when used in reference to cities, towns, and counties as applied to that part of the highway other than bridges, means the constant making of needed repairs, to preserve a smooth surfaced highway, adequately drained, marked and guarded by protective structures for public safety and, as to bridges, means the constant making of needed repairs to preserve a smooth surfaced highway thereon and the safety and preservation of the bridge and its approaches, together with the substructure and superstructure thereof; and such term also means and includes the acquisition and use, in any manner, of all needed



equipment, fuel, materials, and supplies essential and incident thereto.

(7) The term "preservation" means the preventative treatment, nonstructural treatment, rehabilitation, or structural repairs made to transportation infrastructure and related drainage that are included in an asset management plan approved by the Indiana department of transportation in collaboration with the local technical assistance program at Purdue University.

(7) (8) The term "vehicle registration" means the number of vehicles subject to registration under IC 9-18 (before January 1, 2017) or IC 9-18.1 (after December 31, 2016) which are registered thereunder, and, when used with respect to the state, shall mean the number of vehicles registered in the state and, when used in respect to a county, city, or town, shall mean the number of vehicles registered by owners resident in the county, city, or town."

Page 18, line 39, delete "construction" and insert "construction,".

Page 18, line 39, delete "and".

Page 18, line 40, delete "reconstruction" and insert "reconstruction,".

Page 18, line 40, reset in roman "and".

Page 18, line 40, after "maintenance" insert "**preservation**".

Page 19, line 20, delete "construction" and insert "construction,".

Page 19, line 20, delete "and".

Page 19, line 21, delete "reconstruction" and insert "reconstruction,".

Page 19, line 21, reset in roman "and".

Page 19, line 21, after "maintenance" insert "**preservation**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1290 as introduced.)

SOLIDAY

Committee Vote: yeas 12, nays 0.

HB 1290—LS 7094/DI 113

