

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 ENROLLED ACT No. 1290

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AN ACT to amend the Indiana Code concerning transportation.

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

SECTION 1. IC 6-2.5-5-51, AS ADDED BY P.L.218-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 51. (a) As used in this section, "special fuel" has the meaning set forth in IC 6-6-2.5-22.

**(b) As used in this section, "heating oil" has the meaning set forth in IC 6-6-2.5-12.**

~~(b)~~ **(c) Except for heating oil**, the sale of special fuel is exempt from the state gross retail tax.

SECTION 2. IC 6-6-1.6-2, AS ADDED BY P.L.218-2017, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 2. (a) The department shall determine a new tax rate for **the gasoline tax, the special fuel tax**, and the motor carrier surcharge tax **(before its repeal)** to take effect July 1, 2017. The department shall determine the new rate before June 1, 2017. The new rate shall be determined by using annual factors and applying a method that is based on an annual factor being in place each year from the beginning of the period specified for each factor and that uses the resulting rounded rate for purposes of determining the following year rate change.

(b) The gasoline tax index factor to be used each year equals the following:

STEP ONE: Determine the year over year change in the CPI-U

**HEA 1290 — Concur**



beginning in 2003 through 2016.

STEP TWO: Determine the year over year change in the IPI beginning in 2003 through 2016.

STEP THREE: Add for each year:

- (A) the STEP ONE result; and
- (B) the STEP TWO result.

STEP FOUR: Divide the STEP THREE result by two (2).

(c) The special fuel index factor and motor carrier surcharge tax index factor **(before the repeal of the motor carrier surcharge tax)** to be used each year equals the following:

STEP ONE: Determine the year over year change in the CPI-U beginning in 1989 through 2016.

STEP TWO: Determine the year over year change in the IPI beginning in 1989 through 2016.

STEP THREE: Add for each year:

- (A) the STEP ONE result; and
- (B) the STEP TWO result.

STEP FOUR: Divide the STEP THREE result by two (2).

SECTION 3. IC 6-6-1.6-3, AS ADDED BY P.L.218-2017, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) The department shall calculate an annual index factor to be used for the rate to take effect each July 1 beginning in 2018 through July 1, 2024. The department shall determine the index factor before June 1 of each year using the method described in subsection (b).

(b) The annual gasoline tax index factor **and** special fuel index factor **and motor carrier surcharge tax index factor** equals the following:

STEP ONE: Divide the annual CPI-U for the year preceding the determination year by the annual CPI-U for the year immediately preceding that year.

STEP TWO: Divide the annual IPI for the year preceding the determination year by the annual IPI for the year immediately preceding that year.

STEP THREE: Add:

- (A) the STEP ONE result; and
- (B) the STEP TWO result.

STEP FOUR: Divide the STEP THREE result by two (2).

SECTION 4. IC 6-6-2.5-28, AS AMENDED BY P.L.218-2017, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 28. (a) A license tax is imposed on all special fuel sold or used in producing or generating power for propelling motor



vehicles, except fuel used under section 30(a)(8) or 30.5 of this chapter, at the applicable rate specified in subsection (b). The tax shall be paid at those times, in the manner, and by those persons specified in this section and section 35 of this chapter.

(b) The license tax described in subsection (a) is imposed at the following applicable rate per special fuel gallon:

- (1) Before July 1, 2017, sixteen cents (\$0.16).
- (2) For July 1, 2017, through June 30, 2018, the lesser of:
  - (A) the rate resulting from using the factors determined under IC 6-6-1.6-2; or
  - (B) twenty-six cents (\$0.26).

**(3) For July 1, 2018, through June 30, 2019, the product of:**

**(A) the sum of:**

**(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.**

~~(4)~~ **(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 exempt use of special fuel in such a vehicle must maintain adequate records as required by the department to document the vehicle's taxable and exempt use.

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

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

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

- (1) violates; or
- (2) aids or abets another person to violate;

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

SECTION 5. IC 6-6-2.5-68, AS AMENDED BY P.L.218-2017, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 68. **(a) Each month, the first one and five tenths percent (1.5%) of revenue collected under this chapter shall be deposited in the motor carrier regulation fund administered by the department.**

**(b)** All revenue collected under this chapter **that remains after the distribution of revenue specified under subsection (a)** shall be used in the same manner as the revenue collected under IC 6-6-1.1. The



administrator shall deposit the revenues collected under this chapter **that remain after the distribution of revenues specified under subsection (a)** in the same manner that revenues are deposited under IC 6-6-1.1-802.

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

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

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

(c) "Commissioner" means the commissioner of the Indiana department of state revenue.

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

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

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

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

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

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

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

(j) "Quarter" means calendar quarter.

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

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

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

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

(o) "Surcharge gallon" means, as applicable:

- (+) a gallon of gasoline or special fuel (other than natural gas or an alternative fuel commonly or commercially known or sold as



butane or propane);

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

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

SECTION 7. IC 6-6-4.1-4, AS AMENDED BY P.L.218-2017, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) A tax is imposed on the consumption of motor fuel by a carrier in its operations on highways in Indiana. The rate of this tax is determined as follows:

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

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

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

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

(c) 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 and upon which the carrier has not paid tax imposed under IC 6-6-1.1, IC 6-6-2.5, or 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.

SECTION 8. IC 6-6-4.1-4.3 IS REPEALED [EFFECTIVE JULY 1, 2018]. Sec. 4.3: (a) Persons having title to motor fuel in storage and held for sale to a carrier in the carrier's operations on highways in Indiana on the effective date of an increase in the surcharge tax rate imposed under section 4.5 of this chapter are subject to an inventory tax based on the surcharge gallons in storage as of the close of the business day preceding the effective date of the increased surcharge tax rate:

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

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

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

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

SECTION 9. IC 6-6-4.1-4.5 IS REPEALED [EFFECTIVE JULY 1, 2018]. Sec. 4.5: (a) A surcharge tax is imposed on the consumption of motor fuel by a carrier in its operations on highways in Indiana at the applicable rate specified in subsection (b). Beginning July 1, 2017, the surcharge tax that applies to special fuel that is not an alternative fuel shall be collected and remitted in the manner specified for the special



fuel tax under IC 6-6-2.5 as required by the department. A carrier shall reconcile the amount owed under this section as part of the carrier's motor fuel use tax reconciliation under this chapter. However, for a carrier that has not paid any surcharge tax at the time of purchase, the tax shall be paid quarterly by the carrier to the department on or before the last day of the month immediately following the quarter.

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

(1) Before July 1, 2017, eleven cents (\$0.11) per surcharge gallon.

(2) For July 1, 2017, through June 30, 2018, the lesser of:

(A) the rate resulting from using the factors determined under IC 6-6-1.6-2; or

(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 10. IC 6-6-4.1-4.7, AS AMENDED BY P.L.218-2017,

HEA 1290 — Concur





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 forms suitable spaces for a listing of the following:

- (1) The carrier's federal Social Security number or federal tax identification number.
- (2) The address of the carrier's principal place of business.
- (3) A description of each of the carrier's vehicles that has a common fuel supply reservoir for both locomotion on a public highway and a commercial purpose.
- (4) The vehicle identification number for each vehicle described in subdivision (3).

(d) The department may certify that a carrier is qualified to claim 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)** only upon payment by the carrier to the department of a one (1) time fee of seven dollars (\$7). The carrier must pay the fee at the time the application for certification is submitted to the department. The department shall deposit the fee in the motor carrier regulation fund established by IC 8-2.1-23-1.

(e) A carrier must notify the department, on forms prescribed by the department, of any change of address by the carrier. The carrier must provide the notice not more than ten (10) days after the change of address. The department may revoke or suspend the certification of a carrier that fails to comply with this subsection.

(f) All certificates issued under this section are personal and may not be transferred.

(g) The department may require a carrier that has been issued a certificate under this section to submit additional information from time to time at reasonable intervals, as determined by the department.

(h) The department may adopt rules under IC 4-22-2 to carry out this section.

**HEA 1290 — Concur**



SECTION 11. IC 6-6-4.1-4.8, AS AMENDED BY P.L.218-2017, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4.8. (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) In order to obtain a proportional use credit against taxes imposed under section 4 ~~or 4.5~~ of this chapter **or section 4.5 of this chapter (before its repeal)** a carrier must file a claim with the department. The claim must be submitted on a form prescribed by the department and must be filed with the quarterly return for the taxable period for which the proportional use credit is claimed. A carrier is not entitled to 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)** unless the carrier:

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

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

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

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

- (1) For the quarter ending September 30 of a year, an amount equal to one million three hundred seventy-five thousand dollars (\$1,375,000).
- (2) For the quarter ending December 31 of a year, an amount equal to:
  - (A) six hundred twenty-five thousand dollars (\$625,000); 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.
- (3) For the quarter ending March 31 of a year, an amount equal to:
- (A) six hundred twenty-five thousand dollars (\$625,000); 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.
- (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.

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

(b) The department shall deposit revenue collected under sections 4.3 and 4.5 of this chapter (**before their repeal**) as follows:

- (1) Forty-seven and seventy-five hundredths percent (47.75%) in the state highway fund (IC 8-23-9-54).
- (2) Forty-seven and seventy-five hundredths percent (47.75%) in the motor vehicle highway account (IC 8-14-1).
- (3) Four and five-tenths percent (4.5%) in the motor carrier regulation fund administered by the department.

(c) The department shall deposit revenue collected under section 13 of this chapter as follows:

- (1) Thirty-five percent (35%) in the motor vehicle highway account (IC 8-14-1).
- (2) Sixty-five percent (65%) in the state highway fund (IC 8-23-9-54).

SECTION 13. IC 6-6-4.1-6, AS AMENDED BY P.L.218-2017, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 6. (a) A carrier is entitled to a credit against the



tax imposed under section 4 of this chapter if the carrier, or a lessor operating under the carrier's annual permit, has:

- (1) paid the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and section 4.5 of this chapter **(before its repeal)** on motor fuel purchased in Indiana;
- (2) consumed the motor fuel outside Indiana; and
- (3) paid a gasoline, special fuel, or road tax with respect to the fuel in one (1) or more other states or jurisdictions.

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

- (1) was purchased in Indiana;
- (2) was consumed outside Indiana; and
- (3) with respect to which the carrier paid a gasoline, special fuel, or road tax to another state or jurisdiction.

(c) To qualify for the credit, the carrier shall submit any evidence required by the department of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and section 4.5 of this chapter **(before its repeal)**.

(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.

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

(b) The credit for any quarter shall be allowed as a credit against the tax for which the carrier would otherwise be liable in the quarter in which the credit accrued.

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

- (1) the quarter in which the credit accrued; or
- (2) the calendar year that contains the taxable period in which the



tax or penalty was erroneously paid.

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

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

(1) The filing of:

(A) the properly completed application for refund; or

(B) the quarterly return on which a refund is claimed.

(2) The submission of any evidence required by the department of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and section 4.5 of this chapter **(before its repeal)**.

(3) The submission of reports required by the department under this chapter.

(4) The furnishing of a surety bond, letter of credit, or cash deposit under section 8 of this chapter.

(e) The department shall pay interest at the rate established under IC 6-8.1-9 from the date of:

(1) the refund application;

(2) the due date of a timely filed quarterly return on which a refund is claimed; or

(3) the filing date of a quarterly return on which a refund is claimed, if the quarterly refund is filed after the due date of the quarterly return;

to a date determined by the department that does not precede the date on which the refund is made by more than thirty (30) days.

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

(1) Determining the base state for users.

(2) Specifying records requirements for users.

(3) Specifying audit procedures.

(4) Exchanging information.

(5) Defining persons eligible for tax licensing.

(6) Defining qualified motor vehicles.

(7) Determining if bonding is required.

(8) Specifying reporting requirements and periods, including the following:

(A) Establishing uniform penalties and interest rates for late



reporting.

(B) Determining methods for collecting and forwarding motor fuel taxes, special fuel taxes, and penalties to another state or jurisdiction.

(9) Any other provisions designed to facilitate the administration of the agreement.

(b) The International Fuel Tax Agreement and any other agreement authorized under IC 6-6, IC 6-8.1, or IC 9-28 do not limit the authority of the general assembly to do any of the following:

(1) Determine whether to impose a tax.

(2) Determine tax rates.

(3) Define tax exemptions or deductions.

(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 16. 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;
- (4) with respect to a listed tax (as defined in IC 6-8.1-1-1), fails to file all tax returns or information reports or to pay all taxes, penalties, and interest;
- (5) fails to file a form or report required under this chapter or the International Fuel Tax Agreement in an electronic format prescribed by the department; or
- (6) fails to remit taxes under section 10(f) of this chapter;

the commissioner may suspend or revoke any annual permit, trip permit, temporary authorization, or repair and maintenance permit issued to the carrier. The commissioner may reinstate a permit or temporary authorization if a carrier files all required returns and reports and pays all outstanding liabilities.

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

SECTION 18. IC 6-6-4.1-21, AS AMENDED BY P.L.218-2017, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 21. A carrier subject to the taxes imposed under ~~sections section 4 through 4.5~~ of this chapter **and section 4.5 of this chapter (before its repeal)** who fails to file a quarterly report as required by section 10 of this chapter shall pay a civil penalty of three hundred dollars (\$300) for each report that is not filed.

SECTION 19. IC 6-6-5.5-7, AS AMENDED BY P.L.256-2017, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 7. (a) The commercial vehicle excise tax for a vehicle to which this chapter applies will be determined by the



department on or before October 1 of each year **to be effective on January 1 of the following year.**

**(b) The commercial vehicle excise tax factor is determined in accordance with the following formula:**

STEP ONE: Determine the total amount of base revenue for all taxing units using the base revenue determined for each taxing unit under section 19 of this chapter.

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

**(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)**.

~~(c)~~ **(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 20. 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.

SECTION 21. IC 8-14-1-3, AS AMENDED BY P.L.218-2017,

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SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. The money collected for the motor vehicle highway account fund and remaining after refunds and the payment of all expenses incurred in the collection thereof, and after the deduction of the amount appropriated to the department for traffic safety, shall be allocated to and distributed among the department and subdivisions designated as follows:

(1) Of the net amount in the motor vehicle highway account the auditor of state shall set aside for the cities and towns of the state ~~the applicable percentage set forth in section 3.5(a) of this chapter.~~ **twelve and thirteen hundredths percent (12.13%).** 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 population of all the cities and towns and shall be used for the construction or reconstruction and maintenance of streets and alleys and shall be annually budgeted as now provided by law. However, no part of such sum shall be used for any other purpose than for the purposes defined in this chapter. If any funds allocated to any city or town shall be used by any officer or officers of such city or town for any purpose or purposes other than for the purposes as defined in this chapter, such officer or officers shall be liable upon their official bonds to such city or town in such amount so used for other purposes than for the purposes as defined in this chapter, together with the costs of said action and reasonable attorney fees, recoverable in an action or suit instituted in the name of the state of Indiana on the relation of any taxpayer or taxpayers resident of such city or town. A monthly distribution thereof of funds accumulated during the preceding month shall be made by the auditor of state.

(2) Of the net amount in the motor vehicle highway account, the 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.~~ **twenty-five and eighty-seven hundredths percent (25.87%).** However, as to the allocation to cities and towns under subdivision (1) and as to the allocation to counties under this subdivision, in the event that the amount in the motor vehicle highway account fund remaining after refunds and after the payment of all expenses incurred in the collection thereof is less than twenty-two million six hundred and fifty thousand dollars (\$22,650,000) in any fiscal year, then the amount so set aside in the next calendar year for distributions to counties shall be reduced fifty-four percent (54%) of such deficit and the amount



so set aside for distribution in the next calendar year to cities and towns shall be reduced thirteen percent (13%) of such deficit. Such reduced distributions shall begin with the distribution January 1 of each year.

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

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

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

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

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

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

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

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

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



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

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

SECTION 22. IC 8-14-1-3.5 IS REPEALED [EFFECTIVE JULY 1, 2018]. Sec. 3-5: (a) The following percentages apply to the amounts set aside for the cities and towns of the state under section 3(1) of this chapter:

- (1) Before July 1, 2017, fifteen percent (15%);
- (2) After June 30, 2017, and before July 1, 2018, fourteen and fifty-two hundredths percent (14.52%);
- (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 23. 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, **preservation**, 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 supplies necessary to the performance of construction, reconstruction, **preservation**, and maintenance of highways, shall be paid out of the highway account of the various counties.

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

SECTION 24. IC 8-14-1-5, AS AMENDED BY P.L.218-2017, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 5. (a) Subject to subsection (c), all funds allocated to cities and towns from the motor vehicle highway account shall be used by the cities and towns for the construction, reconstruction, **preservation**, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of their highways as herein defined, and including also any curbs, and the city's or town's share of the cost of the separation of the grades of crossing of public highways and railroads, the purchase or lease of highway construction, **preservation**, and maintenance equipment, the purchase, erection, operation and maintenance of traffic signs and signals, and safety zones and devices, and the painting of surfaces in highways for purposes of safety and traffic regulation. All of such funds shall be budgeted as provided by law.

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

(c) For funds distributed to a city or town from the motor vehicle highway account, ~~after June 30, 2017~~, the city or town shall use at least



fifty percent (50%) of the money for the construction, reconstruction, and ~~maintenance~~ **preservation** of the city's or town's highways.

SECTION 25. IC 8-14-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) The auditor of state shall credit the state highway fund established under IC 8-23-9-54 monthly with ~~fifty-five~~ **sixty-three** percent (~~55%~~) (**63%**) of the money deposited in the highway, road and street fund.

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

SECTION 26. IC 8-14-2-4, AS AMENDED BY P.L.182-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) The auditor of state shall establish a special account to be called the "local road and street account" and credit this account monthly with ~~forty-five~~ **thirty-seven** percent (~~45%~~) (**37%**) of the money deposited in the highway, road and street fund.

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

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

- (1) In counties having a population of more than fifty thousand (50,000), sixty percent (60%) of the money shall be distributed on the basis of the population of the city or town as a percentage of the total population of the county and forty percent (40%) distributed on the basis of the ratio of city and town street mileage to county road mileage.
- (2) In counties having a population of fifty thousand (50,000) or less, twenty percent (20%) of the money shall be distributed on the basis of the population of the city or town as a percentage of the total population of the county and eighty percent (80%) distributed on the basis of the ratio of city and town street mileage to county road mileage.
- (3) For the purposes of allocating funds as provided in this section, towns which become incorporated as a town between the effective dates of decennial censuses shall be eligible for



allocations upon the effectiveness of a corrected population count for the town under IC 1-1-3.5.

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

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

SECTION 27. IC 8-16-15.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]:

**Chapter 15.5. New Harmony and Wabash River Bridge Authority**

**Sec. 1. The following definitions apply throughout this chapter:**

(1) "Bridge" means the White County bridge over the Wabash River that connects White County, Illinois, and Posey County, Indiana. The term includes all approaches and rights of way necessary or desirable for the operation and maintenance of the bridge.

(2) "Bridge authority" means the New Harmony and Wabash River bridge authority created by section 2 of this chapter.

(3) "Commission" refers to the White County bridge commission created by Congressional Act of April 12, 1941, Public Law 77-37, 55 Stat. 140.

**Sec. 2. (a) The New Harmony and Wabash River bridge authority is established as a separate body corporate and politic of the state for the purposes set forth in section 6 of this chapter.**

**(b) The bridge authority is an entity separate from the state or any entity responsible for appointing the initial members of the bridge authority. Though separate from the state and state entities, the bridge authority's exercise of its powers constitutes an essential governmental, public, and corporate function when carrying out the purposes of this chapter.**

**(c) The bridge authority has the power to make and enter into any contract that may be necessary to implement this chapter. The bridge authority's contract power includes the ability to enter into an agreement or contract with the state of Illinois or any governmental entity in the state of Illinois to:**

**(1) jointly form the bridge authority; or**

**(2) grant to the bridge authority the power to own and operate assets in the state of Illinois that are transferred by**



the commission to the bridge authority.

Except as otherwise provided by this chapter, a contract made by the bridge authority is not subject to approval or ratification by any other board, body, or officer.

(d) The bridge authority may exercise its powers with respect to the assets of the commission, including the power to contract with an entity, public or private, established in Illinois, to the extent permitted by Illinois law.

Sec. 3. (a) The bridge authority shall be composed of the following five (5) individuals:

- (1) Three (3) members appointed by the governor, no more than two (2) of whom may be from the same political party.
- (2) One (1) member appointed by the appropriate county executive of Posey County.
- (3) One (1) member appointed by the appropriate town executive of New Harmony.

(b) Except as provided in subsection (c), all members must be residents of Posey County and at least eighteen (18) years of age.

(c) If the bridge authority:

- (1) forms a joint authority between:
  - (A) the state and Illinois; or
  - (B) the state and an Illinois entity; or
- (2) enters into an agreement with an Illinois entity to jointly act in implementing this chapter;

the bridge authority may determine the membership and term of office for any bridge authority member representing Illinois or an Illinois entity.

(d) Each bridge authority member, before beginning the member's duties, shall execute a bond payable to the state. The bond must:

- (1) be in the sum of fifteen thousand dollars (\$15,000);
- (2) be conditioned upon the member's faithful performance of the duties of the member's office; and
- (3) account for all monies and property that may come into the member's possession or under the member's control.

The cost of the bond shall be paid by the bridge authority.

(e) If a member ceases to be qualified under this section, the member forfeits the member's office.

(f) Bridge authority members are not entitled to salaries but may seek reimbursement for expenses incurred in the performance of their duties.

Sec. 4. (a) An appointment to the bridge authority shall be for





a term of four (4) years. Each member appointed to the bridge authority:

- (1) shall hold office for the term of the appointment;
- (2) shall continue to serve after the expiration of the appointment until a qualified successor is appointed;
- (3) remains eligible for reappointment to the bridge authority if the requirements described in section 3 of this chapter remain met; and
- (4) may be removed from office by the other members of the bridge authority with or without cause.

(b) Members of the bridge authority shall fill vacancies for any unexpired term of a member or for any member appointed by the other members of the bridge authority as provided in this section.

(c) A member of the bridge authority, including a member appointed under section 3(c) of this chapter, may be reappointed.

**Sec. 5. (a)** The bridge authority shall hold an organizational meeting within thirty (30) days after the initial appointment of the members and every January of each subsequent year. During each organizational meeting, the bridge authority must elect the following officers from existing bridge authority membership:

- (1) A chair.
- (2) A vice chair.
- (3) A secretary treasurer.

(b) The bridge authority may adopt rules under IC 4-22-2 in order to implement this section.

**Sec. 6.** The bridge authority is established for the purpose of:

- (1) inheriting the assets, duties, powers, and rights of the commission;
- (2) accepting the transfer and ownership of the bridge and all interests of the commission in real and personal property;
- (3) accepting or receiving all other assets of the commission; and
- (4) equipping, financing, improving, maintaining, operating, reconstructing, rehabilitating, and restoring the bridge for use by motor vehicles, pedestrians, and other modes of transportation.

**Sec. 7. (a)** The bridge authority may do the following:

- (1) Accept the assets of the commission.
- (2) Hold, exchange, lease, rent, sell (by conveyance by deed, land sale contract, or other instrument), use, or otherwise dispose of property acquired for the purpose of implementing this chapter.



(3) Prescribe the duties and regulate the compensation of the employees of the bridge authority.

(4) Provide a pension and retirement system for employees of the bridge authority through use of the Indiana public employees' retirement fund.

(5) Contract for the alteration, construction, extension, improvement, rehabilitation, or restoration of the bridge.

(6) Accept grants, loans, and other forms of financial assistance from the federal government, the state government, a political subdivision (as defined in IC 36-1-2-13), a foundation, or any other source.

(7) Establish and revise, as necessary, any charge or toll assessed for transit over the bridge.

(8) Collect or cause to be collected any charge or toll assessed for transit over the bridge.

(9) Borrow money, make guaranties, issue bonds, and otherwise incur indebtedness for any of the bridge authority's purposes.

(10) Issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided in this chapter.

(b) The bridge authority may exercise any of the powers authorized by this chapter in the state of Illinois to the extent provided:

(1) under Illinois law; or

(2) through a joint action taken with Illinois or an Illinois entity as described in section 2(c) of this chapter.

Sec. 8. (a) The bridge authority may, by resolution, issue and sell bonds or notes of the bridge authority for the purpose of providing funds to implement this chapter.

(b) Before issuing a series of bonds or notes, the bridge authority shall publish a notice of its determination to issue the bonds or notes in accordance with IC 5-3-1.

(c) No action to contest the validity of:

(1) any contract entered into by the bridge authority before the bonds or notes are issued; or

(2) a series of bonds or notes issued by the bridge authority; may be brought after the thirty (30) days following the publication of the notice required by subsection (b).

(d) If an action challenging a contract, bond, or note is not brought within the time frame described in subsection (c), the contract, bond, or note shall be presumed to be fully authorized



and valid under the laws of the state and any person or entity may not question the authorization, validity, execution, delivery, or issuance of the contract, bond, or note.

**Sec. 9. The:**

(1) members of the bridge authority; and  
(2) officers and employees of the bridge authority;  
responsible for the approval or execution of a bond, lease, obligation, or other agreement may not be subject to personal liability or accountability for the performance of any act authorized by this chapter.

**Sec. 10. (a)** All bonds or notes issued under this chapter are issued by the bridge authority as a body corporate and politic of the state, but not as a state agency, and for an essential public and governmental purpose. The bonds and notes, the interest on the bonds and notes, the proceeds received by an owner from the sale of the bonds or notes to the extent of the owner's cost of acquisition, proceeds received upon redemption for maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation for all purposes except the financial institutions tax imposed under IC 6-5.5.

(b) No bonds or notes issued by the bridge authority under this chapter constitute a debt, liability, or obligation of the state or any political subdivision or a pledge of the faith and credit of the state or any political subdivision. Each bond or note issued under this chapter must contain on its face a statement that neither the faith and credit nor the taxing power of the state or any political subdivision is pledged to the payment of the principal of or the interest on the bond or the note.

**Sec. 11.** Notwithstanding any other law or provision, all financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds or notes issued under this chapter.

**Sec. 12.** Bond or notes issued under this chapter are exempt from the registration requirements of IC 23-19 and any other state securities registration statutes.

**Sec. 13.** A pledge of proceeds of bonds or notes, investment earnings on those proceeds, or other money pledged by the bridge authority is binding from the time the pledge is made. Proceeds of bonds or notes, investment earnings on those proceeds, or other money pledged by the bridge authority and then received by the



bridge authority or its trustee or fiduciary is immediately subject to the lien of the pledge without any further act, and the lien of the pledge is binding against all parties having claims of any kind in tort, contract, or otherwise against the bridge authority, regardless of whether the parties have notice of the lien. A resolution, trust agreement, or any other instrument that creates a pledge is required to be filed or recorded only in the records of the bridge authority.

**Sec. 14. All property of the bridge authority is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments of the state or any political subdivision.**

**Sec. 15. Neither:**

**(1) the state; nor**

**(2) a political subdivision of the state, including, without limitation, Posey County and the town of New Harmony;**

**is liable for any action taken by the bridge authority.**

SECTION 28. IC 8-17-4.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. (a) This chapter 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 29. 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 30. 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 31. 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 32. 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 33. 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 section 10.5 of this chapter.**

SECTION 34. IC 9-18.1-5-10.5, AS ADDED BY P.L.218-2017, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 10.5. (a) This section applies after June 30, 2017.

(b) This section applies only to fees ~~described in sections 8(a), 9(a), and 10(b)~~ of this chapter that are collected under the International Registration Plan or through an Indiana based International Registration Plan account.

(c) The fees collected as described in subsection (b) during each state fiscal year shall be distributed as follows:

- (1) The first one hundred twenty-five thousand dollars (\$125,000) to the state police building account.
- (2) Any remaining amounts to the motor vehicle highway account.

SECTION 35. IC 9-18.1-6-4, AS AMENDED BY P.L.256-2017, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) Except as provided in subsection ~~(d)~~, **(e)**, the fee to register a recovery vehicle with a gross vehicle weight rating greater than sixteen thousand (16,000) pounds is five hundred four dollars (\$504).

(b) Except as provided in subsection ~~(d)~~, **(e)**, the fee to register a recovery vehicle with a gross vehicle weight rating equal to or less than sixteen thousand (16,000) pounds is seventy-two dollars (\$72).



(c) **Except as provided in subsection (d)**, a fee imposed and collected under subsection (a) or (b) 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.

**(d) A fee described in subsection (a) that is collected under the International Registration Plan shall be distributed as set forth in IC 9-18.1-5-10.5.**

~~(d)~~ (e) The fee to register a recovery vehicle for a period other than twelve (12) months is the amount determined under the following formula:

STEP ONE: Determine the number of months remaining until the vehicle's next registration date under IC 9-18.1-11. A partial month shall be rounded to one (1) month.

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

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

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

SECTION 36. IC 9-18.1-15-2, AS ADDED BY P.L.218-2017, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Each year, the owner of a motor vehicle that is registered in Indiana shall pay a transportation infrastructure improvement fee.

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

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

~~(c)~~ (d) The transportation infrastructure improvement fee for a



vehicle to which this chapter applies:

- (1) is due and shall be paid each year at the time the vehicle is registered;
- (2) is a condition to the right to register or reregister the vehicle; and
- (3) is in addition to all other conditions, taxes, and fees prescribed by law.

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

SECTION 37. IC 9-21-8-0.4 IS REPEALED [EFFECTIVE JULY 1, 2018]. ~~Sec. 0.4. As used in this chapter, "solid waste hauler" means a vehicle in which solid waste or recyclable materials are transported to a:~~

- ~~(1) transfer station for further transport to a final disposal facility;~~
- ~~(2) final disposal facility; or~~
- ~~(3) materials recovery facility.~~

SECTION 38. IC 9-21-8-0.5, AS ADDED BY P.L.185-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 0.5. **As used in The following definitions apply throughout** this chapter:

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

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

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

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

SECTION 39. IC 9-21-8-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 14. **(a) This section does not apply to a person who drives a motor vehicle in a vehicle platoon with respect to another motor vehicle in the same vehicle platoon.**

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





SECTION 40. IC 9-21-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 15. **(a) This section does not apply to a person who drives a motor vehicle in a vehicle platoon with respect to another motor vehicle in the same vehicle platoon.**

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

SECTION 41. IC 9-21-8-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 16. **(a)** This section does not apply to **the following:**

**(1)** Funeral or marching band processions.

**(2) A person who drives a motor vehicle in a vehicle platoon with respect to another motor vehicle in the same vehicle platoon.**

**(b)** Motor vehicles being driven upon a roadway outside of a business or residence district in a caravan or motorcade, whether or not towing other vehicles, must be operated to allow sufficient space between each vehicle or combination of vehicles to enable another vehicle to enter and occupy the space without danger.

SECTION 42. IC 9-21-22 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]:

**Chapter 22. Vehicle Platoons**

**Sec. 1. A person may operate a motor vehicle as part of a vehicle 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 43. IC 34-30-2-25.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: **Sec. 25.5. IC 8-16-15.5-9 (Concerning members of the New Harmony and Wabash River bridge authority).**

SECTION 44. IC 34-30-2-25.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: **Sec. 25.6. IC 8-16-15.5-15 (Concerning actions taken by the New Harmony and Wabash River bridge authority).**

SECTION 45. An emergency is declared for this act.



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Speaker of the House of Representatives

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President of the Senate

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President Pro Tempore

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

**HEA 1290 — Concur**

