
SENATE BILL No. 409

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6; IC 8-23-9-54; IC 20-20-38.

Synopsis: Gasoline tax and special fuel tax distributions. Provides that revenue generated from one cent of the state gasoline tax shall be paid into the supplemental school distribution fund and distributed to school corporations. (This revenue is currently transferred to the state highway fund.) Provides that \$10 million of the first \$25 million in special fuel tax revenue collected shall be paid into the supplemental school distribution fund and distributed to school corporations. (This revenue is currently transferred to the Indiana department of transportation.)

Effective: July 1, 2011.

Rogers

January 11, 2011, read first time and referred to Committee on Appropriations.

C
o
p
y



First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

C
o
p
y

SENATE BILL No. 409



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-6-1.1-801.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 801.5. (a) The
3 administrator shall transfer one-ninth (1/9) of the taxes that are
4 collected under this chapter to the state highway road construction and
5 improvement fund.
6 (b) The administrator shall transfer one-eighteenth (1/18) of the
7 taxes that are collected under this chapter to the **state highway**
8 **supplemental school distribution** fund **established by IC 20-20-38.**
9 (c) The administrator shall transfer one-eighteenth (1/18) of the
10 taxes that are collected under this chapter to the auditor of state for
11 distribution to counties, cities, and towns. The auditor of state shall
12 distribute the amounts transferred under this subsection to each of the
13 counties, cities, and towns eligible to receive a distribution from the
14 motor vehicle highway account under IC 8-14-1 and in the same
15 proportion among the counties, cities, and towns as funds are
16 distributed from the motor vehicle highway account under IC 8-14-1.
17 Money distributed under this subsection may be used only for purposes



1 that money distributed from the motor vehicle highway account may be
2 expended under IC 8-14-1.

3 (d) After the transfers required by subsections (a) through (c), the
4 administrator shall transfer the next twenty-five million dollars
5 (\$25,000,000) of the taxes that are collected under this chapter and
6 received during a period beginning July 1 of a year and ending June 30
7 of the immediately succeeding year to the auditor of state for
8 distribution in the following manner:

9 (1) thirty percent (30%) to each of the counties, cities, and towns
10 eligible to receive a distribution from the local road and street
11 account under IC 8-14-2 and in the same proportion among the
12 counties, cities, and towns as funds are distributed under
13 IC 8-14-2-4;

14 (2) thirty percent (30%) to each of the counties, cities, and towns
15 eligible to receive a distribution from the motor vehicle highway
16 account under IC 8-14-1 and in the same proportion among the
17 counties, cities, and towns as funds are distributed from the motor
18 vehicle highway account under IC 8-14-1; and

19 (3) forty percent (40%) to the Indiana department of
20 transportation.

21 (e) The auditor of state shall hold all amounts of collections
22 received under subsection (d) from the administrator that are made
23 during a particular month and shall distribute all of those amounts
24 pursuant to subsection (d) on the fifth day of the immediately
25 succeeding month.

26 (f) All amounts distributed under subsection (d) may only be used
27 for purposes that money distributed from the motor vehicle highway
28 account may be expended under IC 8-14-1.

29 SECTION 2. IC 6-6-2.5-67 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 67. **(a) Except as**
31 **provided in section 68(a)(3) of this chapter**, the tax collected on the
32 use of special fuel shall be used only for highway purposes and for
33 payment of any part of the cost of traffic policing and traffic safety
34 incurred by the state or any of its political subdivisions, as authorized
35 by law.

36 SECTION 3. IC 6-6-2.5-68 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 68. (a) The
38 administrator shall transfer the next twenty-five million dollars
39 (\$25,000,000) of the taxes that are collected under this chapter and
40 received during a period beginning July 1 of a year and ending June 30
41 of the immediately succeeding year to the auditor of state for
42 distribution in the following manner:

C
o
p
y



1 (1) Thirty percent (30%) to each of the counties, cities, and towns
2 eligible to receive a distribution from the local road and street
3 account under IC 8-14-2 and in the same proportion among the
4 counties, cities, and towns as funds are distributed under
5 IC 8-14-2-4.

6 (2) Thirty percent (30%) to each of the counties, cities, and towns
7 eligible to receive a distribution from the motor vehicle highway
8 account under IC 8-14-1 and in the same proportion among the
9 counties, cities, and towns as funds are distributed from the motor
10 vehicle highway account under IC 8-14-1.

11 (3) Forty percent (40%) to the ~~Indiana department of~~
12 ~~transportation.~~ **supplemental school distribution fund**
13 **established by IC 20-20-38.**

14 (b) The auditor of state shall hold all amounts of collections
15 received from the administrator that are made during a particular
16 month and shall distribute all of those amounts under subsection (a) on
17 the fifth day of the immediately succeeding month.

18 (c) **Except as provided in subsection (a)(3)**, all amounts
19 distributed under subsection (a) may only be used for purposes that
20 money distributed from the motor vehicle highway account may be
21 expended under IC 8-14-1.

22 (d) **Except as provided in subsection (a)(3)**, all revenue collected
23 under this chapter shall be used in the same manner as the revenue
24 collected under IC 6-6-1.1. The administrator shall, after the transfers
25 specified in subsection (a), deposit the remainder of the revenues
26 collected under this chapter in the same manner that revenues are
27 deposited under IC 6-6-1.1-802.

28 SECTION 4. IC 8-23-9-54, AS AMENDED BY P.L.47-2006,
29 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2011]: Sec. 54. (a) To provide funds for carrying out the
31 provisions of this chapter, there is created a state highway fund from
32 the following sources:

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

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

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

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

42 (5) All money that on May 22, 1933, was to be paid into the state

C
o
p
y



1 highway fund under contemplation of any statute in force as of
 2 May 22, 1933.
 3 (6) All money that may at any time be appropriated from the state
 4 treasury.
 5 (7) Any part of the state highway fund unexpended at the
 6 expiration of any fiscal year, which shall remain in the fund and
 7 be available for the succeeding years.
 8 (8) Any money credited to the state highway fund from the motor
 9 vehicle highway account under IC 8-14-1-3(4).
 10 (9) Any money credited to the state highway fund from the
 11 highway road and street fund under IC 8-14-2-3.
 12 (10) Any money credited to the state highway fund under
 13 ~~IC 6-6-1.1-801.5~~; IC 6-6-4.1-5 or IC 8-16-1-17.1.
 14 (11) Any money distributed to the state highway fund under
 15 IC 8-14-14, IC 8-15.5, or IC 8-15.7.
 16 (b) All expenses incurred in carrying out this chapter shall be paid
 17 out of the state highway fund.
 18 SECTION 5. IC 20-20-38 IS ADDED TO THE INDIANA CODE
 19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2011]:
 21 **Chapter 38. Supplemental School Distribution Fund**
 22 **Sec. 1. As used in this chapter, "fund" refers to the**
 23 **supplemental school distribution fund established by section 2 of**
 24 **this chapter.**
 25 **Sec. 2. (a) The supplemental school distribution fund is**
 26 **established for the purpose of making distributions to public school**
 27 **corporations as provided in this chapter.**
 28 **(b) The department shall administer the fund.**
 29 **(c) The expenses of administering the fund shall be paid from**
 30 **money in the fund.**
 31 **(d) The treasurer of state shall invest the money in the fund not**
 32 **currently needed to meet the obligations of the fund in the same**
 33 **manner as other public funds may be invested.**
 34 **(e) Money in the fund is continuously appropriated to make the**
 35 **distributions required by this chapter.**
 36 **(f) Money in the fund at the end of a state fiscal year does not**
 37 **revert to the state general fund.**
 38 **Sec. 3. The auditor of state shall not more than forty-five (45)**
 39 **days after the end of each calendar quarter distribute to each**
 40 **public school corporation an amount equal to:**
 41 **(1) the balance in the fund at the end of the calendar quarter;**
 42 **multiplied by**

C
O
P
Y



1
2
3
4
5
6
7
8
9
10
11
12
13
14

(2) a fraction equal to:

(A) the total amount of state tuition support distributed to the public school corporation in the previous calendar year; divided by

(B) the total amount of state tuition support distributed to all public school corporations in the previous calendar year.

Sec. 4. (a) Money distributed to a public school corporation from the fund shall not be considered in the calculation of the public school corporation's state tuition support distribution under IC 20-43.

(b) Money distributed to a public school corporation from the fund may be used for any lawful school expenses payable from the public school corporation's general fund.

**C
o
p
y**

