
HOUSE BILL No. 1286

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6; IC 8-14-1; IC 9-29-1-1.

Synopsis: Highway funding. Increases the amount of gasoline taxes paid to local governments and the department of transportation. Provides that gasoline taxes, special fuel taxes, and motor carrier fuel taxes deposited in the motor vehicle highway account (MVHA) may not be used to pay any part of the operating expenses of the bureau of motor vehicles (BMV). Removes the requirement that one-half of the amount appropriated for the state police department be deducted from the MVHA fund before making the statutory allocation to cities, towns, counties, and the department of transportation. Provides that the amount of money that the BMV may receive from the MVHA in a state fiscal year may not exceed the amount of fees collected by the BMV and deposited in the MVHA in that state fiscal year.

Effective: July 1, 2013.

Thompson, Morrison, Kersey

January 14, 2013, read first time and referred to Committee on Ways and Means.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1286



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 6-6-1.1-801.5 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2013]: 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 fund.
 8 (c) The administrator shall transfer one-eighteenth (1/18) of the
 9 taxes that are collected under this chapter to the auditor of state for
 10 distribution to counties, cities, and towns. The auditor of state shall
 11 distribute the amounts transferred under this subsection to each of the
 12 counties, cities, and towns eligible to receive a distribution from the
 13 motor vehicle highway account under IC 8-14-1 and in the same
 14 proportion among the counties, cities, and towns as funds are
 15 distributed from the motor vehicle highway account under IC 8-14-1.
 16 Money distributed under this subsection may be used only for purposes
 17 that money distributed from the motor vehicle highway account may be



1 expended under IC 8-14-1.

2 (d) After the transfers required by subsections (a) through (c), the
3 administrator shall transfer the next ~~twenty-five~~ **one hundred**
4 **seventy-five** million dollars (~~\$25,000,000~~) (**\$175,000,000**) of the taxes
5 that are collected under this chapter and received during a period
6 beginning July 1 of a year and ending June 30 of the immediately
7 succeeding year to the auditor of state for distribution in the following
8 manner:

9 (1) ~~thirty~~ **Twenty-seven and five-tenths** percent (~~30%~~) (**27.5%**)
10 to each of the counties, cities, and towns eligible to receive a
11 distribution from the local road and street account under
12 IC 8-14-2 and in the same proportion among the counties, cities,
13 and towns as funds are distributed under IC 8-14-2-4.

14 (2) ~~thirty~~ **Sixty-two and five-tenths** percent (~~30%~~) (**62.5%**) to
15 each of the counties, cities, and towns eligible to receive a
16 distribution from the motor vehicle highway account under
17 IC 8-14-1 and in the same proportion among the counties, cities,
18 and towns as funds are distributed from the motor vehicle
19 highway account under IC 8-14-1. ~~and~~

20 (3) ~~forty~~ **Ten** percent (~~40%~~) (**10%**) to the Indiana department of
21 transportation.

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

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

30 SECTION 2. IC 6-6-1.1-802 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 802. (a) The
32 administrator shall, after the transfer specified in section 801.5 of this
33 chapter, deposit the remainder of the revenues collected under this
34 chapter in the following manner:

35 (1) The taxes collected with respect to gasoline delivered to a
36 taxable marine facility shall be deposited in the fish and wildlife
37 fund established by IC 14-22-3-2.

38 (2) ~~Twenty-five~~ **Thirty-three** percent (~~25%~~) (**33%**) of the taxes
39 collected under this chapter, except the taxes referred to in
40 subdivision (1), shall be deposited in the highway, road, and street
41 fund established under IC 8-14-2-2.1.

42 (3) The remainder of the revenues collected under this chapter

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1 shall be deposited in the motor fuel tax fund of the motor vehicle
2 highway account.

3 **(b) Taxes deposited in the motor vehicle highway account may**
4 **not be used to pay any part of the operating expenses of the bureau**
5 **of motor vehicles.**

6 SECTION 3. IC 6-6-2.5-68 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 68. (a) The
8 administrator shall transfer the next twenty-five million dollars
9 (\$25,000,000) of the taxes that are collected under this chapter and
10 received during a period beginning July 1 of a year and ending June 30
11 of the immediately succeeding year to the auditor of state for
12 distribution in the following manner:

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

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

23 (3) Forty percent (40%) to the Indiana department of
24 transportation.

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

29 (c) All amounts distributed under subsection (a) may only be used
30 for purposes that money distributed from the motor vehicle highway
31 account may be expended under IC 8-14-1.

32 (d) All revenue collected under this chapter shall be used in the
33 same manner as the revenue collected under IC 6-6-1.1. The
34 administrator shall, after the transfers specified in subsection (a),
35 deposit the remainder of the revenues collected under this chapter in
36 the same manner that revenues are deposited under IC 6-6-1.1-802.

37 **(e) Taxes deposited in the motor vehicle highway account may**
38 **not be used to pay any part of the operating expenses of the bureau**
39 **of motor vehicles.**

40 SECTION 4. IC 6-6-4.1-5 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) The department
42 shall deposit revenue collected under sections 4 and 12 of this chapter

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1 in the state highway fund (IC 8-23-9-54).

2 (b) The department shall deposit revenue collected under section 4.5
3 of this chapter as follows:

4 (1) Forty-five and one-half percent (45.5%) in the state highway
5 fund (IC 8-23-9-54).

6 (2) Forty-five and one-half percent (45.5%) in the motor vehicle
7 highway account (IC 8-14-1).

8 (3) Nine percent (9%) in the motor carrier regulation fund
9 administered by the department.

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

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

14 (2) Sixty-five percent (65%) in the state highway fund (IC
15 8-23-9-54).

16 **(d) Taxes deposited in the motor vehicle highway account may**
17 **not be used to pay any part of the operating expenses of the bureau**
18 **of motor vehicles.**

19 SECTION 5. IC 8-14-1-2 IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2013]: Sec. 2. It is hereby declared to be the
21 policy of the state of Indiana that:

22 (1) the net amount in the motor vehicle highway account shall be
23 budgeted for programs of traffic safety and for the construction,
24 reconstruction, improvement, **and maintenance and policing** of
25 the highways of the state;

26 (2) a fair distribution thereof shall be made between the
27 department and subordinate political subdivisions having
28 jurisdiction of highways of the state;

29 (3) the funds allotted shall be used in accordance with the policy
30 herein declared and the provisions of this chapter; and

31 (4) the funds allocated to counties, cities, and towns from such
32 motor vehicle highway account shall be budgeted as provided by
33 law, and such county budgets shall be referred to the county
34 council for approval, revision, or reduction.

35 SECTION 6. IC 8-14-1-3 IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2013]: Sec. 3. The money collected for the
37 motor vehicle highway account fund and remaining after refunds and
38 the payment of all expenses incurred in the collection thereof, and after
39 the deduction of the amount appropriated to the department for traffic
40 safety, **and after the deduction of one-half (1/2) of the amount**
41 **appropriated for the state police department,** shall be allocated to and
42 distributed among the department and subdivisions designated as

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1 follows:

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

22 (2) Of the net amount in the motor vehicle highway account, the
 23 auditor of state shall set aside for the counties of the state
 24 thirty-two percent (32%) thereof. However, as to the allocation to
 25 cities and towns under subdivision (1) and as to the allocation to
 26 counties under this subdivision, in the event that the amount in
 27 the motor vehicle highway account fund remaining after refunds
 28 and **after** the payment of all expenses incurred in the collection
 29 thereof ~~and after deduction of any amount appropriated by the~~
 30 ~~general assembly for public safety and policing~~ shall be less than
 31 twenty-two million six hundred and fifty thousand dollars
 32 (\$22,650,000) in any fiscal year, then the amount so set aside in
 33 the next calendar year for distributions to counties shall be
 34 reduced fifty-four percent (54%) of such deficit and the amount
 35 so set aside for distribution in the next calendar year to cities and
 36 towns shall be reduced thirteen percent (13%) of such deficit.
 37 Such reduced distributions shall begin with the distribution
 38 January 1 of each year.

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

42 (A) Five percent (5%) of the amount allocated to the counties

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1 to be divided equally among the ninety-two (92) counties.

2 (B) Sixty-five percent (65%) of the amount allocated to the
3 counties to be divided on the basis of the ratio of the actual
4 miles, now traveled and in use, of county roads in each county
5 to the total mileage of county roads in the state, which shall be
6 annually determined, accurately, by the department.

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

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

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

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

22 (6) Notwithstanding any other provisions of this section, money
23 in the motor vehicle highway account fund may be appropriated
24 to the Indiana department of transportation from the forty-seven
25 percent (47%) distributed to the political subdivisions of the state
26 to pay the costs incurred by the department in providing services
27 to those subdivisions.

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

34 (A) One-half (1/2) from the forty-seven percent (47%) set
35 aside under subdivisions (1) and (2) for counties and for those
36 cities and towns with a population greater than five thousand
37 (5,000).

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

40 SECTION 7. IC 9-29-1-1 IS AMENDED TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) Except as provided in
42 sections 2 through 4 of this chapter, all money collected by the bureau

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1 under IC 9-14-5, IC 9-18-2, IC 9-18-5, IC 9-18-6, IC 9-18-7, IC 9-18-9,
2 IC 9-18-10, IC 9-18-11, IC 9-18-16, IC 9-24-3, IC 9-24-4, IC 9-24-5,
3 IC 9-24-7, IC 9-24-8, IC 9-24-10, IC 9-24-11, IC 9-24-12, IC 9-24-13,
4 and IC 9-24-14 shall be deposited daily with the treasurer of state and
5 credited to the motor vehicle highway account established under
6 IC 8-14-1.
7 **(b) The bureau may not receive money from the motor vehicle**
8 **highway account in a state fiscal year in an amount exceeding the**
9 **sum of the amounts deposited under subsection (a) in that state**
10 **fiscal year.**

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