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# HOUSE BILL No. 1363

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Road funding. 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.

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## Huston, Davis, Clere

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January 22, 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. 1363



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 6-6-1.1-802 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 802. **(a)** The  
 3 administrator shall, after the transfer specified in section 801.5 of this  
 4 chapter, deposit the remainder of the revenues collected under this  
 5 chapter in the following manner:  
 6 (1) The taxes collected with respect to gasoline delivered to a  
 7 taxable marine facility shall be deposited in the fish and wildlife  
 8 fund established by IC 14-22-3-2.  
 9 (2) Twenty-five percent (25%) of the taxes collected under this  
 10 chapter, except the taxes referred to in subdivision (1), shall be  
 11 deposited in the highway, road, and street fund established under  
 12 IC 8-14-2-2.1.  
 13 (3) The remainder of the revenues collected under this chapter  
 14 shall be deposited in the motor fuel tax fund of the motor vehicle  
 15 highway account.  
 16 **(b) Taxes deposited in the motor vehicle highway account may**  
 17 **not be used to pay any part of the operating expenses of the bureau**



1 **of motor vehicles.**

2 SECTION 2. IC 6-6-2.5-68 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 68. (a) 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.

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

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

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

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

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

36 SECTION 3. IC 6-6-4.1-5 IS AMENDED TO READ AS  
37 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) The department  
38 shall deposit revenue collected under sections 4 and 12 of this chapter  
39 in the state highway fund (IC 8-23-9-54).

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

42 (1) Forty-five and one-half percent (45.5%) in the state highway

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- 1 fund (IC 8-23-9-54).
- 2 (2) Forty-five and one-half percent (45.5%) in the motor vehicle
- 3 highway account (IC 8-14-1).
- 4 (3) Nine percent (9%) in the motor carrier regulation fund
- 5 administered by the department.
- 6 (c) The department shall deposit revenue collected under section 13
- 7 of this chapter as follows:
- 8 (1) Thirty-five percent (35%) in the motor vehicle highway
- 9 account (IC 8-14-1).
- 10 (2) Sixty-five percent (65%) in the state highway fund
- 11 (IC 8-23-9-54).
- 12 **(d) Taxes deposited in the motor vehicle highway account may**
- 13 **not be used to pay any part of the operating expenses of the bureau**
- 14 **of motor vehicles.**
- 15 SECTION 4. IC 8-14-1-2 IS AMENDED TO READ AS FOLLOWS
- 16 [EFFECTIVE JULY 1, 2013]: Sec. 2. It is hereby declared to be the
- 17 policy of the state of Indiana that:
- 18 (1) the net amount in the motor vehicle highway account shall be
- 19 budgeted for programs of traffic safety and for the construction,
- 20 reconstruction, improvement, **and** maintenance **and** policing of
- 21 the highways of the state;
- 22 (2) a fair distribution thereof shall be made between the
- 23 department and subordinate political subdivisions having
- 24 jurisdiction of highways of the state;
- 25 (3) the funds allotted shall be used in accordance with the policy
- 26 herein declared and the provisions of this chapter; and
- 27 (4) the funds allocated to counties, cities, and towns from such
- 28 motor vehicle highway account shall be budgeted as provided by
- 29 law, and such county budgets shall be referred to the county
- 30 council for approval, revision, or reduction.
- 31 SECTION 5. IC 8-14-1-3 IS AMENDED TO READ AS FOLLOWS
- 32 [EFFECTIVE JULY 1, 2013]: Sec. 3. The money collected for the
- 33 motor vehicle highway account fund and remaining after refunds and
- 34 the payment of all expenses incurred in the collection thereof, and after
- 35 the deduction of the amount appropriated to the department for traffic
- 36 safety, **and after the deduction of one-half (1/2) of the amount**
- 37 **appropriated for the state police department;** shall be allocated to and
- 38 distributed among the department and subdivisions designated as
- 39 follows:
- 40 (1) Of the net amount in the motor vehicle highway account the
- 41 auditor of state shall set aside for the cities and towns of the state
- 42 fifteen percent (15%) thereof. This sum shall be allocated to the

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

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

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

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

40 (B) Sixty-five percent (65%) of the amount allocated to the  
 41 counties to be divided on the basis of the ratio of the actual  
 42 miles, now traveled and in use, of county roads in each county

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1 to the total mileage of county roads in the state, which shall be  
 2 annually determined, accurately, by the department.  
 3 (C) Thirty percent (30%) of the amount allocated to the  
 4 counties to be divided on the basis of the ratio of the motor  
 5 vehicle registrations of each county to the total motor vehicle  
 6 registration of the state.  
 7 All money so distributed to the several counties of the state shall  
 8 constitute a special road fund for each of the respective counties  
 9 and shall be under the exclusive supervision and direction of the  
 10 board of county commissioners in the construction,  
 11 reconstruction, maintenance, or repair of the county highways or  
 12 bridges on such county highways within such county.  
 13 (4) Each month the remainder of the net amount in the motor  
 14 vehicle highway account shall be credited to the state highway  
 15 fund for the use of the department.  
 16 (5) Money in the fund may not be used for any toll road or toll  
 17 bridge project.  
 18 (6) Notwithstanding any other provisions of this section, money  
 19 in the motor vehicle highway account fund may be appropriated  
 20 to the Indiana department of transportation from the forty-seven  
 21 percent (47%) distributed to the political subdivisions of the state  
 22 to pay the costs incurred by the department in providing services  
 23 to those subdivisions.  
 24 (7) Notwithstanding any other provisions of this section or of  
 25 IC 8-14-8, for the purpose of maintaining a sufficient working  
 26 balance in accounts established primarily to facilitate the  
 27 matching of federal and local money for highway projects, money  
 28 may be appropriated to the Indiana department of transportation  
 29 as follows:  
 30 (A) One-half (1/2) from the forty-seven percent (47%) set  
 31 aside under subdivisions (1) and (2) for counties and for those  
 32 cities and towns with a population greater than five thousand  
 33 (5,000).  
 34 (B) One-half (1/2) from the distressed road fund under  
 35 IC 8-14-8.  
 36 SECTION 6. IC 9-29-1-1 IS AMENDED TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) Except as provided in  
 38 sections 2 through 4 of this chapter, all money collected by the bureau  
 39 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,  
 40 IC 9-18-10, IC 9-18-11, IC 9-18-16, IC 9-24-3, IC 9-24-4, IC 9-24-5,  
 41 IC 9-24-7, IC 9-24-8, IC 9-24-10, IC 9-24-11, IC 9-24-12, IC 9-24-13,  
 42 and IC 9-24-14 shall be deposited daily with the treasurer of state and

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1 credited to the motor vehicle highway account established under  
2 IC 8-14-1.

3 **(b) The bureau may not receive money from the motor vehicle**  
4 **highway account in a state fiscal year in an amount exceeding the**  
5 **sum of the amounts deposited under subsection (a) in that state**  
6 **fiscal year.**

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