Section 29 of SEA 517-2013

- Section 29 of SEA 517-2013 amends the protected and unprotected taxes statute IC 6-1.1-20.6-9.8
  - The terms protected taxes (funds) and unprotected taxes (funds) remain in place and the definitions remain the same
  
  - But for 2012 pay 2013 property tax distributions, the only funds that are circuit breaker revenue loss protected are circuit breaker exempt funds
  
  - Circuit breaker exempt funds are: (1) all referendum funds and (2) pre-July 1, 2008 Lake and St. Joe Counties debt service and lease/rental funds
  
  - The only funds that will have circuit breaker adjusted distribution rates are the CB exempt funds and AOS has provided those rates to the applicable counties
Section 29 of SEA 517-2013

- The allocation, if any, of 2012 pay 2013 property tax distributions between circuit breaker protected and unprotected funds is to be done by taxing units after the county auditor property tax distribution.

- The taxing unit allocations are to be in accordance with IC 6-1.1-20.6-9.8(e) as added by SEA 517-2013.

- Guidance for the administration of circuit breaker protected and unprotected funds for 2013 pay 2014 will be provided at the County Auditors’ 2013 Fall Conference.

MVH Distribution Changes

- A substantial change in the MVH Monthly Distribution is about to happen with the passage of HEA 1001-2013. The August 2013 distribution will be the first distribution reflective of the changes because July 2013 is the effective date of the change and distributions based on revenues and expenses are always distributed one month in arrears.

- On the next few slides I will present the current MVH Distribution calculation.

- I will repeat those slides with a line through the items that will no longer be a part of the calculation and present the one new item to the distribution calculation.

- Lastly I will give you the results of these changes and based on actual calendar year (CY) 2012 data an estimate of the distribution increase.
MVH Monthly Distribution Calculation
Prior to August 2013 Distribution

- First step, determine amount available

- Amount available equals
  - Revenues for the month
  - Minus net expenses for the month
    - Net expenses equals gross expenses minus state police and forensic science reimbursements from
      - State general fund
      - Motor carrier fund

- Second step, allocate amount available
  - 53% INDOT
  - 32% Counties
  - 15% Cities & Towns

- Third step, adjust allocations
  - Statutory adjustments
  - One cent gas tax adjustment

- Final step, distribute adjusted allocations

MVH Revenues
Prior to August 2013 Distribution

- 75% of 14 cents of the gas tax after the first $25M collected
- 75% of the special fuel gas tax after the first $25M collected
- 45.5% motor carrier surtax
- Motor Carrier Fund balance exceeding $500K at fiscal year end
- Vehicle registration and title fees not including 1969 increase
- $3.6M of the state's share of court cost
- State police expense reimbursements from:
  - Motor Carrier
  - Toll Road
  - Gaming Commission
- State Police, BMV, Traffic Safety Programs, School Safety Programs miscellaneous revenues
MVH Expenses
Prior to August 2013 Distribution

- 61.3262% state police expenses
- 61.4% forensic science expenses
- Department of revenue fuel tax collection expenses
- BMV expenses not including license branch expenses
- Vehicle license plate production expenses
- Traffic safety programs
- School safety programs
- Fuel tax refunds

MVH Allocation Adjustments
Prior to August 2013 Distribution

- Statutory adjustments
  - IC 8-14-1-10 Covered Bridge Distributions to counties reduce the INDOT, County and the City and Town allocations
  
  - IC 8-17-5-8 & 11.1 County Engineer Distributions to counties reduce the County allocation
  
  - IC 8-14-1-3(6), IC 8-23-2-5(7) LTAP Budget and IC 8-23-5-7 Access Road construction expenses reduce the County and the City and Town allocations
MVH Allocation Adjustments
Prior to August 2013 Distribution

• 1 Cent Gas Tax Allocation Adjustment
  – One cent of the 2003 three cent gas tax increase is distributed to counties, cities and towns through the MVH Distribution
  – This is done by increasing the County and increasing the City and Town MVH allocations by their proportional share of the one cent gas tax
  – 1 cent of the 18 cent gas tax is deposited into a separate state fund
  – The County MVH allocation is increased by 68% of the gas tax deposited into the separate fund
  – The City and Town MVH allocation is increased by 32% of the gas tax deposited into the separate fund

MVH Distributions of Adjusted Allocations
Prior to August 2013 Distribution

• INDOT adjusted allocation is transferred from MVH Fund to INDOT state fund

• County adjusted allocation is distributed to counties and is allocated between counties as follows
  – 5% distributed equally
  – 65% distributed by county road mileage basis
  – 30% distributed by vehicle registration basis

• City and Town adjusted allocation is distributed to cities and towns and is allocated between cities and towns on the basis of population
**MVH Monthly Distribution Calculation After July 2013 Distribution**

- First step, determine amount available

- Amount available equals
  - Revenues for the month
  - Minus net expenses for the month
    - Net expenses equals gross expenses minus state police and forensic science reimbursements from
      - State general fund
      - Motor carrier fund

- Second step, allocate amount available
  - 53% INDOT
  - 32% Counties
  - 15% Cities & Towns

- Third step, adjust allocations
  - Statutory adjustments
  - One cent gas tax adjustment

- Final step, distribute adjusted allocations

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**MVH Revenues After July 2013 Distribution**

- 75% of 14 cents of the gas tax after the first $25M collected
- 75% of the special fuel gas tax after the first $25M collected
- 45.5% motor carrier surtax
- Motor Carrier Fund balance exceeding $500K at fiscal year end
- Vehicle registration and title fees not including 1969 increase
- $3.6M of the state’s share of court cost
- State police expense reimbursements from:
  - Motor Carrier
  - Toll Road
  - Gaming Commission
- State Police, BMV, Traffic Safety Programs, School Safety Programs, miscellaneous revenues

- NEW REVENUE - 1% of sales tax collections
MVH Expenses
After July 2013 Distribution
• 61.3262% state police expenses
• 61.4% forensic science expenses
• Department of revenue fuel tax collection expenses
• BMV expenses not including license branch expenses
• Vehicle license plate production expenses
• Traffic safety programs
• School safety programs
• Fuel tax refunds

MVH Allocation Adjustments
After July 2013 Distribution (no changes)
• Statutory adjustments
  – IC 8-14-1-10 Covered Bridge Distributions to counties reduce the INDOT, County and the City and Town allocations
  
  – IC 8-17-5-8 & 11.1 County Engineer Distributions to counties reduce the County allocation
  
  – IC 8-14-1-3(6), IC 8-23-2-5(7) LTAP Budget and IC 8-23-5-7 Access Road construction expenses reduce the County and the City and Town allocations
MVH Allocation Adjustments
After July 2013 Distribution (no changes)

• 1 Cent Gas Tax Allocation Adjustment
  – One cent of the 2003 three cent gas tax increase is distributed to counties, cities and towns through the MVH Distribution
  – This is done by increasing the County and increasing the City and Town MVH allocations by their proportional share of the one cent gas tax
  – 1 cent of the 18 cent gas tax is deposited into a separate state fund
  – The County MVH allocation is increased by 68% of the gas tax deposited into the separate fund
  – The City and Town MVH allocation is increased by 32% of the gas tax deposited into the separate fund

MVH Distributions of Adjusted Allocations
After July 2013 Distribution (no changes)

• INDOT adjusted allocation is transferred from MVH Fund to INDOT state fund

• County adjusted allocation is distributed to counties and is allocated between counties as follows
  – 5% distributed equally
  – 65% distributed by county road mileage basis
  – 30% distributed by vehicle registration basis

• City and Town adjusted allocation is distributed to cities and towns and is allocated between cities and towns on the basis of population
Changes in Amount Available for MVH Distributions After July 2013 Distribution

• Based on actual CY2012 data the increase in amount available for distribution to INDOT, Counties, Cities and Towns from the
  – Elimination of expenses is as follows
    • State police and forensic sciences $95,144,080
    • BMV $39,230,417
    • Dept of revenue fuel tax collection $9,784,042
    • Traffic Safety $621,578
  – New revenue to MVH Distribution
    • 1% of CY2012 sales tax $66,937,356

• Based on actual CY2012 data the decrease in amount available for distribution to INDOT, Counties, Cities and Towns from the
  – Elimination of miscellaneous revenues is as follows
    • State Police, BMV, Traffic Safety Programs, School Safety Programs miscellaneous revenues expenses $4,600,978

Increases in Amount Available for MVH Distributions After July 2013 Distribution

• Based on actual CY2012 data the total increase in the amount available for distribution is
  – $207,128,158

• 32% of the $207,128,158 or $66,281,011 is an increase to Counties
  – A 36% increase in county distributions

• 15% of the $207,128,158 or $31,069,223 is an increase to Cities and Towns
  – A 36% increase in city and town distributions
FIT Distribution Change

- Section 125 of HEA 1001-2013 amends the Financial Institutions Tax Distribution statute IC 6-5.5-8-2

- The amendment changes the distribution frequency of the state distributions and the basis of the distributions

- Effective July 1, 2013 the state distributions of FIT will be on December 1 and June 1 each year

- The basis of the distributions will be 40% of the previous fiscal year FIT collections

- Each of the state distributions (December 1 & June 1) will be one-half of the 40%

- The allocation between counties of the state distribution will be based on the calendar year 2012 FIT Guaranteed Distribution amounts

- Each county's total allocation will be allocated between the taxing units of the county on the basis of the calendar year 2012 FIT Guaranteed Distribution amounts

FIT Distribution Change

- The December 1 FIT Distribution from the state must be distributed by the county auditor to taxing units on or before the December property tax distribution

- The June 1 FIT Distribution from the state must be distributed by the county auditor to taxing units on or before the June property tax distribution

- An AOS report will be provided to each county auditor with each distribution to assist the county auditor with the taxing unit distributions