Citations Affected: IC 6-2.5; IC 6-3.5; IC 6-6; IC 8-2.1; IC 8-14; IC 8-14.5; IC 8-15; IC 8-21; IC 8-23; IC 9-18.1; IC 13-20; IC 36-9; noncode.

Synopsis: Transportation infrastructure funding. Eliminates the sales tax on the sale of special fuel. Increases the gasoline tax to $0.23 per gallon on July 1, 2017. Increases the gasoline tax to $0.28 per gallon on July 1, 2018. Increases the special fuel tax to $0.19 per gallon on July 1, 2017. Increases the special fuel tax to $0.22 per gallon on July 1, 2018. Increases the surcharge tax to $0.16 per gallon on July 1, 2017. Increases the surcharge tax to $0.21 per gallon on July 1, 2018. On July 1, 2019, and each July 1 through July 1, 2024, provides for an annual rate increase in the gasoline tax rate, special fuel tax rate, and surcharge tax rate based on an annual index factor. Limits the annual rate increase based on the annual index factor to $0.01 per gallon. Specifies that the surcharge tax must be paid on special fuel that is not an alternative fuel at the time of purchase (the same time the special fuel is purchased). (Continued next page)

Effective: Upon passage; March 23, 2016 (retroactive); July 1, 2017; January 1, 2018.

Soliday, Brown T, Steuerwald, Sullivan, Frye R, Braun
(SENATE SPONSORS — CRIDER, KENLEY, RANDOLPH LONNIE M)

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fuel tax is paid), instead of being entirely paid using a quarterly return. Provides that the surcharge tax also applies to purchases of special fuel by persons other than carriers. Changes the motor vehicle highway account (MVHA) distribution formula for counties and municipalities to provide that the amount a county or municipality is entitled to receive in 2018 and each year thereafter is equal to: (1) the amount of the distribution received by the county or municipality from the MVHA during the preceding year; multiplied by (2) the annual index factor used for indexing the motor fuel taxes. Provides that revenue resulting from the increases in the gasoline tax rate, the special fuel tax rate, and the surcharge tax rate shall be deposited in the MVHA. Provides that $25,000,000 of the revenue from the first $0.18 of the gasoline tax rate and $25,000,000 of the revenue from the first $0.16 of the special fuel tax rate that are collected during a state fiscal year shall be distributed as follows: (1) 60% to each of the counties, cities, and towns eligible to receive a distribution from the local road and street account (LRSA), in the same proportion as under the LRSA and to be used for purposes of the LRSA. (2) 40% to the Indiana department of transportation. Provides that 1/18 of the revenue from the first $0.18 of the gasoline tax rate shall be distributed to each of the counties, cities, and towns eligible to receive a distribution from the LRSA, in the same proportion as under the LRSA and to be used for purposes of the LRSA. Increases alternative fuel decal fees by 50%. Establishes a transportation infrastructure improvement fee that applies to the registration of vehicles with a declared gross weight of not more than 26,000 pounds and commercial vehicles with a declared gross weight of more than 26,000 pounds. Specifies that the fee is: (1) $15 for vehicles with a declared gross weight of not more than 26,000 pounds (and deposits this fee in the local road and bridge matching grant fund); and (2) $100 for commercial vehicles with a declared gross weight of more than 26,000 pounds (and deposits this fee in the motor vehicle highway account). Increases annual registration fees for certain motor vehicles with a declared gross weight that equals or exceeds 26,000 pounds. Requires a person who registers an electric vehicle to pay a supplemental registration fee of $150 with an increase every five years based on an index factor. Requires a person who registers a hybrid vehicle to pay a supplemental registration fee of $75 with an increase every five years based on an index factor. Increases the aviation fuel excise tax by $0.10 per gallon and transfers the increased revenue to the airport development grant fund for airport capital improvement matching grants. Increases the fee on the sale of each new tire by $5. Requires the revenue from the increase to be deposited in the MVHA. Repeals restrictions on when a tolling project can be undertaken. Provides that the Indiana department of transportation (INDOT) may, with the approval of the governor, seek a Federal Highway Administration waiver to toll interstate highways. Limits the first toll lanes under the waiver to certain interstate highways. Establishes the weigh-in-motion pilot program. Allows INDOT to approve certain railroad crossing projects, and authorizes the Indiana finance authority to finance an approved project subject to a maximum annual debt service limit of $10,000,000. Annually appropriates $250,000 to INDOT for the local technical assistance program to develop and maintain a centralized electronic statewide asset management data base. Makes various changes to the transportation funding exchange program between the state and counties and municipalities.
ENGROSSED

HOUSE BILL No. 1002

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

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

SECTION 1. IC 6-2.5-5-51 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 51. (a) As used in this section, "special fuel" has the meaning set forth in IC 6-6-2.5-22.

(b) The sale of special fuel is exempt from the state gross retail tax.

SECTION 2. IC 6-2.5-6-10, AS AMENDED BY P.L.227-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) In order to compensate retail merchants and those required to remit gasoline use tax for collecting and timely remitting the state gross retail tax, the state use tax, and the gasoline use tax, every retail merchant or person required to remit the gasoline use tax, except as provided in subsection (c), is entitled to deduct and retain from the amount of those taxes otherwise required to be remitted under IC 6-2.5-7-5, IC 6-2.5-3.5 or under this chapter, if timely
remitted, a retail merchant's collection allowance.

(b) The allowance equals a percentage of the retail merchant's state
gross retail and use tax or the person's gasoline use tax liability accrued
during a calendar year, specified as follows:

1. Seventy-three hundredths percent (0.73%), if the retail
merchant's state gross retail and use tax or gasoline use tax
liability accrued during the state fiscal year ending on June 30 of
the immediately preceding calendar year did not exceed sixty
thousand dollars ($60,000).

2. Fifty-three hundredths percent (0.53%), if the retail merchant's
state gross retail and use tax or gasoline use tax liability accrued
during the state fiscal year ending on June 30 of the immediately
preceding calendar year:
   
   A. was greater than sixty thousand dollars ($60,000); and
   
   B. did not exceed six hundred thousand dollars ($600,000).

3. Twenty-six hundredths percent (0.26%), if the retail
merchant's state gross retail and use tax or the person's
gasoline use tax liability accrued during the state fiscal year ending on
June 30 of the immediately preceding calendar year was greater
than six hundred thousand dollars ($600,000).

(c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not
entitled to the allowance provided by this section. A retail merchant is
not entitled to the allowance provided by this section with respect to
gasoline use taxes imposed by IC 6-2.5-3.5.

SECTION 3. IC 6-2.5-7-2 IS REPEALED [EFFECTIVE JULY 1,
2017]. Sec. 2. Except as provided in section 2.5 of this chapter, a retail
merchant who uses a metered pump to dispense special fuel shall
display on the pump the total price per unit of the special fuel. Subject
to the provisions of section 2.5 of this chapter, a retail merchant may
not advertise the special fuel at a price that is different than the price
that the retail merchant is required to display on the metered pump.

SECTION 4. IC 6-2.5-7-2.5 IS REPEALED [EFFECTIVE JULY 1,
2017]. Sec. 2.5: (a) This section does not apply to alternative fuel (as
defined by IC 6-6-2.5-4) dispensed after December 31, 2013; and
before January 1, 2017.

(b) A retail merchant may designate any metered pumps at a
business location that dispense special fuel as being "for trucks only".
To do this, a retail merchant must place on the pump a sign that states
that fuel dispensed from the metered pump may only be placed in the
fuel supply tanks of a truck. A sign that reads "TRUCKS ONLY" is
sufficient to meet the requirements of this subsection.

(c) A retail merchant may not dispense special fuel from a metered
pump that is designated for trucks only into the supply tank of a vehicle that is not a truck.

(d) A retail merchant is not required to display the total price per unit of the special fuel on a metered pump if that particular metered pump is designated for trucks only.

(e) A retail merchant may advertise special fuel at a price that does not include gross retail taxes that may be due on the sale of the special fuel only if the retail merchant maintains a metered pump that is designated for trucks only. If a retail merchant advertises special fuel at a price that does not include any gross retail taxes that may be due on the sale of the special fuel, the retail merchant must display in easily read lettering above or below the advertised price the words "EXEMPT TRUCKS ONLY":

SECTION 5. IC 6-2.5-7-3, AS AMENDED BY P.L.227-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. With respect to the sale of special fuel or kerosene which is dispensed from a metered pump, unless the purchaser provides an exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant shall collect, for each unit of special fuel or kerosene sold, state gross retail tax in an amount equal to the product, rounded to the nearest one-tenth of one cent ($0.001), of:

(1) the price per unit before the addition of state and federal taxes;

multiplied by

(2) seven percent (7%).

Unless the exemption certificate is provided, the retail merchant shall collect the state gross retail tax prescribed in this section even if the transaction is exempt from taxation under IC 6-2.5-5.

SECTION 6. IC 6-2.5-7-4 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 4: (a) If a sale of special fuel is exempt from the state gross retail tax, the person who pays the tax to the retail merchant may file a claim for refund with the department. The person must file the claim on the form, in the manner, and with the supporting documentation, prescribed by the department: If a person properly files a claim for refund, the department shall refund to the person the state gross retail tax collected with respect to the exempt transaction:

(b) Notwithstanding the other provisions of this section, the department may prescribe simplified procedures to make adjustments for exempt transactions:

SECTION 7. IC 6-2.5-7-5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 5: (a) Each retail merchant who dispenses special fuel from a metered pump shall, in the manner prescribed in IC 6-2.5-6, report to the department the following information:
(1) The total number of gallons of special fuel sold from a metered pump during the period covered by the report.

(2) The total amount of money received from the sale of special fuel during the period covered by the report.

(3) That portion of the amount described in subdivision (2) that represents state and federal taxes imposed under this article; IC 6-6-2.5, or Section 4041 or Section 4081 of the Internal Revenue Code.

(b) Concurrently with filing the report, the retail merchant shall remit the state gross retail tax in an amount which equals six and fifty-four hundredths percent (6.54%) of the gross receipts, including state gross retail taxes but excluding Indiana and federal special fuel taxes, received by the retail merchant from the sale of the special fuel that is covered by the report and on which the retail merchant was required to collect state gross retail tax. The retail merchant shall remit that amount regardless of the amount of state gross retail tax which the merchant has actually collected under this chapter. However, the retail merchant is entitled to deduct and retain the amounts prescribed in subsection (c); IC 6-2.5-6-10; and IC 6-2.5-6-11.

(c) A retail merchant is entitled to deduct from the amount of state gross retail tax required to be remitted under subsection (b) an amount equal to:

(1) the sum of the prepayment amounts made during the period covered by the retail merchant's report; minus

(2) the sum of prepayment amounts collected by the retail merchant; in the merchant's capacity as a qualified distributor; during the period covered by the retail merchant's report.

For purposes of this section, a prepayment of the gross retail tax is presumed to occur on the date on which it is invoiced:

SECTION 8. IC 6-2.5-7-6.5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 6.5. (a) If the deduction under section 5(e) of this chapter exceeds the amount of gross retail tax required to be remitted under section 5(b) of this chapter, the retail merchant is entitled to a credit. The credit shall be used as follows:

(1) First, the credit shall be applied against gross retail and use tax liability of the retail merchant that is required to be remitted under IC 6-2.5-6.

(2) Second; any amount remaining shall be applied against the gasoline tax liability of the retail merchant; as determined under IC 6-6-1-1, excluding any liability for gasoline delivered to a taxable marine facility.

A retail merchant may file a claim for a refund instead of taking a

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credit or for a refund of any excess tax payment remaining after the 

credits allowed by this section:

(b) A retail merchant that is entitled to a refund under this section 
must file a claim for the refund on the refund claim form approved by 
the department and must include any supporting documentation 
reasonably required by the department. If a retail merchant files a 
completed refund claim form that includes all supporting 
documentation, the excess tax payment that is not refunded within 
ninety (90) days accrues interest as provided in IC 6-8.1-9-2.

c) Before the fifth day of each month, the department shall 
determine and notify the treasurer of state of the amount of credits 
applied during the preceding month against the gasoline tax under this 
section. The treasurer of state shall transfer from the general fund:

  (1) to the highway, road and street fund, twenty-five percent 
  (25%) of the amount set forth in the department's notice; and 
  (2) to the motor fuel tax fund of the motor vehicle highway 
  account, seventy-five percent (75%) of the amount set forth in the 
  department's notice.

SECTION 9. IC 6-2.5-9-4 IS AMENDED TO READ AS 
FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) Except as 
provided in IC 6-2.5-7, A person who:

  (1) displays an advertised price, marked price, or publicly stated 
  price that includes the state gross retail or use taxes;
  (2) offers to assume or absorb part of a customer's state gross 
  retail or use tax on a sale; or
  (3) offers to refund part of a customer's state gross retail or use tax 
  as a part of a sale;

commits a Class B infraction.

(b) A retail merchant who:

  (1) uses a metered pump to dispense gasoline; or special fuel; 
  (2) is required to display on the pump the total price per unit of 
  the gasoline or special fuel under IC 6-2.5-7-2; and 
  (3) advertises the gasoline or special fuel at a price other than that 
  required by IC 6-2.5-7-2;

commits a Class B infraction.

SECTION 10. IC 6-3.5-4-14 IS AMENDED TO READ AS 
FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 14. (a) On or before 

August October 1 of each year, the auditor of a county that contains a 
consolidated city of the first class and that has adopted the surtax shall 
provide the county council with an estimate of the surtax revenues to 
be received by the county during the next calendar year. The county shall show the estimated surtax revenues in its budget estimate for the
calendar year.

(b) On or before **August October** 1 of each year, the auditor of a county that does not contain a consolidated city of the first class and that has adopted the surtax shall provide the county and each city and town in the county with an estimate of the surtax revenues to be distributed to that unit during the next calendar year. The county, city, or town shall show the estimated surtax revenues in its budget estimate for the calendar year.

SECTION 11. IC 6-3.5-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 16. (a) On or before **August October** 1 of each year, the auditor of a county that contains a consolidated city of the first class and that has adopted the wheel tax shall provide the county council with an estimate of the wheel tax revenues to be received by the county during the next calendar year. The county shall show the estimated wheel tax revenues in its budget estimate for the calendar year.

(b) On or before **August October** 1 of each year, the auditor of a county that does not contain a consolidated city of the first class and that has adopted the wheel tax shall provide the county and each city and town in the county with an estimate of the wheel tax revenues to be distributed to that unit during the next calendar year. The county, city, or town shall show the estimated wheel tax revenues in its budget estimate for the calendar year.

SECTION 12. IC 6-3.5-10-1, AS ADDED BY P.L.146-2016,
SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The following definitions apply throughout this chapter:

1. "Adopting municipality" means an eligible municipality that has adopted the surtax.
2. "Eligible municipality" means a municipality having a population of at least ten five thousand (10,000), (5,000).
3. "Fiscal body" has the meaning set forth in IC 36-1-2-6.
4. "Fiscal officer" has the meaning set forth in IC 36-1-2-7.
5. "Motor vehicle" means a vehicle that is subject to the annual license excise tax imposed under IC 6-6-5.
6. "Municipality" has the meaning set forth in IC 36-1-2-11.
7. "Surtax" means the annual license excise surtax imposed by the fiscal body of an eligible municipality under this chapter.
8. "Transportation asset management plan" includes planning for drainage systems and rights-of-way that affect transportation assets.

SECTION 13. IC 6-3.5-10-11, AS ADDED BY P.L.146-2016,
SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 11. On or before **August October 1** of each year, the fiscal officer of an adopting municipality shall provide the fiscal body of the adopting municipality with an estimate of the surtax revenues to be received by the adopting municipality during the next calendar year. The adopting municipality shall include the estimated surtax revenues in the adopting municipality's budget estimate for the calendar year.

SECTION 14. IC 6-3.5-11-1, AS ADDED BY P.L.146-2016, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. The following definitions apply throughout this chapter:

(1) "Adopting municipality" means an eligible municipality that has adopted the wheel tax.
(2) "Branch office" means a branch office of the bureau of motor vehicles.
(3) "Bus" has the meaning set forth in IC 9-13-2-17(a).
(4) "Commercial vehicle" has the meaning set forth in IC 6-6-5.5-1(c).
(5) "Department" refers to the department of state revenue.
(6) "Eligible municipality" means a municipality having a population of at least ten thousand (10,000).
(7) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).
(8) "Political subdivision" has the meaning set forth in IC 34-6-2-110.
(9) "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.
(10) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).
(11) "State agency" has the meaning set forth in IC 34-6-2-141.
(12) "Tractor" has the meaning set forth in IC 9-13-2-180.
(13) "Trailer" has the meaning set forth in IC 9-13-2-184(a).
(14) "Transportation asset management plan" includes planning for drainage systems and rights-of-way that affect transportation assets.
(15) "Truck" has the meaning set forth in IC 9-13-2-188(a).
(16) "Wheel tax" means the tax imposed under this chapter.

SECTION 15. IC 6-3.5-11-15, AS ADDED BY P.L.146-2016, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 15. On or before **August October 1** of each year, the fiscal officer of an adopting municipality shall provide the fiscal body of the adopting municipality with an estimate of the wheel tax revenues to be received by the adopting municipality during the next calendar year.
calendar year. The adopting municipality shall include the estimated wheel tax revenues in the adopting municipality's budget estimate for the calendar year.

SECTION 16. IC 6-6-1.1-201 is amended to read as follows [effective upon passage]: Sec. 201. (a) A license tax of eighteen cents ($0.18) per gallon is imposed on the use of all gasoline used in Indiana at the applicable rate specified in subsection (b), except as otherwise provided by this chapter. The distributor shall initially pay the tax on the billed gallonage of all gasoline the distributor receives in this state, less any deductions authorized by this chapter. The distributor shall then add the per gallon amount of tax to the selling price of each gallon of gasoline sold in this state and collected from the purchaser so that the ultimate consumer bears the burden of the tax.

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

1. Before July 1, 2017, eighteen cents ($0.18).
2. For July 1, 2017, through June 30, 2018, twenty-three cents ($0.23).
3. For July 1, 2018, through June 30, 2019, twenty-eight cents ($0.28).
4. Beginning July 1, 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 6-6-1.6-2.

The rate shall be rounded to the nearest cent ($0.01). However, after June 30, 2019, 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.

SECTION 17. IC 6-6-1.1-209 is amended to read as follows [effective July 1, 2017]: Sec. 209. (a) Persons having title to gasoline in storage and held for sale on the effective date of an increase in the license tax rate imposed under section 201 of this chapter are subject to an inventory tax based upon the gallonage in storage as of the close of the business day preceding the effective date of the increased license tax rate.

(b) Persons subject to the tax imposed under this section shall:
1. take an inventory to determine the gallonage in storage for purposes of determining the inventory tax;
2. report that gallonage on forms provided by the administrator;
(3) pay the tax due within thirty (30) days of the prescribed inventory date.
(c) The amount of the inventory tax is equal to the inventory tax rate times the gallonage in storage as determined under subsection (a). The inventory tax rate is equal to the difference of the increased license tax rate minus the previous license tax rate.
(d) The inventory tax shall be considered a listed tax for the purposes of IC 6-8.1.
(e) Revenue collected from the inventory tax imposed under this section shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 18. IC 6-6-1.502, AS AMENDED BY P.L.211-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 502. (a) Except as provided in subsection (b), at the time of filing each monthly report, each distributor shall pay to the administrator the full amount of tax due under this chapter for the preceding calendar month, computed as follows:
(1) Enter the total number of invoiced gallons of gasoline received during the preceding calendar month.
(2) Subtract the number of gallons for which deductions are provided by sections 701 through 705 of this chapter from the number of gallons entered under subdivision (1).
(3) Subtract the number of gallons reported under section 501(3) of this chapter.
(4) Multiply the number of invoiced gallons remaining after making the computation in subdivisions (2) and (3) by the tax rate prescribed by section 201 of this chapter to compute that part of the gasoline tax to be deposited in the highway, road, and street fund under section 802(b)(2) of this chapter or in the motor fuel tax fund under section 802(b)(3) of this chapter.
(5) Multiply the number of gallons subtracted under subdivision (3) by the tax rate prescribed by section 201 of this chapter to compute that part of the gasoline tax to be deposited in the fish and wildlife fund under section 802(b)(1) of this chapter.
(b) If the department determines that a distributor's:
(1) estimated monthly gasoline tax liability for the current year;
or
(2) average monthly gasoline tax liability for the preceding year; exceeds five thousand dollars ($5,000), the distributor shall pay the monthly gasoline taxes due by electronic fund transfer (as defined in
IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

SECTION 19. IC 6-6-1.1-801.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 801.5. (a) This section applies only to the revenue collected under this chapter from the first eighteen cents ($0.18) of the gasoline tax rate imposed under this chapter.

(b) The administrator shall transfer one-ninth (1/9) of the taxes that are collected under this chapter to the state highway road construction and improvement fund.

(c) The administrator shall transfer one-eighteenth (1/18) of the taxes that are collected under this chapter to the state highway fund.

(d) The administrator shall transfer one-eighteenth (1/18) of the taxes that are collected under this chapter to the auditor of state for distribution to counties, cities, and towns. The auditor of state shall distribute the amounts transferred under this subsection to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and local road and street account under IC 8-14-2-4 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1 and local road and street account under IC 8-14-2-4. Money distributed under this subsection may be used only for purposes that money distributed from the motor vehicle highway account local road and street account may be expended under IC 8-14-2.

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

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

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

(2) Forty percent (40%) to the Indiana department of transportation.

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

(g) All amounts distributed under subsection (d) (e) may only be used for purposes that money distributed from the motor vehicle highway account local road and street account may be expended under IC 8-14-2.

SECTION 20. IC 6-6-1.1-802 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 802. (a) This section applies only to the revenue collected under this chapter from the first eighteen cents ($0.18) of the gasoline tax rate imposed under this chapter.

(b) The administrator shall, after the transfer specified in section 801.5 of this chapter, deposit the remainder of the revenues collected under this chapter and described in subsection (a) in the following manner:

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

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

(3) The remainder of the revenues collected under this chapter shall be deposited in the motor fuel tax fund of the motor vehicle highway account.

SECTION 21. IC 6-6-1.1-802.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 802.5. The revenue collected under this chapter from that part of the gasoline tax rate imposed under this chapter that exceeds eighteen cents ($0.18) shall be deposited in the motor vehicle highway account established under IC 8-14-1 and used only for Indiana's roads.

SECTION 22. IC 6-6-1.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 1.6. Fuel Tax Index Factors

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

(1) "CPI-U" means the Consumer Price Index for all Urban Consumers, U.S. city average, all items, using the index base period of 1982-84 equal to one hundred (100), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) "Department" refers to the department of state revenue.

(3) "IPI" means Indiana personal income.

Sec. 2. (a) The department shall calculate an annual index factor to be used for the rate to take effect each July 1 beginning in 2019 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, special fuel index factor, and motor carrier surcharge tax index factor equal 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).

(c) The department shall continue to calculate the annual index factor after 2024 for purposes of IC 8-14-1-3(1)(B).

SECTION 23. IC 6-6-2.5-22.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22.5. As used in this chapter, "special fuel gallon" means:

(1) except as provided in subdivisions (2) and (3), a gallon of special fuel;

(2) a diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in the case of a special fuel that is liquid natural gas; or

(3) a gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)), in the case of a special fuel that is compressed natural gas.

SECTION 24. IC 6-6-2.5-28, AS AMENDED BY P.L.190-2014, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) A license tax of sixteen cents ($0.16) per:

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(1) gallon;
(2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)); in the
case of a special fuel that is liquid natural gas; or
(3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)); in
the case of a special fuel that is compressed natural gas;
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, nineteen cents
($0.19).
(3) For July 1, 2018, through June 30, 2019, twenty-two cents
($0.22).
(4) Beginning July 1, 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 6-6-1.6-2.
The rate shall be rounded to the nearest cent ($0.01). However,
after June 30, 2019, 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.
(b) (e) 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.
(e) (d) Except as provided in subsection (d); (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 subsection (a)(2) or (a)(3)) 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) 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.

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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.

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.

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.

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.

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).

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 25. IC 6-6-2.5-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 29. (a) Persons having title to special fuel in storage and held for sale on the effective date of an increase in the license tax rate imposed under section 28 of this chapter are subject to an inventory tax based on the gallons in storage as of the close of the business day preceding the effective date of the increased license tax rate.
(b) Persons subject to the tax imposed under this section shall:

(1) take an inventory to determine the gallons in storage for
purposes of determining the inventory tax;

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

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

(d) The inventory tax shall be considered a listed tax for the
purposes of IC 6-8.1.

(e) Revenue collected from the inventory tax imposed under this
section shall be deposited in the motor vehicle highway account
established under IC 8-14-1.

SECTION 26. IC 6-6-2.5-62, AS AMENDED BY P.L.158-2013,
SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]: Sec. 62. (a) No person shall import, sell, use,
deliver, or store in Indiana special fuel in bulk as to which dye or a
marker, or both, has not been added in accordance with section 31 of
this chapter, or as to which the tax imposed by this chapter has not
been paid to or accrued by a licensed supplier or licensed permissive
supplier as shown by a notation on a terminal-issued shipping paper
subject to the following exceptions:

(1) A supplier shall be exempt from this provision with respect to
special fuel manufactured in Indiana or imported by pipeline or
waterborne barge and stored within a terminal in Indiana.

(2) An end user shall be exempt from this provision with respect
to special fuel in a vehicle supply tank when the fuel was placed
in the vehicle supply tank outside of Indiana.

(3) A licensed importer, and transporter operating on the
importer's behalf, that transports in vehicles with a capacity of
more than five thousand four hundred (5,400) gallons shall be
exempt from this prohibition if the importer or the transporter has
met all of the following conditions:

(A) The importer or the transporter before entering onto the
highways of Indiana has obtained an import verification
number from the department not earlier than twenty-four (24)
hours before entering Indiana.

(B) The import verification number must be set out
prominently and indelibly on the face of each copy of the
terminal-issued shipping paper carried on board the transport
truck.

(C) The terminal origin and the importer's name and address
must be set out prominently on the face of each copy of the
terminal-issued shipping paper.

(D) The terminal-issued shipping paper data otherwise
required by this chapter is present.

(E) All tax imposed by this chapter with respect to previously
requested import verification number activity on the account
of the importer or the transporter has been timely remitted.

In every case, a transporter acting in good faith is entitled to rely upon
representations made to the transporter by the fuel supplier or importer
and when acting in good faith is not liable for the negligence or
malfeasance of another person. A person who knowingly violates or
knowingly aids and abets another person in violating this subsection
commits a Level 6 felony.

(b) No person shall export special fuel from Indiana unless that
person has obtained an exporter's license or a supplier's license or has
paid the destination state special fuel tax to the supplier and can
demonstrate proof of export in the form of a destination state bill of
lading. A person who knowingly violates or knowingly aids and abets
another person in violating this subsection commits a Level 6 felony.

(c) No person shall operate or maintain a motor vehicle on any
public highway in Indiana with special fuel contained in the fuel supply
tank for the motor vehicle that contains dye or a marker, or both, as
provided under section 31 of this chapter. This provision does not
apply to persons operating motor vehicles that have received fuel into
their fuel tanks outside of Indiana in a jurisdiction that permits
introduction of dyed or marked, or both, special fuel of that color and
type into the motor fuel tank of highway vehicles or to a person that
qualifies for the federal fuel tax exemption under Section 4082 of the
Internal Revenue Code and that is registered with the department as a
dyed fuel user. A person who knowingly:

(1) violates; or

(2) aids and abets another person in violating;

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) prior unrelated violation of this
subsection.

(d) No person shall engage in any business activity in Indiana as to
which a license is required by section 41 of this chapter unless the
person shall have first obtained the license. A person who knowingly
violates or knowingly aids and abets another person in violating this
subsection commits a Level 6 felony.

(e) No person shall operate a motor vehicle with a capacity of more
than five thousand four hundred (5,400) gallons that is engaged in the
shipment of special fuel on the public highways of Indiana and that is
destined for a delivery point in Indiana, as shown on the
terminal-issued shipping papers, without having on board a
terminal-issued shipping paper indicating with respect to any special
fuel purchased:

(1) under claim of exempt use, a notation describing the load or
the appropriate portion of the load as Indiana tax exempt special
fuel;
(2) if not purchased under a claim of exempt use, a notation
describing the load or the appropriate portion thereof as Indiana
taxed or pretaxed special fuel; or
(3) if imported by or on behalf of a licensed importer instead of
the pretaxed notation, a valid verification number provided before
entry into Indiana by the department or the department's designee
or appointee, and the valid verification number may be
handwritten on the shipping paper by the transporter or importer.

A person is in violation of subdivision (1) or (2) (whichever applies) if
the person boards the vehicle with a shipping paper that does not meet
the requirements described in the applicable subdivision (1) or (2). A
person in violation of this subsection commits a Class A infraction (as
defined in IC 34-28-5-4).

(f) A person may not sell or purchase any product for use in the
supply tank of a motor vehicle for general highway use that does not
meet ASTM standards as published in the annual Book of Standards
and its supplements unless amended or modified by rules adopted by
the department under IC 4-22-2. The transporter and the transporter's
agent and customer have the exclusive duty to dispose of any product
in violation of this section in the manner provided by federal and state
law. A person who knowingly:

(1) violates; or
(2) aids and abets another in violating;
this subsection commits a Level 6 felony.
(g) This subsection does not apply to the following:
(1) A person that:
   (A) inadvertently manipulates the dye or marker concentration
       of special fuel or coloration of special fuel; and
   (B) contacts the department within one (1) business day after
       the date on which the contamination occurs.
(2) A person that affects the dye or marker concentration of
    special fuel by engaging in the blending of the fuel, if the blender:
   (A) collects or remits, or both, all tax due as provided in
       section 28(g) 28(h) of this chapter;
   (B) maintains adequate records as required by the department
       to account for the fuel that is blended and its status as a
       taxable or exempt sale or use; and
   (C) is otherwise in compliance with this subsection.
A person may not manipulate the dye or marker concentration of a
special fuel or the coloration of special fuel after the special fuel is
removed from a terminal or refinery rack for sale or use in Indiana. A
person who knowingly violates or aids and abets another person to
violate this subsection commits a Level 6 felony.

(h) This subsection does not apply to a person that receives blended
fuel from a person in compliance with subsection (g)(2). A person may
not sell or consume special fuel if the special fuel dye or marker
concentration or coloration has been manipulated, inadvertently or
otherwise, after the special fuel has been removed from a terminal or
refinery rack for sale or use in Indiana. A person who knowingly:
   (1) violates; or
   (2) aids and abets another to violate;
this subsection commits a Level 6 felony.

(i) A person may not engage in blending fuel for taxable use in
Indiana without collecting and remitting the tax due on the untaxed
portion of the fuel that is blended. A person who knowingly:
   (1) violates; or
   (2) aids and abets another to violate;
this subsection commits a Level 6 felony.

SECTION 27. IC 6-6-2.5-64 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 64. (a) If any
person liable for the tax files a false or fraudulent return, there shall be
added to the tax an amount equal to the tax the person evaded or
attempted to evade.
   (b) The department shall impose a civil penalty of one thousand
dollars ($1,000) for a person's first occurrence of transporting special
fuel without adequate shipping papers as required under sections 40,
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41(g), and 62(e) of this chapter, unless the person shall have complied
with rules adopted under IC 4-22-2. Each subsequent occurrence
described in this subsection is subject to a civil penalty of five thousand
dollars ($5,000).

c (c) The department shall impose a civil penalty on the operator of
a vehicle of two hundred dollars ($200) for the initial occurrence, two
thousand five hundred dollars ($2,500) for the second occurrence, and
five thousand dollars ($5,000) for the third and each subsequent
occurrence of a violation of either:

(1) the prohibition of use of dyed or marked special fuel, or both,
on the Indiana public highways, except for a person that qualifies
for the federal fuel tax exemption under Section 4082 of the
Internal Revenue Code and that is registered with the department
as a dyed fuel user; or

(2) the use of special fuel in violation of section 28(i) 28(j) of this
chapter.

d (d) A supplier that makes sales for export to a person:

(1) who does not have an appropriate export license; or

(2) without collection of the destination state tax on special fuel
nonexempt in the destination state;
shall be subject to a civil penalty equal to the amount of Indiana's
special fuel tax in addition to the tax due.

e (e) The department may impose a civil penalty of one thousand
dollars ($1,000) for each occurrence against every terminal operator
that fails to meet shipping paper issuance requirements under section
40 of this chapter.

(f) Each importer or transporter who knowingly imports undyed or
unmarked special fuel, or both, in a transport truck without:

(1) a valid importer license;

(2) a supplier license;

(3) an import verification number, if transporting in a vehicle with
a capacity of more than five thousand four hundred (5,400)
gallons; or

(4) a shipping paper showing on the paper's face as required under
this chapter that Indiana special fuel tax is not due;
is subject to a civil penalty of ten thousand dollars ($10,000) for each
occurrence described in this subsection.

(g) This subsection does not apply to a person if section 62(g) of this
chapter does not apply to the person. A:

(1) person that manipulates the dye or marker concentration of
special fuel or the coloration of special fuel after the special fuel
is removed from a terminal or refinery rack for sale or use in
Indiana; and

(2) person that receives the special fuel;
are jointly and severally liable for the special fuel tax due on the
portion of untaxed fuel plus a penalty equal to the greater of one
hundred percent (100%) of the tax due or one thousand dollars
($1,000).

(h) A person that engages in blending fuel for taxable sale or use in
Indiana and does not collect and remit all tax due on untaxed fuel that
is blended is liable for the tax due plus a penalty that is equal to the
greater of one hundred percent (100%) of the tax due or one thousand
dollars ($1,000).

SECTION 28. IC 6-6-2.5-68 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 68. (a) This section
applies only to the revenue collected under this chapter from the
first sixteen cents ($0.16) of the special fuel tax rate imposed under
this chapter.

(α) (b) The administrator shall transfer the next twenty-five million
dollars ($25,000,000) of the taxes that are collected under this chapter
and received during a period beginning July 1 of a year and ending
June 30 of the immediately succeeding year to the auditor of state for
distribution in the following manner:

(1) Thirty percent (30%) Sixty percent (60%) to each of the
counties, cities, and towns eligible to receive a distribution from
the local road and street account under IC 8-14-2 and in the same
proportion among the counties, cities, and towns as funds are
distributed under IC 8-14-2-4.

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

(β) (2) Forty percent (40%) to the Indiana department of
transportation.

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

(ε) (d) All amounts distributed under subsection (α) (b) may only be
used for purposes that money distributed from the motor vehicle
highway account local road and street account may be expended
under IC 8-14-1. IC 8-14-2.

(ε) (e) All revenue collected under this chapter and described in

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subsection (a) shall be used in the same manner as the revenue collected under IC 6-6-1.1. The administrator shall, after the transfers specified in subsection (a), (b), deposit the remainder of the revenues collected under this chapter and described in subsection (a) in the same manner that revenues are deposited under IC 6-6-1.1-802.

SECTION 29. IC 6-6-2.5-68.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 68.5. The revenue collected from that part of the special fuel tax rate imposed under this chapter that exceeds sixteen cents ($0.16) shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 30. IC 6-6-4.1-4, AS AMENDED BY P.L.277-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 and the amount of motor fuel consumed by the carrier in its operations on highways in Indiana for the quarter.
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, or IC 6-6-2.5, or
section 4.5 of this chapter.
(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 31. IC 6-6-4.1-4.5, AS AMENDED BY P.L.277-2013,
SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]: Sec. 4.5. (a) As used in this section, "surcharge
gallon" means, as applicable:
(1) 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.
(b) 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 (c) and on the consumption of special
fuel (other than natural gas or an alternative fuel) by a person that
is not a carrier at the applicable rate specified in subsection (c).
The rate of this surcharge tax is eleven cents ($0.11) per:
(1) 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) diesel gallon equivalent of a special fuel that is liquid natural
gas; or
(3) 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.
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.

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

(1) Before July 1, 2017, eleven cents ($0.11).
(2) For July 1, 2017, through June 30, 2018, sixteen cents ($0.16).
(3) For July 1, 2018, through June 30, 2019, twenty-one cents ($0.21).
(4) Beginning July 1, 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 6-6-1.6-2.

The rate shall be rounded to the nearest cent ($0.01). However, after June 30, 2019, 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.

(b) (d) 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.

(e) (e) 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.

(f) 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 32. IC 6-6-4.1-4.7 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.7. (a) This section applies only to a claim for a proportional use credit under section 4(d) or 4.5(d) 4.5(f) of this chapter 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(d) 4.5(f) of this chapter.

(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(d) 4.5(f) of this chapter 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.

SECTION 33. IC 6-6-4.1-4.8, AS AMENDED BY P.L.176-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
Sec. 4.8. (a) This section applies only to a claim for a proportional use credit under section 4(d) or 4.5(d) 4.5(f) of this chapter 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, 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(d) of this chapter 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(d) of this chapter 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 34. IC 6-6-4.1-5 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 from the first
eleven cents ($0.11) of the surcharge tax rate imposed under section
4.5 of this chapter as follows:
   (1) Forty-five and one-half percent (45.5%) in the state highway
   fund (IC 8-23-9-54).
   (2) Forty-five and one-half percent (45.5%) in the motor vehicle
   highway account (IC 8-14-1).
   (3) Nine percent (9%) in the motor carrier regulation fund
   administered by the department.

(c) The department shall deposit revenue collected from that
part of the surcharge tax rate imposed under section 4.5 of this
chapter that exceeds eleven cents ($0.11) in the motor vehicle
highway account established under IC 8-14-1.

(d) 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 35. IC 6-6-4.1-6 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 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 and IC 6-6-2.5 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.

(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 36. IC 6-6-4.1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 4 and 4.5 of this chapter 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

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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.

(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 37. IC 6-6-4.1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 21. A person carrier subject to the taxes imposed under sections 4 through 4.5 of this chapter 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 38. IC 6-6-4.1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 22. (a) If a person carrier:

(1) fails to file a return for taxes due under this chapter;
(2) fails to pay the full amount of tax shown on the person's return by the due date for the return or the payment; or
(3) incurs a deficiency upon a determination by the department;

the person carrier is subject to interest on the nonpayment.

(b) The interest for a failure described in subsection (a) is the rate of interest calculated under the interest provisions of the International Fuel Tax Agreement entered into by the department under IC 6-8.1-3-14.

SECTION 39. IC 6-6-13-6, AS ADDED BY P.L.288-2013, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) Except as provided in section 7 of this
chapter, an excise tax of ten twenty cents ($0.10) ($0.20) per gallon is imposed on the gross retail income received by a retailer on each gallon of aviation fuel purchased in Indiana. A retailer shall add the per gallon amount of tax to the selling price of each gallon of aviation fuel sold by the retailer so that the ultimate consumer bears the burden of the tax.

(b) For purposes of this chapter, the gross retail income received by the retailer from the sale of aviation fuel does not include the amount of any excise tax imposed upon the sale under federal law.

SECTION 40. IC 6-6-13-15, AS ADDED BY P.L.288-2013, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 15. The department shall transfer aviation fuel excise taxes collected under this chapter to the treasurer of state for deposit:

1. before July 1, 2017, in the state general fund; and
2. after June 30, 2017, as follows:
   (A) Fifty percent (50%) in the state general fund.
   (B) Fifty percent (50%) in the airport development grant fund established by IC 8-21-11-4.

SECTION 41. IC 6-6-14-4, AS ADDED BY P.L.212-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The owner of one (1) of the following motor vehicles that is registered in Indiana and that is propelled by alternative fuel shall obtain an alternative fuel decal for the motor vehicle and pay an annual fee in accordance with the following schedule:

<table>
<thead>
<tr>
<th>SCHEDULE</th>
<th>Motor Vehicle</th>
<th>Annual Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A passenger motor vehicle, truck, or bus, the declared gross weight of which is equal to or less than 9,000 pounds.</td>
<td>$100 $150</td>
</tr>
<tr>
<td></td>
<td>A recreational vehicle.</td>
<td>$100 $150</td>
</tr>
<tr>
<td></td>
<td>A truck or bus, the declared gross weight of which is greater than 9,000 pounds but equal to or less than 11,000 pounds.</td>
<td>$175 $262.50</td>
</tr>
<tr>
<td></td>
<td>An alternative fuel delivery truck powered by alternative fuel, which is a truck the declared gross weight of which is greater than 11,000 pounds.</td>
<td>$250 $375</td>
</tr>
<tr>
<td></td>
<td>A truck or bus, the declared gross weight of which is greater than 11,000 pounds, except an alternative fuel delivery truck.</td>
<td>$300 $450</td>
</tr>
<tr>
<td></td>
<td>A tractor, designed to be used with a semitrailer.</td>
<td>$500 $750</td>
</tr>
</tbody>
</table>
Only one (1) fee is required to be paid per motor vehicle per year.

(b) The annual fee may be prorated on a quarterly basis if:

(1) application is made after June 30 of a year; and
(2) the motor vehicle is newly:
   (A) converted to alternative fuel;
   (B) purchased; or
   (C) registered in Indiana.

(c) The revenue collected from that part of a fee imposed under this section that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 42. IC 8-2.1-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 28. Weigh-in-Motion Pilot Program

Sec. 1. As used in this chapter, "department" means the department of transportation.

Sec. 2. The department may:

(1) plan;
(2) develop;
(3) install;
(4) maintain;
(5) monitor; and
(6) finance;
electronic weigh-in-motion equipment to facilitate the enforcement of size and weight restrictions under IC 9-20.

Sec. 3. The department may enter into any contracts and agreements necessary to carry out this chapter.

Sec. 4. The department may adopt rules under IC 4-22-2 to carry out this chapter. If the department adopts rules under this section, the rules must establish the following:

(1) Technical standards for the installation of electronic weigh-in-motion stations, including:
   (A) roadway sensors;
   (B) cameras;
   (C) laser measurement devices;
   (D) roadway pressure sensors;
   (E) speed sensors; and
   (F) all other equipment necessary to establish electronic weigh-in-motion stations.

(2) Weight tolerances for electronic weigh-in-motion stations, frequency of testing of weight tolerances, and certification
programs for weight tolerances.

(3) Smoothness standards for approach and departure pavement, and a program to monitor roadway smoothness affecting electronic weigh-in-motion stations.

Sec. 5. (a) The department may adopt emergency rules in the manner provided under IC 4-22-2-37.1 to carry out this chapter.

(b) An emergency rule adopted under subsection (a) expires on the date a rule that supersedes the emergency rule is adopted by the department under IC 4-22-2-22.5 through IC 4-22-2-36.

SECTION 43. IC 8-14-1-3, AS AMENDED BY P.L.2-2014, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 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 fifteen percent (15%) thereof. 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 distribute to cities and towns the amounts determined under this subdivision. The amount that each city or town is entitled to receive under this subdivision in 2018 and in each calendar year thereafter is equal to the result of:

(A) the amount of the distribution received by the city or town under this section during the preceding calendar year; multiplied by

(B) the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for the preceding year.

The amount received by a city or town under this subdivision 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 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 
that, thirty-two percent (32%) thereof. 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 shall be 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, and distribute to counties 
the amounts determined under this subdivision. The amount 
that each county is entitled to receive under this subdivision 
in 2018 and in each calendar year thereafter is equal to the 
result of:

(A) the amount of the distribution received by the county 
under this section during the preceding calendar year; 
multiplied by
(B) the annual index factor determined in the manner 
described in IC 6-6-1-6.2(b) for the preceding 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 forty-seven percent (47%) amounts distributed to the political subdivisions of the state under subdivisions (2) and (3) 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 forty-seven percent (47%) 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.

(7) In the case of a municipality incorporated after December 31, 2017, the municipality's initial annual distribution under this section shall be determined based on the amount the municipality would have received under the distribution formula in this section as in effect June 30, 2017, increased by applying the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for each year that is after 2017 and that precedes the year in which the municipality is incorporated.

SECTION 4. IC 8-14-1-11 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 11. (a) The department may create a local agency revolving fund from money appropriated under section 3(7) of this chapter 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.

(b) The revolving fund balance must be maintained through reimbursement from a local unit for money used by that unit to match federal funds.

(c) If the local unit fails to reimburse the revolving fund, the department shall notify the local unit that the department has found the outstanding accounts receivable to be uncollectible.

(d) The attorney general shall review the outstanding accounts receivable and if the attorney general agrees with the department's assessment of the account's status, the attorney general shall certify to the auditor of state that the outstanding accounts receivable is uncollectible and request a transfer of funds as provided in subsection (e).

(e) Upon receipt of a certificate as specified in subsection (d), the auditor of state shall:

1. immediately notify the delinquent local unit of the claim; and

2. if proof of payment is not furnished to the auditor of state within thirty (30) days after the notification, transfer an amount equal to the outstanding accounts receivable to the department from the delinquent local unit's allocations from the motor vehicle highway account for deposit in the local agency revolving fund.

(f) Transfers shall be made under subsection (e) until the unpaid amount has been paid in full under the terms of the agreement. However, the agreement may be amended if both the department and the unit agree to amortize the transfer over a period not to exceed five (5) years.

(g) Money in the fund at the end of a fiscal year does not revert to the state general fund.

SECTION 45. IC 8-14-3-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) There is annually appropriated two hundred fifty thousand dollars ($250,000) from the motor vehicle highway account to the department to develop and maintain a centralized electronic statewide asset management data base that may be used to aggregate data on local road conditions. The data base shall be developed in cooperation with the department and the office of management and budget.
(b) The department shall submit a written report on the department's progress in developing the data base described in subsection (a) to the funding Indiana's roads for a stronger, safer tomorrow task force under IC 2-5-41 in an electronic format under IC 5-14-6 before November 1, 2017.

SECTION 46. IC 8-14-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. As used in this chapter, "state highway" means any highway that is designated as part of the state highway system under IC 8-23-4. The term includes all bridges, tunnels, overpasses, underpasses, highway railroad crossings, interchanges, entrance plazas, approaches, buildings, and facilities that the department considers necessary for the operation of the highway, together with all property, rights, easements, and interests that are acquired by the department for the construction or reconstruction of the highway.

SECTION 47. IC 8-14.5-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. Except as provided in sections 2 and 5 of this chapter, the authority may, by resolution, issue and sell bonds or notes of the authority for the purpose of providing funds to carry out the provisions of this article with respect to the construction of a project or projects or the refunding of any bonds or notes, together with any reasonable costs associated with a refunding. However, the authority may not issue any bonds or notes for the construction of a project:

(1) after July 1, 2007, for a project that is not a highway railroad crossing upgrade project described in IC 8-14.5-8; and

(2) after June 30, 2025, for a highway railroad crossing upgrade project described in IC 8-14.5-8.

The amount of the bonds or notes issued for purposes of subdivision (2) may not cause the annual payments on all the bonds and notes for this purpose to exceed ten million dollars ($10,000,000).

SECTION 48. IC 8-14.5-8 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 8. State Highway Railroad Crossing Remediation Projects

Sec. 1. (a) The department may approve state highway railroad crossing remediation projects under this chapter for financing under this article.

(b) The department shall establish a documented policy and
procedure consistent with the requirements of IC 8-6-1 for making
determinations of whether a project should be approved under this
chapter.

Sec. 2. To approve a project under this chapter the department
must determine that the project meets the following conditions:
(1) The crossing is at a state highway.
(2) The crossing is at a stage of critical need.

Sec. 3. A project under this chapter may include building an
overpass over the railroad if the department determines that is the
best solution for the crossing.

Sec. 4. The department may seek financing by the authority
under this article for a project approved under this chapter.

Sec. 5. The authority may issue bonds or notes to finance a
project approved by the department under this chapter using lease
rentals for bond or note repayments. However, the annual
payments on all the bonds and notes outstanding may not exceed
ten million dollars ($10,000,000).

Sec. 6. The department shall make lease rental payments from
the state highway road construction and improvement fund
established by IC 8-14-10.

SECTION 49. IC 8-15-2-1, AS AMENDED BY P.L.94-2015,
SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 1. (a) In order to remove the handicaps and
hazards on the congested highways in Indiana, to facilitate vehicular
traffic throughout the state, to promote the agricultural and industrial
development of the state, and to provide for the general welfare by the
construction of modern express highways embodying safety devices,
including center division, ample shoulder widths, long sight distances,
multiple lanes in each direction, and grade separations at intersections
with other highways and railroads, the authority may:
(1) subject to subsection (d), construct, reconstruct, maintain,
repair, and operate toll road projects at such locations as shall be
approved by the governor;
(2) in accordance with such alignment and design standards as
shall be approved by the authority and subject to IC 8-9.5-8-10,
issue toll road revenue bonds of the state payable solely from
funds pledged for their payment, as authorized by this chapter, to
pay the cost of such projects;
(3) finance, develop, construct, reconstruct, improve, or maintain
improvements for manufacturing, commercial, or public
transportation activities within a county through which a toll road
passes;
(4) in cooperation with the Indiana department of transportation or a political subdivision, construct, reconstruct, or finance the construction or reconstruction of an arterial highway or an arterial street that is located within a county through which a toll road passes and that:
   (A) interchanges with a toll road project; or
   (B) intersects with a road or a street that interchanges with a toll road project;
(5) finance improvements necessary for developing transportation corridors in northwestern Indiana; and
(6) exercise these powers in participation with any governmental entity or with any individual, partnership, limited liability company, or corporation.

(b) Notwithstanding subsection (a), the authority shall not construct, maintain, operate, nor contract for the construction, maintenance, or operation of transient lodging facilities on, or adjacent to, such toll road projects.

(c) This chapter:
   (1) applies to the authority only when acting for the purposes set forth in this chapter; and
   (2) does not apply to the authority when acting under any other statute for any other purpose.

(d) Before the authority or an operator selected under IC 8-15.5 may carry out any of the following activities under this chapter, the general assembly must enact a statute authorizing that activity:
   (1) Imposing tolls on motor vehicles for use of Interstate Highway 69.
   (2) Imposing tolls on motor vehicles for use of a nontolled highway, roadway, or other facility in existence or under construction on July 1, 2011, including nontolled interstate highways, U.S. routes, and state routes.

SECTION 50. IC 8-15-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. As used in this chapter, "authority" refers to the Indiana finance authority established under IC 4-4-11.

SECTION 51. IC 8-15-3-9, AS AMENDED BY P.L.94-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) Subject to subsection (e); The governor must approve the location of any tollway.

   (b) The department may, in any combination, plan, design, develop, construct, reconstruct, maintain, repair, police, finance, and operate tollways, public improvements, and arterial streets and roads at those
locations that the governor approves.

(c) The department may, in any combination, plan, design, develop, construct, reconstruct, improve, finance, operate, repair, or maintain public improvements such as roads and streets, sewer lines, water lines, and other utilities if these improvements are:

1. adjacent or appurtenant to a tollway; or
2. necessary or desirable for the financing, construction, operation, or maintenance of a tollway.

(d) The department may, in any combination, plan, design, develop, construct, reconstruct, improve, maintain, repair, operate, or finance the construction or reconstruction of an arterial highway or an arterial street that:

1. is adjacent to, appurtenant to, or interchanges with a tollway; or
2. intersects with a road or street that interchanges with a tollway.

(e) Before the governor, the department, or an operator may carry out any of the following activities under this chapter, the general assembly must enact a statute authorizing that activity:

1. Approve the location of a tollway other than a tollway that is approved before July 1, 2011.
2. Impose tolls on motor vehicles for use of Interstate Highway 69.

(f) Notwithstanding subsection (e), during the period beginning July 1, 2011, and ending June 30, 2021, the general assembly is not required to enact a statute authorizing the governor, the department, or an operator to approve the location of a tollway with respect to the following projects:

1. A project on which construction begins after June 30, 2011, not including any part of Interstate Highway 69 other than a part described in subdivision (4);
2. The addition of toll lanes, including high occupancy toll lanes, to a highway, roadway, or other facility in existence on July 1, 2011, if the number of nontolled lanes on the highway, roadway, or facility as of July 1, 2011, does not decrease due to the addition of the toll lanes;
3. The Illiana Expressway, a limited access facility connecting Interstate Highway 65 in northwestern Indiana with an interstate highway in Illinois;
4. A project that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and that connects the state of Indiana with the commonwealth of Kentucky.
SECTION 52. IC 8-15-3-36 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36. (a) Before July 1, 2017, the department may, after approval by the governor, submit a request to the Federal Highway Administration for a waiver to toll lanes on interstate highways. If:

(1) a waiver is granted under this subsection; and

(2) the department, with the approval of the governor, decides to establish toll lanes under the waiver;

the first toll lanes established on an interstate highway must be located at least seventy-five (75) miles from an interstate highway or bridge on which travel is subject to tolling as of July 1, 2017.

(b) The department shall engage an outside consulting firm to conduct a feasibility study on tolling the interstate highways, including revenue projections based on an analysis of optimal tolling rates, vehicle counts and types by state of registration, and traffic diversion.

(c) A written report on the feasibility study shall be delivered to the funding Indiana's roads for a stronger, safer tomorrow task force under IC 2-5-41 in an electronic format under IC 5-14-6 before November 1, 2017.

SECTION 53. IC 8-21-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The airport development grant fund and the airport development revolving loan fund are established for the purposes of this chapter. The department shall administer the two (2) funds.

(b) The department shall pay the expenses of administering the funds.

(c) The treasurer of state shall invest the money in each fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund that earns the interest.

(d) Money deposited in the airport development grant fund under IC 6-6-13-15(2)(B) may be used only to make matching grants to airports under section 5(a)(1) of this chapter for capital improvements.

(d) (e) Money in a fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 54. IC 8-23-29-2, AS ADDED BY P.L.208-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 55. IC 8-23-9-54, AS AMENDED BY P.L.47-2006, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 54. (a) To provide funds for carrying out the provisions of this chapter, there is created a state highway fund from the following sources:

(1) All money in the general fund to the credit of the state highway account.
(2) All money that is received from the Department of Transportation or other federal agency and known as federal aid.
(3) All money paid into the state treasury to reimburse the state for money paid out of the state highway fund.
(4) All money provided by Indiana law for the construction, maintenance, reconstruction, repair, and control of public highways, as provided under this chapter.

(5) All money that on May 22, 1933, was to be paid into the state highway fund under contemplation of any statute in force as of May 22, 1933.

(6) All money that may at any time be appropriated from the state treasury.

(7) Any part of the state highway fund unexpended at the expiration of any fiscal year, which shall remain in the fund and be available for the succeeding years.

(8) Any money credited to the state highway fund from the motor vehicle highway account under IC 8-14-1-3(4). IC 8-14-1-3(3).

(9) Any money credited to the state highway fund from the highway road and street fund under IC 8-14-2-3.

(10) Any money credited to the state highway fund under IC 6-6-1.1-801.5, IC 6-6-4.1-5, or IC 8-16-1-17.1.

(11) Any money distributed to the state highway fund under IC 8-14-14, IC 8-15.5, or IC 8-15.7.

(b) All expenses incurred in carrying out this chapter shall be paid out of the state highway fund.

SECTION 56. IC 8-23-30-3, AS ADDED BY P.L.146-2016, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 23, 2016 (RETROACTIVE)]: Sec. 3. A local unit may apply to the department for a grant from the fund for an eligible project if the local unit:

(1) uses a transportation asset management plan approved by the department; and

(2) commits to a local match by using one (1) or more of the following:

(A) Revenue attributable to an increase, after June 30, 2016, in Any money the local unit's motor vehicle excise surtax or wheel tax rate under IC 6-3.5- unit is authorized to use for a local road or bridge project.

(B) Money received by the local unit as a special distribution of local income taxes under IC 6-3.6-9-17.

(C) Money in the local unit's rainy day fund under IC 36-1-8.5-1.

The application must be in the form and manner prescribed by the department.

SECTION 57. IC 8-23-30-7, AS ADDED BY P.L.146-2016, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017: Sec. 7. The department shall allocate at least fifty percent (50%) of the grants to be made amount available to the department to make grants in a state fiscal year to local units located in counties having a population of less than fifty thousand (50,000).

SECTION 58. IC 9-18.1-5-8, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) Except as provided in section 11 of this chapter, the fee to register a trailer is as follows:

<table>
<thead>
<tr>
<th>Declared Gross Weight (Pounds)</th>
<th>Fee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than or less than:</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>$16.35</td>
</tr>
<tr>
<td>3,000</td>
<td>25.35</td>
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<tr>
<td>16,000</td>
<td>168</td>
</tr>
<tr>
<td>22,000</td>
<td>228</td>
</tr>
</tbody>
</table>

(b) 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.

(b) (c) A fee described in subsection (a) that is not required to be distributed under subsection (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) For a vehicle registered before July 1, 2019, as follows:
   (A) One dollar and twenty-five cents ($1.25) to the integrated public safety communications fund.
   (B) Three dollars and ten cents ($3.10) to the commission fund.
(6) For a vehicle registered after June 30, 2019, four dollars and thirty-five cents ($4.35) to the commission fund.
(7) Any remaining amount to the motor vehicle highway account.

SECTION 59. IC 9-18.1-5-9, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) Except as provided in section 11 of this chapter, the fee to register a truck, a tractor used with a semitrailer, or a for-hire bus is determined as follows:

<table>
<thead>
<tr>
<th>Declared Gross Weight (Pounds)</th>
<th>Fee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than or equal to:</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>$16.35</td>
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<td>3,000</td>
<td>25.35</td>
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<td>9,000</td>
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<td>16,000</td>
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<td>22,000</td>
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</tbody>
</table>

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<table>
<thead>
<tr>
<th>Fee Level</th>
<th>Declared Gross Weight</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-11,000</td>
<td>$30.35</td>
<td></td>
</tr>
<tr>
<td>11,000-16,000</td>
<td>144</td>
<td></td>
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<tr>
<td>16,000-26,000</td>
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<tr>
<td>26,000-36,000</td>
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<td></td>
</tr>
<tr>
<td>66,000-78,000</td>
<td>1,440</td>
<td></td>
</tr>
<tr>
<td>78,000+</td>
<td>2,034</td>
<td></td>
</tr>
</tbody>
</table>

(b) 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.

(b) (c) The revenue collected from a fee described in subsection (a) that is not required to be distributed under subsection (b) and that results from the part of the fee that is equal to the amount of the fee in effect on June 30, 2017, shall be distributed as follows:

1. Twenty-five cents ($0.25) to the state police building account.
2. For a truck with a declared gross weight of eleven thousand (11,000) pounds or less, thirty cents ($0.30) to the spinal cord and brain injury fund.
3. Fifty cents ($0.50) to the state motor vehicle technology fund.
4. Two dollars and ninety cents ($2.90) to the highway, road and street fund.
5. Four dollars ($4) to the crossroads 2000 fund.
6. For a vehicle registered before July 1, 2019, as follows:
   A. One dollar and twenty-five cents ($1.25) to the integrated public safety communications fund.
   B. Three dollars and ten cents ($3.10) to the commission fund.
7. For a vehicle registered after June 30, 2019, four dollars and thirty-five cents ($4.35) to the commission fund.
8. Any remaining amount to the motor vehicle highway account.

(d) The revenue collected from a fee described in subsection (a) that is not required to be distributed under subsection (b) and that results from the part of the fee that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1.

(e) (e) A trailer that is towed by a truck must be registered separately, and the appropriate fee must be paid under this chapter.

 SECTION 60. IC 9-18.1-5-10, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) The following vehicles shall
be registered as semitrailers:
(1) A semitrailer converted to a full trailer through the use of a
converter dolly.
(2) A trailer drawn behind a semitrailer.
(3) A trailer drawn by a vehicle registered under the International
Registration Plan.
(b) The fee for a permanent registration of a semitrailer is
eighty-two dollars ($82).
(c) A fee described in subsection (b) that is collected for a
registration issued through an Indiana based International
Registration Plan account shall be distributed as set forth in
section 10.5 of this chapter.
(d) The fee described in subsection (b) that is not required to be
distributed under subsection (c) 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) Twelve dollars ($12) to the crossroads 2000 fund.
(5) For a vehicle registered before July 1, 2019, as follows:
   (A) One dollar and twenty-five cents ($1.25) to the integrated
       public safety communications fund.
   (B) Three dollars and ten cents ($3.10) to the commission
       fund.
(6) For a vehicle registered after June 30, 2019, four dollars and
    thirty-five cents ($4.35) to the commission fund.
(7) Any remaining amount to the motor vehicle highway account.
(e) A permanent registration under subsection (b) must be
renewed on an annual basis. The fee to renew a permanent registration
is eight dollars and seventy-five cents ($8.75). The fee is in addition to
any applicable excise tax. and shall be distributed as follows:
(f) A fee described in subsection (e) that is collected for a
registration issued through an Indiana based International
Registration Plan account shall be distributed as set forth in
section 10.5 of this chapter.
(g) A fee described in subsection (e) that is not required to be
distributed under subsection (f) 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) Three dollars ($3) to the crossroads 2000 fund.
(4) Three dollars and ten cents ($3.10) to the commission fund.
(5) Any remaining amount to the motor vehicle highway account.
(h) A permanent registration under subsection (b) may be transferred under IC 9-18.1-11.

(i) A semitrailer that is registered under IC 9-18-10-2(a)(2) (before its expiration) or IC 9-18-10-2(a)(3) (before its expiration) remains valid until its expiration and is not subject to renewal under subsection (e). This subsection expires July 1, 2020.

SECTION 61. IC 9-18.1-5-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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), 10(b), and 10(e) of this chapter that are collected under the International Registration Plan or through an Indiana based International Registration Plan account.

(c) The revenue that is from the fees collected under subsection (b) during each state fiscal year and that results from the part of a fee that is equal to the amount of the fee in effect on June 30, 2017, 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.

(d) The revenue that is from the fees collected under subsection (b) during each state fiscal year and that results from the part of a fee that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 62. IC 9-18.1-5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 12. (a) The supplemental fee in this section applies after December 31, 2017, to each electric vehicle and hybrid vehicle that is required to be registered under IC 9-18.1.

(b) As used in this section, "electric vehicle" means a vehicle that:

1. Is propelled by an electric motor powered by a battery or other electrical device incorporated into the vehicle; and
2. Is not propelled by an engine powered by the combustion of a hydrocarbon fuel, including gasoline, diesel, propane, or liquid natural gas.

(c) As used in this section, "hybrid vehicle" means a vehicle that:

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(1) draws propulsion energy from both an internal combustion engine and an energy storage device; and
(2) employs a regenerative braking system to recover waste energy to charge the energy storage device that is providing propulsion energy.

(d) In addition to any other fee required to register an electric vehicle under this chapter, the supplemental fee to register an electric vehicle is one hundred fifty dollars ($150) through December 31, 2022. Before October 1, 2022, and before each October 1 of every fifth year thereafter, the bureau shall determine a new fee amount to take effect as of January 1 of the following year by determining the product of:
   (1) the fee in effect for the determination year; multiplied by
   (2) the factor determined under IC 6-6-1.6-2.
The fee shall be rounded to the nearest dollar.

(e) In addition to any other fee required to register a hybrid vehicle under this chapter, the supplemental fee to register a hybrid vehicle is seventy-five dollars ($75) through December 31, 2022. Before October 1, 2022, and before each October 1 of every fifth year thereafter, the bureau shall determine a new fee amount to take effect as of January 1 of the following year by determining the product of:
   (1) the fee in effect for the determination year; multiplied by
   (2) the factor determined under IC 6-6-1.6-2.
The fee shall be rounded to the nearest dollar.

(f) The fee shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 63. IC 9-18.1-15 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 15. Transportation Infrastructure Improvement Fee

Sec. 1. This chapter applies to annual motor vehicle registrations occurring after December 31, 2017.

Sec. 2. (a) The following shall pay an annual transportation infrastructure improvement fee:
   (1) The owner of a motor vehicle with a declared gross weight equal to or less than twenty-six thousand (26,000) pounds that is registered in Indiana.
   (2) The owner of a commercial motor vehicle with a declared gross weight greater than twenty-six thousand (26,000) pounds that is registered in Indiana.

(b) The amount of the annual fee is:
(1) fifteen dollars ($15), in the case of a motor vehicle with a
declared gross weight equal to or less than twenty-six
thousand (26,000) pounds; and
(2) one hundred dollars ($100), in the case of a commercial
motor vehicle with a declared gross weight greater than
twenty-six thousand (26,000) pounds.
(c) The bureau shall transfer fees collected under this chapter
to the department of state revenue for deposit.
(d) Fees collected under this chapter shall be deposited as
follows:
   (1) Fees described in subsection (b)(1) shall be deposited in the
       local road and bridge matching grant fund established under
       IC 8-23-30.
   (2) Fees described in subsection (b)(2) shall be deposited in the
       motor vehicle highway account established under IC 8-14-1.
Sec. 3. The annual fee imposed under section 2 of this chapter
is due on or before the regular annual registration date in each
year that the owner of the motor vehicle is required to register the
motor vehicle under the motor vehicle registration laws of Indiana.
Sec. 4. (a) Payment of the fee imposed under section 2 of this
chapter is a condition to the right to register or reregister a motor
vehicle. The fee is in addition to all other conditions, taxes, and fees
prescribed by law.
   (b) The bureau shall collect an apportioned transportation
infrastructure improvement fee under section 2 of this chapter for
any motor vehicle for which a registration fee is paid in Indiana
under the terms of the International Registration Plan.
Sec. 5. The annual fee imposed under section 2 of this chapter
must be reduced proportionately on a monthly basis if:
   (1) the motor vehicle is registered in a calendar month
       following the month in which:
       (A) the owner's annual registration date occurs; or
       (B) the owner is required to register motor vehicles under
           the International Registration Plan; and
       (2) the motor vehicle is newly:
           (A) purchased; or
           (B) registered in Indiana.
Sec. 6. (a) A person is entitled to a refund of a fee paid under
section 3 of this chapter if the motor vehicle is sold or destroyed
before the person's registration year elapses. Subject to subsection
(b), the amount of the refund is equal to:
   (1) the amount of the fee paid; multiplied by
(2) the quotient of:
   (A) the number of full calendar months occurring after the
date of the sale or destruction of the motor vehicle and
before the date on which the person would have been
required to reregister the motor vehicle; divided by
   (B) twelve (12).

(b) The amount of a refund determined under subsection (a)
must be rounded up to the next full dollar amount.

SECTION 64. IC 13-20-13-7 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) A fee of five
dollars and twenty-five cents ($0.25) ($5.25) is imposed on the sale of
the following:
   (1) Each new tire that is sold at retail.
   (2) Each new tire mounted on a new vehicle sold at retail.
(b) The person that sells the new tire or vehicle at retail to the
ultimate consumer of the tire or vehicle shall collect the fee imposed
by this section.
(c) A person that collects a fee under subsection (b):
   (1) shall pay the fees collected under subsection (b):
      (A) to the department of state revenue; and
      (B) at the same time and in the same manner that the person
      pays the state gross retail tax collected by the person to the
department of state revenue;
   (2) shall indicate on the return:
      (A) prescribed by the department of state revenue; and
      (B) used for the payment of state gross retail taxes;
that the person is also paying fees collected under subsection (b);
and
(3) is entitled to deduct and retain one percent (1%) of the fees
required to be paid to the department of state revenue under this
subsection.
(d) The department of state revenue shall deposit fees collected
under this section as follows:
   (1) Twenty-five cents ($0.25) from each fee collected shall be
deposited in the waste tire management fund established by this
chapter.
   (2) Five dollars ($5) from each fee collected shall be deposited
in the motor vehicle highway account established under
IC 8-14-1.

SECTION 65. IC 13-20-13-8, AS AMENDED BY P.L.37-2012,
SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 8. (a) Except as provided in subsection (d)(2),
(d)(3), (d)(6), and (d)(7), the waste tire management fund is established for the following purposes:

(1) The department may use not more than thirty-five percent (35%) of the money deposited in the fund each year for:
(A) the removal and disposal of waste tires from sites where the waste tires have been disposed of improperly; and
(B) operating the waste tire education program under section 15 of this chapter.

(2) The department may use the remaining money deposited in the fund each year to:
(A) provide grants and loans under section 9(b) of this chapter to entities involved in waste tire management activities; and
(B) pay the expenses of administering the programs described in:
   (i) subdivision (1)(B); and
   (ii) clause (A).

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(d) Sources of money for the fund are the following:
(1) Fees paid under section 4(a)(6) of this chapter and IC 13-20-14-5(c).
(2) Fees collected under section 7(d)(1) of this chapter. All money deposited in the fund under this subdivision may be used by the department for waste reduction, recycling, removal, or remediation projects.
(3) Costs and damages recovered from a person or other entity under section 14 of this chapter or IC 13-20-14-8. All money deposited in the fund under this subdivision may be used by the department for removal and remediation projects.
(4) Fees established by the general assembly for the purposes of this chapter.
(5) Appropriations made by the general assembly.
(6) Gifts and donations intended for deposit in the fund. A gift or donation deposited in the fund under this subdivision may be specified to be entirely for the use of the department.
(7) Civil penalties collected under IC 13-30-4 for violations of:
   (A) this chapter;
   (B) IC 13-20-14; and
   (C) rules adopted under section 11 of this chapter and IC 13-20-14-6.
All money deposited in the fund under this subdivision may be used by the department for eligible projects.

SECTION 66. IC 36-9-42.2-2, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. As used in this chapter, "eligible entity" means a county or municipality that receives, any entity eligible to receive, directly or indirectly, federal funds through the state or a metropolitan planning organization or otherwise.

SECTION 67. IC 36-9-42.2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2.5. As used in this chapter, "exchanged funds" means the state funds allocated to the program in accordance with section 6(b) of this chapter.

SECTION 68. IC 36-9-42.2-3, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. As used in this chapter, "federal funds" means the total amount of federal transportation funds received by an eligible entity through the federal surface transportation program provided by the federal government to the state.

SECTION 69. IC 36-9-42.2-3.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3.3. As used in this chapter, "local share" means twenty-five percent (25%) of the federal funds received by the state in a year.

SECTION 70. IC 36-9-42.2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3.5. As used in this chapter, "metropolitan planning organization" means a federally mandated transportation policy making organization that:

1. is designated to serve a particular transportation planning area within the state; and

2. receives, directly or indirectly, federal funds.

SECTION 71. IC 36-9-42.2-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.5. As used in this chapter, "transportation asset management plan" has the meaning set forth in IC 8-23-30-1(4).

SECTION 72. IC 36-9-42.2-5, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. The federal fund exchange program is established to provide eligible entities and the department with greater flexibility in funding transportation projects. The department shall...
administer the program as follows:

(1) Exchanged funds awarded to an eligible entity may be carried over for up to three (3) years at the discretion of the department or the metropolitan planning organization, whichever is applicable.

(2) Exchanged funds may be expended for any transportation purpose allowable under federal law.

(3) Exchanged funds may be expended on any phase of a project, including:
   (A) periodic project oversight services;
   (B) construction inspection services; and
   (C) reimbursement for items that were conducted before the application or request for exchanged funds or before the award of exchanged funds.

(4) A recipient of exchanged funds must provide a twenty percent (20%) local match payable by any available revenue source, except as provided by federal law. Awards shall be made by the department or metropolitan planning organization, whichever is applicable, in an amount that is twenty percent (20%) less than the total cost of the project to accomplish the required match.

(5) After the initial award of exchanged funds for a project and before the department's closeout of the project, an eligible entity may apply to the department or metropolitan planning organization, whichever is applicable, to be awarded additional exchanged funds as considered necessary to pay for project change orders.

(6) All contracts for professional services paid for with exchanged funds must be made on the basis of competence and qualifications for the type of services to be performed and compensation shall be negotiated as the eligible entity determines to be reasonable after its selection of a consultant or consultants.

(7) Professional services must be performed by an entity that is prequalified by the department.

(8) The department's design manual must provide guidance for projects funded with exchanged funds. However, exceptions to the design manual guidance shall be permitted at the discretion of the eligible entity.

SECTION 73. IC 36-9-42.2-6, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) Not later than fifteen (15) days after
receiving information from the federal government regarding the
state’s distribution of federal funds, the department shall determine
the amount of state funds available for the program; calculate the local
share for that year and notify the budget agency of the amount.

(b) After review by the budget committee and after approval by
the budget director, the department may exchange up to one
hundred percent (100%) of the local share for state dollars.

(c) The department shall allocate the exchanged funds for the
following purposes:

1) To be distributed to eligible entities for projects under the
program in accordance with federal law regarding
distributions between areas within a metropolitan planning
organization and areas not within a metropolitan planning
organization.

2) To be available for direct distribution to eligible entities
for projects or annual services including, but not limited to,
federally required bridge inspections.

(d) The department may allocate additional state funds to the
program at any time. In making the its determination the department
shall consider the following:

1) whether adequate additional state funds are available to fund
the program without putting at risk other transportation
activities or projects needing state funds.

2) Whether the department can readily and effectively use
federal funds received through the program.

SECTION 74. IC 36-9-42.2-7, AS ADDED BY P.L.141-2013,
SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 7. (a) An eligible entity is eligible to participate
in the program upon entering into an exchange agreement with may
apply to the department or to a metropolitan planning organization
to receive exchanged funds if:

1) the project:
(A) is eligible under federal law; or
(B) is part of a transportation asset management plan
approved by the department; and

2) using any available revenue source, the eligible entity
commits to a local match of twenty percent (20%), or a match
consistent with federal law, of the amount of the exchanged
funds the eligible entity is requesting to receive.

(b) The department shall consider the following before entering into
an exchange agreement with awarding exchanged funds to an eligible
everity:
(1) The amount of federal funds the eligible entity wants to exchange and the proposed exchange rate: exchanged funds the eligible entity has requested.

(2) A brief description of each project the eligible entity wants to fund, including the estimated cost of the project.

(3) The benefit to a project described in subdivision (2) from the removal of federal funding; in receiving exchanged funds due to the project's size, type, location, or other features.

(4) The availability of state funds: The nature of the project and whether it has an economic significance for the region in which the eligible entity is located.

(5) Whether or not the eligible entity wishes to carry over its award of exchanged funds to the following year.

Subject to section 7.5 of this chapter, an eligible entity may enter into an exchange agreement with respect to a project at any time during the project development process:

SECTION 75. IC 36-9-42.2-7.5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 7.5. (a) The department may enter into an exchange agreement only if the exchange agreement is first approved by the office of management and budget and the attorney general:

(b) The executive of an eligible entity may enter into an exchange agreement on behalf of the eligible entity. However, the executive of an eligible entity may enter into an exchange agreement only if the exchange agreement is first approved by the fiscal body of the eligible entity:

SECTION 76. IC 36-9-42.2-8 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 8. An exchange agreement must provide the following:

(1) The eligible entity may exchange only federal funds for state funds:

(2) The eligible entity may use state funds only for a capital project that will fulfill the purpose of the original federal project award and that is approved by the department:

(3) If the eligible entity uses state funds to replace local funds in order to use the local funds for purposes unrelated to transportation; the eligible entity:

(A) must repay the state funds to the department; and

(B) may not participate in the program during the succeeding fiscal year:

(4) An exchange rate of not less than seventy-five cents ($0.75) of state funds for each one dollar ($1) of federal funds:

(5) The eligible entity agrees to provide local matching funds equal to not less than ten percent (10%) of the estimated project
cost.

(6) The department will disburse the state funds to the eligible entity on a reimbursement basis:

SECTION 77. IC 36-9-42.2-9, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. Not later than November 1 of each year, the department shall submit a report on the program to the general assembly in an electronic format under IC 5-14-6. A report submitted under this section must include:

(1) a summary of the exchange agreements entered into awarded exchanged funds to eligible entities during the previous state fiscal year; and

(2) a status report on the implementation of projects funded through the program.

SECTION 78. IC 36-9-42.2-10, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. An eligible entity that participates in the program shall comply with Applicable public purchasing laws and competitive bidding requirements must be complied with respect to for projects funded through the program.

SECTION 79. IC 36-9-42.2-11, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 11. The department may adopt rules under IC 4-22-2 or guidelines, or both, to implement this chapter.

SECTION 80. [EFFECTIVE JULY 1, 2017] (a) IC 6-6-14-4, as amended by this act, applies to decals issued after June 30, 2017.

(b) An alternative fuel decal that is effective from April 1, 2017, through March 31, 2018, remains valid through March 31, 2018, without the payment of an additional fee.

(c) IC 9-18.1-5-9, as amended by this act, applies to registrations after June 30, 2017.

(d) This SECTION expires June 30, 2018.

SECTION 81. [EFFECTIVE UPON PASSAGE] (a) IC 6-6-4.1-4.5, as amended by this act, applies to the collection of the motor fuel surcharge tax imposed on the consumption of special fuel that is not an alternative fuel as follows:

(1) For special fuel received by a licensed supplier in Indiana for sale or resale in Indiana, the special fuel received after June 30, 2017.

(2) For special fuel subject to a tax precollection agreement under IC 6-6-2.5-35(j), the special fuel removed after June 30, 2017, by a licensed supplier from a terminal outside Indiana
for sale for export or for export to Indiana.

(3) For special fuel imported into Indiana, other than into a terminal, the special fuel imported into Indiana after June 30, 2017, as measured by invoiced gallons received at a terminal or at a bulk plant.

(b) This SECTION expires June 30, 2018.

SECTION 82. An emergency is declared for this act.
Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1002, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, line 6, delete "November" and insert "September".
Page 5, line 10, delete "October" and insert "August".
Page 5, line 19, delete "November" and insert "September".
Page 5, line 40, delete "November" and insert "September".
Page 6, line 2, delete "October" and insert "August".
Page 6, line 10, delete "October" and insert "August".
Page 6, line 18, delete "November" and insert "September".
Page 6, line 20, delete "November" and insert "September".
Page 6, line 21, delete "November" and insert "September".
Page 6, line 24, delete "December" and insert "October".
Page 6, line 30, delete "December" and insert "October".
Page 6, line 40, delete "November" and insert "September".
Page 7, line 3, delete "October" and insert "August".
Page 7, line 12, delete "November" and insert "September".
Page 7, line 33, delete "November" and insert "September".
Page 7, line 36, delete "October" and insert "August".
Page 8, line 12, delete "November" and insert "September".
Page 8, line 14, delete "November" and insert "September".
Page 8, line 15, delete "November" and insert "September".
Page 8, line 18, delete "December" and insert "October".
Page 8, line 24, delete "December" and insert "October".
Page 9, line 11, delete "November" and insert "September".
Page 9, line 15, delete "October" and insert "August".
Page 9, line 24, delete "November" and insert "September".
Page 9, line 39, delete "November" and insert "September".
Page 10, line 1, delete "October" and insert "August".
Page 10, line 11, delete "November" and insert "September".
Page 10, line 13, delete "November" and insert "September".
Page 10, line 14, delete "November" and insert "September".
Page 10, line 17, delete "December" and insert "October".
Page 11, line 14, delete "November" and insert "September".
Page 11, line 18, delete "October" and insert "August".
Page 11, line 28, delete "November" and insert "September".
Page 12, line 2, delete "November" and insert "September".
Page 12, line 6, delete "October" and insert "August".
Page 12, line 17, delete "November" and insert "September".
Page 12, line 19, delete "November" and insert "September".

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Page 12, line 20, delete "November" and insert "September".

Page 12, line 23, delete "December" and insert "October".

Page 13, line 11, after "($0.01)." insert "However, after June 30, 2018, the new applicable rate may not exceed the rate in effect on June 30 plus one cent ($0.01).".

Page 13, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 26. IC 6-6-1.1-801.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 801.5. (a) The administrator shall transfer one-ninth (1/9) the first seventy million dollars ($70,000,000) of the taxes that are collected under this chapter during a state fiscal year to the state highway road construction and improvement fund.

(b) The administrator shall transfer one-eleventh (1/18) of the taxes that are collected under this chapter to the state highway fund.

(c) The administrator shall transfer one-eleventh (1/18) of the taxes that are collected under this chapter to the auditor of state for distribution to counties, cities, and towns. The auditor of state shall distribute the amounts transferred under this subsection to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1. Money distributed under this subsection may be used only for purposes that money distributed from the motor vehicle highway account may be expended under IC 8-14-1:

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

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

(2) Thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1.
(3) Forty percent (40%) to the Indiana department of transportation.

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

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

Page 15, line 23, after "($0.01)." insert "However, after June 30, 2018, the new applicable rate may not exceed the rate in effect on June 30 plus one cent ($0.01)."

Page 21, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 31. IC 6-6-4.1-4, AS AMENDED BY P.L.277-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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, or IC 6-6-2.5, or section 4.5 of this chapter.
(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."

Page 22, line 4, delete "The" and insert "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"

Page 22, line 19, after "($0.01)." insert "However, after June 30, 2018, the new applicable rate may not exceed the rate in effect on June 30 plus one cent ($0.01).".

Page 25, between lines 14 and 15, begin a new paragraph and insert:
"SECTION 34. IC 6-6-4.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 section 4.5 of this chapter as follows:
(1) Forty-five and one-half percent (45.5%) Forty-seven and seventy-five hundredths percent (47.75%) in the state highway fund (IC 8-23-9-54).
(2) Forty-five and one-half percent (45.5%) Forty-seven and seventy-five hundredths percent (47.75%) in the motor vehicle highway account (IC 8-14-1).
(3) Nine percent (9%) 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

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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 34. IC 6-6-4.1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 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 and IC 6-6-2.5 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.

(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 35. IC 6-6-4.1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 4 and 4.5 of this chapter 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

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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.
   (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.
(c) 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;

SECTION 36. IC 6-6-4.1-28 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2017]: Sec. 28. (a) A person that:
   (1) is not a carrier; and
   (2) owns a vehicle and purchases special fuel that is not an
alternative fuel for the vehicle upon which the surcharge tax
imposed by section 4.5 of this chapter is included;
is entitled to an annual refund for surcharge taxes paid on the
special fuel consumed by that vehicle.
   (b) The bureau of motor vehicles shall provide an annual refund
of one hundred dollars ($100) to each person for each vehicle
described in subsection (a) at the time the owner registers the

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vehicle under IC 9-18.1.

(c) An owner of a vehicle described in subsection (a) who:
   (1) is not required to register the owner's vehicle under IC 9-18.1; or
   (2) pays more than one hundred dollars ($100) in surcharge taxes for a particular vehicle during the previous registration year;

may claim a refund for annual surcharge taxes paid with regard to that vehicle. To obtain the refund, the person shall submit to the bureau of motor vehicles a properly completed refund claim in accordance with rules adopted by the bureau of motor vehicles commission under IC 4-22-2. A refund shall be paid from the funds and using the ratios specified in section 5(b) of this chapter.

(d) Refunds made under this section are not to be considered a reduction in the registration fees or excise taxes for a vehicle for purposes of allocating revenue from the fees and excise taxes for that vehicle. If necessary, the auditor of state shall monthly reconcile the appropriate funds that should be charged for the refund using the funds named in section 5(b) of this chapter and using the ratios specified in section 5(b) of this chapter.

Page 26, delete lines 4 through 29.
Page 27, line 41, delete "state revenue." and insert "transportation."
Page 28, line 11, delete "shall" and insert "may".
Page 28, line 12, delete "The" and insert "If the department adopts rules under this section, the".
Page 28, line 32, delete "commission" and insert "department".
Page 35, line 15, reset in roman "is equal".
Page 35, line 16, reset in roman "to".
Page 35, line 16, delete "may not exceed".
Page 35, line 20, reset in roman "fifty".
Page 35, line 20, delete "forty".
Page 35, line 21, reset in roman "(50%)".
Page 35, line 21, delete "(40%)".
Page 35, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 7. IC 9-18.1-5-8, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) Except as provided in section 11 of this chapter, the fee to register a trailer is as follows:

<table>
<thead>
<tr>
<th>Declared Gross Weight (Pounds)</th>
<th>Fee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than or less than</td>
<td></td>
</tr>
</tbody>
</table>

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(b) 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.

(c) A fee described in subsection (a) that is not required to be distributed under subsection (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. For a vehicle registered before July 1, 2019, as follows:
   A. One dollar and twenty-five cents ($1.25) to the integrated public safety communications fund.
   B. Three dollars and ten cents ($3.10) to the commission fund.
6. For a vehicle registered after June 30, 2019, four dollars and thirty-five cents ($4.35) to the commission fund.
7. Any remaining amount to the motor vehicle highway account.

SECTION 8. IC 9-18.1-5-9, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) Except as provided in section 11 of this chapter, the fee to register a truck, a tractor used with a semitrailer, or a for-hire bus is determined as follows:

<table>
<thead>
<tr>
<th>Declared Gross Weight (Pounds)</th>
<th>Fee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than or less than 11,000</td>
<td>$ 30.35</td>
</tr>
<tr>
<td>11,000</td>
<td>16,000</td>
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<tr>
<td>16,000</td>
<td>26,000</td>
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<td>26,000</td>
<td>36,000</td>
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<td>36,000</td>
<td>48,000</td>
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<tr>
<td>48,000</td>
<td>66,000</td>
</tr>
<tr>
<td>66,000</td>
<td>78,000</td>
</tr>
<tr>
<td>78,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

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A fee described in subsection (a) that is not required to be distributed under subsection (b) shall be distributed as follows:

1. Twenty-five cents ($0.25) to the state police building account.
2. For a truck with a declared gross weight of eleven thousand (11,000) pounds or less, thirty cents ($0.30) to the spinal cord and brain injury fund.
3. Fifty cents ($0.50) to the state motor vehicle technology fund.
4. Two dollars and ninety cents ($2.90) to the highway, road and street fund.
5. Four dollars ($4) to the crossroads 2000 fund.
6. For a vehicle registered before July 1, 2019, as follows:
   A. One dollar and twenty-five cents ($1.25) to the integrated public safety communications fund.
   B. Three dollars and ten cents ($3.10) to the commission fund.
7. For a vehicle registered after June 30, 2019, four dollars and thirty-five cents ($4.35) to the commission fund.
8. For a truck, tractor used with a semitrailer, or for-hire bus having a declared gross weight of at least twenty-six thousand (26,000) pounds, five percent (5%) of the total fees, determined before any allocation under subdivision (1) and subdivisions (3) through (7), to the local road and bridge matching grant fund established by IC 8-23-30.
9. Any remaining amount to the motor vehicle highway account.

A trailer that is towed by a truck must be registered separately, and the appropriate fee must be paid under this chapter.

SECTION 9.  IC 9-18.1-5-10, AS ADDED BY P.L.198-2016, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) The following vehicles shall be registered as semitrailers:

1. A semitrailer converted to a full trailer through the use of a converter dolly.
2. A trailer drawn behind a semitrailer.
3. A trailer drawn by a vehicle registered under the International Registration Plan.

(b) The fee for a permanent registration of a semitrailer is eighty-two dollars ($82).

(c) A fee described in subsection (b) that is collected under the International Registration Plan shall be distributed as set forth in section 10.5 of this chapter.
(d) The fee described in subsection (b) that is not required to be distributed under subsection (c) 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. Twelve dollars ($12) to the crossroads 2000 fund.
5. For a vehicle registered before July 1, 2019, as follows:
   A. One dollar and twenty-five cents ($1.25) to the integrated public safety communications fund.
   B. Three dollars and ten cents ($3.10) to the commission fund.
6. For a vehicle registered after June 30, 2019, four dollars and thirty-five cents ($4.35) to the commission fund.
7. Any remaining amount to the motor vehicle highway account.

(e) A permanent registration under subsection (b) must be renewed on an annual basis. The fee to renew a permanent registration is eight dollars and seventy-five cents ($8.75). The fee is in addition to any applicable excise tax.

(f) A fee described in subsection (e) that is collected under the International Registration Plan shall be distributed as set forth in section 10.5 of this chapter.

(g) A fee described in subsection (e) that is not required to be distributed under subsection (f) 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. Three dollars ($3) to the crossroads 2000 fund.
4. Three dollars and ten cents ($3.10) to the commission fund.
5. Any remaining amount to the motor vehicle highway account.

(h) A permanent registration under subsection (b) may be transferred under IC 9-18.1-11.

(i) A semitrailer that is registered under IC 9-18-10-2(a)(2) (before its expiration) or IC 9-18-10-2(a)(3) (before its expiration) remains valid until its expiration and is not subject to renewal under subsection (e). This subsection expires July 1, 2020.

SECTION 10. IC 9-18.1-5-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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), 10(b), and 10(e) of this chapter that are collected under the International Registration Plan.
(c) The fees collected under the International Registration Plan 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. Five percent (5%) of the total fees collected (without regard to the distribution under subdivision (1)) to the local road and bridge matching grant fund established by IC 8-23-30.

3. Any remaining amounts to the motor vehicle highway account.

Page 36, line 13, after "vehicle" insert "with a declared gross weight equal to or less than twenty-six thousand (26,000) pounds".

Page 36, line 30, delete "may accept a voucher from the department of".

Page 36, line 31, delete "state revenue showing payment of the fee for a motor vehicle" and insert "shall collect an apportioned registration fee for any motor vehicle".

Page 38, delete lines 5 through 12, begin a new paragraph and insert:

"SECTION 55. IC 36-9-42.2-2, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. As used in this chapter, "eligible entity" means a county or municipality that receives, is eligible to receive, directly or indirectly, federal funds through a metropolitan planning organization or otherwise.".

Page 38, line 17, after "with" insert "section 6(b) of".

Page 38, line 23, delete "allocated" and insert "provided".

Page 38, delete lines 37 through 41.

Page 39, line 11, delete "or to an".

Page 39, line 12, delete "MPO member".

Page 39, line 15, delete "Except for design-build projects, the following must be" and insert "Exchanged funds may be expended for any transportation purpose allowable under federal law.".

Page 39, delete lines 16 through 21.

Page 39, line 25, delete "full-time".

Page 39, line 26, delete "listed in subdivision (2)".

Page 39, line 37, delete "or an MPO member".

Page 39, line 39, delete "receive" and insert "be awarded".

Page 40, line 3, delete "or MPO".

Page 40, line 4, delete "member".

Page 40, line 4, delete "reasonable." and insert "reasonable after its selection of a consultant or consultants.".

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Page 40, line 10, delete "or MPO member".
Page 40, line 17, delete "that year." and insert "that year and notify the budget agency of the amount.".
Page 40, line 17, delete "By November 1 of each year, the department".
Page 40, delete lines 18 through 19, begin a new paragraph and insert:
"(b) After review by the budget committee and after approval by the budget director, the department shall exchange one hundred percent (100%) of the local share for state dollars.
(c) The department shall allocate the exchanged funds for the following purposes:
(1) To be distributed to eligible entities for projects under the program in accordance with federal law regarding distributions between areas within a metropolitan planning organization and areas not within a metropolitan planning organization.
(2) To be available for direct distribution to eligible entities for projects or annual services including, but not limited to, federally required bridge inspections.".
Page 40, line 20, delete "(b)" and insert "(d)".
Page 40, line 21, delete "that exceed the local share." and insert "at any time."
Page 40, line 22, delete "to exceed the local share,".
Page 40, line 23, strike "adequate" and insert "additional".
Page 40, line 23, strike "to".
Page 40, line 23, delete "allocate".
Page 40, line 24, delete "additional state funds to" and insert "for".
Page 40, line 24, delete "beyond the local share".
Page 40, line 25, delete "amount".
Page 40, delete lines 29 through 31.
Page 40, line 36, after "department" insert "or to a metropolitan planning organization".
Page 40, line 38, after "department," insert "and".
Page 40, delete lines 39 through 41.
Page 40, line 42, delete "(4)" and insert "(2)".
Page 40, line 42, delete "entity's" and insert "entity".
Page 41, line 1, delete "fiscal body".
Page 41, delete lines 4 through 5.
Page 41, delete lines 25 through 41.
Page 42, line 35, delete "awarded exchanged funds to eligible".
Page 42, line 36, delete "entities and".
Page 42, line 36, strike "exchange agreements entered into". Page 42, line 36, delete "with" and insert "awarded exchanged funds to eligible entities".
Page 42, line 37, delete "metropolitan planning organizations".
Page 43, between lines 13 and 14, begin a new paragraph and insert: "(c) IC 9-18.1-5-9, as amended by this act, applies to registrations after June 30, 2017.".
Page 43, line 14, delete "(c)" and insert "(d)".
Page 43, between lines 14 and 15, begin a new paragraph and insert: "SECTION 72. [EFFECTIVE UPON PASSAGE] (a) IC 6-6-4.1-4.5, as amended by this act, applies to the collection of the motor fuel surcharge tax imposed on the consumption of special fuel that is not an alternative fuel as follows:

(1) For special fuel received by a licensed supplier in Indiana for sale or resale in Indiana, the special fuel received after June 30, 2017.

(2) For special fuel subject to a tax precollection agreement under IC 6-6-2.5-35(j), the special fuel removed after June 30, 2017, by a licensed supplier from a terminal outside Indiana for sale for export or for export to Indiana.

(3) For special fuel imported into Indiana, other than into a terminal, the special fuel imported into Indiana after June 30, 2017, as measured by invoiced gallons received at a terminal or at a bulk plant.

(b) This SECTION expires June 30, 2018."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1002 as introduced.)

SOLIDAY

Committee Vote: yeas 8, nays 5.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1002, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, strike lines 27 through 29.
Page 3, line 30, strike "vehicle highway account".

EH 1002—LS 7350/DI 58
Page 3, line 30, strike "(IC 8-14-1)."
Page 3, strike lines 31 through 32.
Page 3, line 33, strike "road and bridge matching grant fund".
Page 3, strike lines 34 through 36.
Page 3, line 37, strike "(3) For state fiscal year 2019.".
Page 3, strike lines 38 through 39.
Page 3, line 40, strike "vehicle highway account".
Page 3, line 40, strike "(IC 8-14-1).".
Page 3, strike lines 41 through 42.
Page 4, line 1, strike "local road and bridge matching grant fund".
Page 4, strike line 2.
Page 4, delete lines 3 through 5.
Page 4, line 6, delete "(D)".
Page 4, line 7, delete "Twenty-eight and five hundred".
Page 4, delete line 8.
Page 4, line 9, delete "deposited in".
Page 4, line 9, strike "the state general fund.".
Page 4, delete lines 10 through 22.
Page 4, line 23, delete "(5)" and insert "(2)".
Page 4, line 23, delete "2021" and insert "2018".
Page 42, line 14, delete "under the" and insert "for a registration issued through an Indiana based".
Page 42, line 15, after "Plan" insert "account".
Page 42, line 36, delete "under the" and insert "for a registration issued through an Indiana based".
Page 42, line 37, after "Plan" insert "account".
Page 43, line 16, delete "Plan." and insert "Plan or through an Indiana based International Registration Plan account.".
Page 43, line 17, delete "the International Registration Plan" and insert "subsection (b)".
Page 44, line 33, delete "registration fee" and insert "transportation infrastructure improvement fee under section 2 of this chapter".
Page 44, line 34, delete "that is base registered" and insert "for which a registration fee is paid".

and when so amended that said bill do pass.

(Reference is to HB 1002 as printed January 27, 2017.)

BROWN T

Committee Vote: yeas 13, nays 9.

EH 1002—LS 7350/DI 58
HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:
   Page 12, line 30, delete "thereafter," and insert "through July 1, 2024, ".
   Page 15, line 1, delete "2018." and insert "2018 through July 1, 2024. ".
   Page 16, line 6, delete "thereafter," and insert "through July 1, 2024, ".
   Page 24, line 12, delete "thereafter," and insert "through July 1, 2024, ".

(Reference is to HB 1002 as printed February 10, 2017.)

LEHMAN

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:
   Page 37, line 14, after "." insert "If:
      (1) a waiver is granted under this subsection; and
      (2) the department, with the approval of the governor, decides
to establish toll lanes under the waiver;
the first toll lanes established on an interstate highway must be
located at least seventy-five (75) miles from an interstate highway
or bridge on which travel is subject to tolling as of July 1, 2017."

(Reference is to HB 1002 as printed February 10, 2017.)

BROWN T
Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 37, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 52. IC 8-15.5-4-1.5, AS AMENDED BY P.L.213-2015, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1.5. (a) This section applies only to a toll road project and not to a freeway project or a facility project.

(b) The authority may not issue a request for proposals for a toll road project under this article unless the authority has received a preliminary feasibility study and an economic impact study for the project from the department, conducted a public hearing, and concluded the periods for public comments and the authority's replies.

(c) The economic impact study must, at a minimum, include an analysis of the following matters with respect to the proposed project:

(1) Economic impacts on existing commercial and industrial development.
(2) Potential impacts on employment.
(3) Potential for future development near the project area, including consideration of locations for interchanges that will maximize opportunities for development.
(4) Fiscal impacts on revenues to local units of government.
(5) Demands on government services, such as public safety, public works, education, zoning and building, and local airports.

The authority shall post a copy of the economic impact study on the authority's Internet web site and shall also provide copies of the study to the governor and the legislative council (in an electronic format under IC 5-14-6).

(d) After completion of the economic impact study, the authority must conduct a public hearing on the results of the study in the county seat of the county in which the proposed project would be located. At least ten (10) days before each public hearing, the authority shall:

(1) post notice of the public hearing on the authority's Internet web site;
(2) publish notice of the public hearing one (1) time in accordance with IC 5-3-1 in two (2) newspapers of general circulation in the county; and
(3) include in the notices under subdivisions (1) and (2):
    (A) the date, time, and place of the hearing;
    (B) the subject matter of the hearing;
(C) a description of the purpose of the economic impact study;
(D) a description of the proposed project and its location; and
(E) a statement concerning the availability of the study on the
authority's Internet web site.

At the hearing, the authority shall allow the public to be heard on the
economic impact study and the proposed project.

(e) For the thirty (30) days following the public hearing on the
results of the economic impact study, the authority shall receive
comments from the public on the proposed project. The comments
may address any aspect of the proposed project.

(f) Within fifteen (15) days following the close of the public
comment period, the authority shall publish on the authority's
Internet web site the authority's replies to the public comments
submitted to the authority during the public comment period.

SECTION 53. IC 8-15.7-4-1, AS AMENDED BY P.L.163-2011,
SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 1. (a) The department may request proposals from
private entities for all or part of the development, financing, and
operation of one (1) or more projects.

(b) If all or part of the project will consist of a tollway, the
department shall take the following steps before the commencement of
the procurement process under this chapter:

(1) Except as provided by subsection (c), the department shall
cause to be prepared a preliminary feasibility study and an
economic impact study on that part of the project consisting of a
tollway by a firm or firms internationally recognized in the
preparation of studies or reports on the financial feasibility and
economic impact of proposed toll road projects. Before the
preparation of the preliminary feasibility study and the economic
impact study, the department must conduct a public hearing on
the proposed studies in the county seat of the county in which the
proposed project would be located. At least ten (10) days before
each public hearing, the authority shall:

(A) post notice of the public hearing on the department's
Internet web site;

(B) publish notice of the public hearing one (1) time in
accordance with IC 5-3-1 in two (2) newspapers of general
circulation in the county in which the proposed project would
be located; and

(C) include in the notices under clauses (A) and (B):

(i) the date, time, and place of the hearing;

(ii) the subject matter of the hearing;
(iii) a description of the purpose of the proposed preliminary feasibility study and economic impact study; and
(iv) a description of the proposed project and its location.
At the hearing, the department shall allow the public to be heard on the proposed studies and the proposed project.

(2) The preliminary feasibility study must be based upon a public-private financial and project delivery structure. The economic impact study must, at a minimum, include an analysis of the following matters with respect to the proposed project:
   (A) Economic impacts on existing commercial and industrial development.
   (B) Potential impacts on employment.
   (C) Potential for future development near the project area, including consideration of locations for interchanges that will maximize opportunities for development.
   (D) Fiscal impacts on revenues to local units of government.
   (E) Demands on government services, such as public safety, public works, education, zoning and building, and local airports.

The department shall post copies of the preliminary feasibility study and the economic impact study on the department's Internet web site and shall also provide copies of the studies to the governor and to the legislative council (in an electronic format under IC 5-14-6).

(3) After the completion of the preliminary feasibility study and the economic impact statement, the department shall schedule a public hearing on the proposed project and the studies in the county seat of the county that would be an affected jurisdiction for purposes of the proposed project. At least ten (10) days before the public hearing, the department shall:
   (A) post notice of the public hearing on the department's Internet web site;
   (B) publish notice of the hearing one (1) time in accordance with IC 5-3-1 in two (2) newspapers of general circulation in the county; and
   (C) include the following in the notices under clauses (A) and (B):
      (i) The date, time, and place of the hearing.
      (ii) The subject matter of the hearing.
      (iii) A description of the proposed project, its location, the part of the project consisting of a tollway, and, consistent with the assessments reached in the preliminary feasibility
study, the estimated total cost of the acquisition, construction, installation, equipping, and improving of the proposed project, as well as the part of the project consisting of a tollway.

(iv) The address and telephone number of the department.
(v) A statement concerning the availability of the preliminary feasibility study and the economic impact study on the department’s Internet web site.

(4) At the hearing, the department shall allow the public to be heard on the proposed project, the preliminary feasibility study, and the economic impact study.

(5) For the thirty (30) days following the public hearing on the proposed project, the department shall receive comments from the public on the proposed project. The comments may address any aspect of the proposed project.

(6) Within fifteen (15) days following the close of the public comment period, the department shall publish on the department’s Internet web site the department’s replies to the public comments submitted to the department during the public comment period.

(7) After the completion of the preliminary feasibility study and the economic impact study, the public comments received, and the department responses to the public comments to the budget committee for its review before the commencement of the procurement process under this chapter. If the preliminary feasibility study or the economic impact study submitted for review provides for any tolls, the budget committee shall hold a meeting and conduct a review of the preliminary feasibility study and the economic impact study not later than ninety (90) days after the date the preliminary feasibility study and the economic impact study are submitted for review.

(c) The following provisions apply if the department determines that a feasibility study for the Illiana Expressway that was prepared before March 15, 2010, meets the requirements of subsection (b) concerning the preparation of a preliminary feasibility study:

(1) The department is not required to prepare an additional preliminary feasibility study.
(2) The requirement under subsection (b)(1) for a public hearing before preparation of a preliminary feasibility study does not
apply. However, the requirement under subsection (b)(1) for a public hearing on the economic impact study does apply.

(3) The feasibility study prepared before March 15, 2010, is considered to be the preliminary feasibility study for purposes of subsection (b)(3) through (b)(5).

Renumber all SECTIONS consecutively.

(Reference is to HB 1002 as printed February 10, 2017.)

PIERCE

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1002, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 6-2.5-5-51 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 51. (a) As used in this section, "special fuel" has the meaning set forth in IC 6-6-2.5-22.

(b) The sale of special fuel is exempt from the state gross retail tax.

SECTION 2. IC 6-2.5-6-10, AS AMENDED BY P.L.227-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) In order to compensate retail merchants and those required to remit gasoline use tax for collecting and timely remitting the state gross retail tax, the state use tax, and the gasoline use tax, every retail merchant or person required to remit the gasoline use tax, except as provided in subsection (c), is entitled to deduct and retain from the amount of those taxes otherwise required to be remitted under IC 6-2.5-7-5; IC 6-2.5-3.5 or under this chapter, if timely remitted, a retail merchant's collection allowance.

(b) The allowance equals a percentage of the retail merchant's state gross retail and use tax or the person's gasoline use tax liability accrued during a calendar year, specified as follows:

(1) Seventy-three hundredths percent (0.73%), if the retail merchant's state gross retail and use tax or gasoline use tax liability accrued during the state fiscal year ending on June 30 of
the immediately preceding calendar year did not exceed sixty thousand dollars ($60,000).

(2) Fifty-three hundredths percent (0.53%), if the retail merchant's state gross retail and use tax or gasoline use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year:

(A) was greater than sixty thousand dollars ($60,000); and

(B) did not exceed six hundred thousand dollars ($600,000).

(3) Twenty-six hundredths percent (0.26%), if the retail merchant's state gross retail and use tax liability or the person's gasoline use tax accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year was greater than six hundred thousand dollars ($600,000).

(c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not entitled to the allowance provided by this section. A retail merchant is not entitled to the allowance provided by this section with respect to gasoline use taxes imposed by IC 6-2.5-3.5.

SECTION 3. IC 6-2.5-7-2 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 2. Except as provided in section 2.5 of this chapter, a retail merchant who uses a metered pump to dispense special fuel shall display on the pump the total price per unit of the special fuel. Subject to the provisions of section 2.5 of this chapter, a retail merchant may not advertise the special fuel at a price that is different than the price that the retail merchant is required to display on the metered pump:

SECTION 4. IC 6-2.5-7-2.5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 2.5. (a) This section does not apply to alternative fuel (as defined by IC 6-6-2.5-1) dispensed after December 31, 2013, and before January 1, 2017:

(b) A retail merchant may designate any metered pumps at a business location that dispense special fuel as being "for trucks only". To do this, a retail merchant must place on the pump a sign that states that fuel dispensed from the metered pump may only be placed in the fuel supply tanks of a truck. A sign that reads "TRUCKS ONLY" is sufficient to meet the requirements of this subsection:

(c) A retail merchant may not dispense special fuel from a metered pump that is designated for trucks only into the supply tank of a vehicle that is not a truck:

(d) A retail merchant is not required to display the total price per unit of the special fuel on a metered pump if that particular metered pump is designated for trucks only:

(e) A retail merchant may advertise special fuel at a price that does not include gross retail taxes that may be due on the sale of the special
fuel only if the retail merchant maintains a metered pump that is designated for trucks only. If a retail merchant advertises special fuel at a price that does not include any gross retail taxes that may be due on the sale of the special fuel, the retail merchant must display in easily read lettering above or below the advertised price the words "EXEMPT TRUCKS ONLY".

SECTION 5. IC 6-2.5-7-3, AS AMENDED BY P.L.227-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. With respect to the sale of special fuel or kerosene which is dispensed from a metered pump, unless the purchaser provides an exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant shall collect, for each unit of special fuel or kerosene sold, state gross retail tax in an amount equal to the product, rounded to the nearest one-tenth of one cent ($0.001), of:

1) the price per unit before the addition of state and federal taxes; multiplied by
2) seven percent (7%).

Unless the exemption certificate is provided, the retail merchant shall collect the state gross retail tax prescribed in this section even if the transaction is exempt from taxation under IC 6-2.5-5.

SECTION 6. IC 6-2.5-7-4 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 4. (a) If a sale of special fuel is exempt from the state gross retail tax, the person who pays the tax to the retail merchant may file a claim for refund with the department. The person must file the claim on the form, in the manner, and with the supporting documentation, prescribed by the department: If a person properly files a claim for refund, the department shall refund to the person the state gross retail tax collected with respect to the exempt transaction:

(b) Notwithstanding the other provisions of this section; the department may prescribe simplified procedures to make adjustments for exempt transactions.

SECTION 7. IC 6-2.5-7-5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 5. (a) Each retail merchant who dispenses special fuel from a metered pump shall, in the manner prescribed in IC 6-2.5-6, report to the department the following information:

1) The total number of gallons of special fuel sold from a metered pump during the period covered by the report;
2) The total amount of money received from the sale of special fuel during the period covered by the report;
3) That portion of the amount described in subdivision (2) that represents state and federal taxes imposed under this article;
IC 6-6-2.5; or Section 4041 or Section 4081 of the Internal Revenue Code.

(b) Concurrently with filing the report, the retail merchant shall remit the state gross retail tax in an amount which equals six and fifty-four hundredths percent (6.54\%) of the gross receipts, including state gross retail taxes but excluding Indiana and federal special fuel taxes, received by the retail merchant from the sale of the special fuel that is covered by the report and on which the retail merchant was required to collect state gross retail tax. The retail merchant shall remit that amount regardless of the amount of state gross retail tax which the merchant has actually collected under this chapter. However, the retail merchant is entitled to deduct and retain the amounts prescribed in subsection (c); IC 6-2.5-6-10, and IC 6-2.5-6-11.

(c) A retail merchant is entitled to deduct from the amount of state gross retail tax required to be remitted under subsection (b) an amount equal to:

(1) the sum of the prepayment amounts made during the period covered by the retail merchant's report; minus

(2) the sum of prepayment amounts collected by the retail merchant, in the merchant's capacity as a qualified distributor, during the period covered by the retail merchant's report.

For purposes of this section, a prepayment of the gross retail tax is presumed to occur on the date on which it is invoiced.

SECTION 8. IC 6-2.5-7-6.5 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 6.5. (a) If the deduction under section 5(c) of this chapter exceeds the amount of gross retail tax required to be remitted under section 5(b) of this chapter, the retail merchant is entitled to a credit. The credit shall be used as follows:

(1) First, the credit shall be applied against gross retail and use tax liability of the retail merchant that is required to be remitted under IC 6-2.5-6.

(2) Second, any amount remaining shall be applied against the gasoline tax liability of the retail merchant, as determined under IC 6-6-1-1, excluding any liability for gasoline delivered to a taxable marine facility.

A retail merchant may file a claim for a refund instead of taking a credit or for a refund of any excess tax payment remaining after the credits allowed by this section:

(b) A retail merchant that is entitled to a refund under this section must file a claim for the refund on the refund claim form approved by the department and must include any supporting documentation reasonably required by the department.
completed refund claim form that includes all supporting documentation; the excess tax payment that is not refunded within ninety (90) days accrues interest as provided in IC 6-8.1-9-2:

(e) Before the fifth day of each month, the department shall determine and notify the treasurer of state of the amount of credits applied during the preceding month against the gasoline tax under this section. The treasurer of state shall transfer from the general fund:

(1) to the highway, road and street fund, twenty-five percent (25%) of the amount set forth in the department's notice; and

(2) to the motor fuel tax fund of the motor vehicle highway account, seventy-five percent (75%) of the amount set forth in the department's notice.

SECTION 9. IC 6-2.5-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) Except as provided in IC 6-2.5-7, A person who:

(1) displays an advertised price, marked price, or publicly stated price that includes the state gross retail or use taxes;
(2) offers to assume or absorb part of a customer's state gross retail or use tax on a sale; or
(3) offers to refund part of a customer's state gross retail or use tax as a part of a sale;

commits a Class B infraction.

(b) A retail merchant who:

(1) uses a metered pump to dispense gasoline; or special fuel;
(2) is required to display on the pump the total price per unit of the gasoline or special fuel under IC 6-2.5-7-2; and
(3) advertises the gasoline or special fuel at a price other than that required by IC 6-2.5-7-2;

commits a Class B infraction."

Delete pages 2 through 5.
Page 6, delete lines 1 through 3.
Page 6, delete lines 19 through 42.
Page 7, delete lines 1 through 39.
Page 8, delete lines 31 through 42.
Page 9, delete lines 1 through 38.
Page 10, delete lines 34 through 42.
Delete page 11.
Page 12, delete lines 1 through 2.
Page 12, delete lines 12 through 42, begin a new paragraph and insert:

"SECTION 32. IC 6-6-1.1-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. (a) A license
tax of eighteen cents ($0.18) per gallon is imposed on the use of all gasoline used in Indiana at the applicable rate specified in subsection (b), except as otherwise provided by this chapter. The distributor shall initially pay the tax on the billed gallonage of all gasoline the distributor receives in this state, less any deductions authorized by this chapter. The distributor shall then add the per gallon amount of tax to the selling price of each gallon of gasoline sold in this state and collected from the purchaser so that the ultimate consumer bears the burden of the tax.

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

1. Before July 1, 2017, eighteen cents ($0.18).
2. For July 1, 2017, through June 30, 2018, twenty-three cents ($0.23).
3. For July 1, 2018, through June 30, 2019, twenty-eight cents ($0.28).
4. Beginning July 1, 2019, and each July 1 through July 1, 2024, the department shall determine an applicable rate equal to the product of:
   1. the rate in effect on June 30; multiplied by
   2. the factor determined under IC 6-6-1.6-2.

The rate shall be rounded to the nearest cent ($0.01). However, after June 30, 2019, 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.

SECTION 33. IC 6-6-1.1-209 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 209. (a) Persons having title to gasoline in storage and held for sale on the effective date of an increase in the license tax rate imposed under section 201 of this chapter are subject to an inventory tax based upon the gallonage in storage as of the close of the business day preceding the effective date of the increased license tax rate.

(b) Persons subject to the tax imposed under this section shall:
1. take an inventory to determine the gallonage in storage for purposes of determining the inventory tax;
2. report that gallonage on forms provided by the administrator; and
3. pay the tax due within thirty (30) days of the prescribed inventory date.

(c) The amount of the inventory tax is equal to the inventory tax rate times the gallonage in storage as determined under subsection (a). The
inventory tax rate is equal to the difference of the increased license tax rate minus the previous license tax rate.

(d) The inventory tax shall be considered a listed tax for the purposes of IC 6-8.1.

(e) Revenue collected from the inventory tax imposed under this section shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 34. IC 6-6-1.1-502, AS AMENDED BY P.L.211-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 502. (a) Except as provided in subsection (b), at the time of filing each monthly report, each distributor shall pay to the administrator the full amount of tax due under this chapter for the preceding calendar month, computed as follows:

(1) Enter the total number of invoiced gallons of gasoline received during the preceding calendar month.
(2) Subtract the number of gallons for which deductions are provided by sections 701 through 705 of this chapter from the number of gallons entered under subdivision (1).
(3) Subtract the number of gallons reported under section 501(3) of this chapter.
(4) Multiply the number of invoiced gallons remaining after making the computation in subdivisions (2) and (3) by the tax rate prescribed by section 201 of this chapter to compute that part of the gasoline tax to be deposited in the highway, road, and street fund under section 802(b)(2) of this chapter or in the motor fuel tax fund under section 802(b)(3) of this chapter.
(5) Multiply the number of gallons subtracted under subdivision (3) by the tax rate prescribed by section 201 of this chapter to compute that part of the gasoline tax to be deposited in the fish and wildlife fund under section 802(b)(1) of this chapter.

(b) If the department determines that a distributor's:

(1) estimated monthly gasoline tax liability for the current year; or

(2) average monthly gasoline tax liability for the preceding year; exceeds five thousand dollars ($5,000), the distributor shall pay the monthly gasoline taxes due by electronic fund transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.
SECTION 35. IC 6-6-1.1-801.5 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 801.5. (a) This section
applies only to the revenue collected under this chapter from the
first eighteen cents ($0.18) of the gasoline tax rate imposed under
this chapter.

(b) The administrator shall transfer one-ninth (1/9) of the taxes
that are collected under this chapter to the state highway road
construction and improvement fund.

(c) The administrator shall transfer one-eighteenth (1/18) of the
taxes that are collected under this chapter to the state highway fund.

(d) The administrator shall transfer one-eighteenth (1/18) of the
taxes that are collected under this chapter to the auditor of state for
distribution to counties, cities, and towns. The auditor of state shall
distribute the amounts transferred under this subsection to each of the
counties, cities, and towns eligible to receive a distribution from the
motor vehicle highway account under IC 8-14-1 local road and street
account under IC 8-14-2-4 and in the same proportion among the
counties, cities, and towns as funds are distributed from the motor
vehicle highway account under IC 8-14-1; local road and street
account under IC 8-14-2-4. Money distributed under this subsection
may be used only for purposes that money distributed from the motor
vehicle highway account local road and street account may be
expended under IC 8-14-1; IC 8-14-2.

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

(1) thirty percent (30%) Sixty percent (60%) to each of the
counties, cities, and towns eligible to receive a distribution from the
local road and street account under IC 8-14-2 and in the same
proportion among the counties, cities, and towns as funds are
distributed under IC 8-14-2-4.

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

(3) Forty percent (40%) to the Indiana department of
transportation.
The auditor of state shall hold all amounts of collections received under subsection (d) (e) from the administrator that are made during a particular month and shall distribute all of those amounts pursuant to subsection (d) (e) on the fifth day of the immediately succeeding month.

(f) (g) All amounts distributed under subsection (d) (e) may only be used for purposes that money distributed from the motor vehicle highway account local road and street account may be expended under IC 8-14-1. IC 8-14-2.

SECTION 36. IC 6-6-1.1-802 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 802. (a) This section applies only to the revenue collected under this chapter from the first eighteen cents ($0.18) of the gasoline tax rate imposed under this chapter.

(b) The administrator shall, after the transfer specified in section 801.5 of this chapter, deposit the remainder of the revenues collected under this chapter and described in subsection (a) in the following manner:

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

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

(3) The remainder of the revenues collected under this chapter shall be deposited in the motor fuel tax fund of the motor vehicle highway account.

SECTION 37. IC 6-6-1.1-802.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 802.5. The revenue collected under this chapter from that part of the gasoline tax rate imposed under this chapter that exceeds eighteen cents ($0.18) shall be deposited in the motor vehicle highway account established under IC 8-14-1 and used only for Indiana's roads.

Delete page 13.
Page 14, delete line 1.
Page 14, delete lines 14 through 41.
Page 14, line 42, delete "3." and insert "2."
Page 15, line 1, delete "2018" and insert "2019".
Page 15, line 6, delete "equals" and insert "equal".
Page 15, between lines 17 and 18, begin a new paragraph and insert:
"(c) The department shall continue to calculate the annual index factor after 2024 for purposes of IC 8-14-1-3(1)(B)."

Page 15, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 40. IC 6-6-2.5-28, AS AMENDED BY P.L.190-2014, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) A license tax of sixteen cents ($0.16) per:

(1) gallon;
(2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)); in the case of a special fuel that is liquid natural gas; or
(3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)); in the case of a special fuel that is compressed natural gas;

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, nineteen cents ($0.19).
(3) For July 1, 2018, through June 30, 2019, twenty-two cents ($0.22).
(4) Beginning July 1, 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 6-6-1.6-2.

The rate shall be rounded to the nearest cent ($0.01). However, after June 30, 2019, 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) (e) 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) (e) Except as provided in subsection (c); (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 subsection (a)(2) or (a)(3)) section 22.5(2) or 22.5(3) of

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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) 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.

(d) (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.

(e) (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.

(f) (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.

(g) (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.

(h) (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).

(i) (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 41. IC 6-6-2.5-29 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 29. (a) Persons having
title to special fuel in storage and held for sale on the effective date of
an increase in the license tax rate imposed under section 28 of this
chapter are subject to an inventory tax based on the gallons in storage
as of the close of the business day preceding the effective date of the
increased license tax rate.

(b) Persons subject to the tax imposed under this section shall:

(1) take an inventory to determine the gallons in storage for
purposes of determining the inventory tax;
(2) report the 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 special fuel tax due under this section,
the person may exclude the amount of special fuel that will not be
pumped out of the storage tank because the special fuel is below the
mouth of the draw pipe. For this purpose, the person may deduct two
hundred (200) gallons for a storage tank with a capacity of less than ten
thousand (10,000) gallons, and four hundred (400) gallons for a storage
tank with a capacity that exceeds ten thousand (10,000) gallons.

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

(d) The inventory tax shall be considered a listed tax for the
purposes of IC 6-8.1.

(e) Revenue collected from the inventory tax imposed under this
section shall be deposited in the motor vehicle highway account
established under IC 8-14-1."

Delete page 16.
Page 17, delete lines 1 through 22.

Page 22, between lines 12 and 13, begin a new paragraph and insert:
"SECTION 44. IC 6-6-2.5-68 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 68. (a) This section
applies only to the revenue collected under this chapter from the
first sixteen cents ($0.16) of the special fuel tax rate imposed under
this chapter.

(b) The administrator shall transfer the next twenty-five million
dollars ($25,000,000) of the taxes that are collected under this chapter
and received during a period beginning July 1 of a year and ending
June 30 of the immediately succeeding year to the auditor of state for distribution in the following manner:

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

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

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

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

(c) (d) All amounts distributed under subsection (a) may only be used for purposes that money distributed from the motor vehicle highway account and local road and street account may be expended under IC 8-14-1.

(d) (e) All revenue collected under this chapter and described in subsection (a) shall be used in the same manner as the revenue collected under IC 6-6-1.1. The administrator shall, after the transfers specified in subsection (a); (b), deposit the remainder of the revenues collected under this chapter and described in subsection (a) in the same manner that revenues are deposited under IC 6-6-1.1-802.

SECTION 45. IC 6-6-2.5-68.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 68.5. The revenue collected from that part of the special fuel tax rate imposed under this chapter that exceeds sixteen cents ($0.16) shall be deposited in the motor vehicle highway account established under IC 8-14-1."

Page 23, line 28, after ")" delete "." and insert "and on the consumption of special fuel (other than natural gas or an alternative fuel) by a person that is not a carrier at the applicable rate specified in subsection (c).".

Page 23, line 38, beginning with "Beginning" begin a new line blocked left.

Page 24, delete lines 5 through 22, begin a new paragraph and insert:

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

(1) Before July 1, 2017, eleven cents ($0.11).
(2) For July 1, 2017, through June 30, 2018, sixteen cents ($0.16).
(3) For July 1, 2018, through June 30, 2019, twenty-one cents ($0.21).
(4) Beginning July 1, 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 6-6-1.6-2.

The rate shall be rounded to the nearest cent ($0.01). However, after June 30, 2019, 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 website not later than June 1."

Page 27, delete lines 16 through 35, begin a new paragraph and insert:

"SECTION 50. IC 6-6-4.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 from the first eleven cents ($0.11) of the surcharge tax rate imposed under section 4.5 of this chapter as follows:

(1) Forty-five and one-half percent (45.5%) in the state highway fund (IC 8-23-9-54).
(2) Forty-five and one-half percent (45.5%) in the motor vehicle highway account (IC 8-14-1).
(3) Nine percent (9%) in the motor carrier regulation fund administered by the department.

(c) The department shall deposit revenue collected from that part of the surcharge tax rate imposed under section 4.5 of this chapter that exceeds eleven cents ($0.11) in the motor vehicle highway account established under IC 8-14-1.

(d) 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 53. IC 6-6-4.1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 21. A person carrier subject to the taxes imposed under sections 4 through 4.5 of this chapter 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 54. IC 6-6-4.1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 22. (a) If a person carrier:

(1) fails to file a return for taxes due under this chapter;
(2) fails to pay the full amount of tax shown on the person's return by the due date for the return or the payment; or
(3) incurs a deficiency upon a determination by the department; the person carrier is subject to interest on the nonpayment.

(b) The interest for a failure described in subsection (a) is the rate of interest calculated under the interest provisions of the International Fuel Tax Agreement entered into by the department under IC 6-8.1-3-14.

SECTION 55. IC 6-6-13-6, AS ADDED BY P.L.288-2013, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) Except as provided in section 7 of this chapter, an excise tax of ten twenty cents ($0.10) ($0.20) per gallon is imposed on the gross retail income received by a retailer on each gallon of aviation fuel purchased in Indiana. A retailer shall add the per gallon amount of tax to the selling price of each gallon of aviation fuel sold by the retailer so that the ultimate consumer bears the burden of the tax.

(b) For purposes of this chapter, the gross retail income received by the retailer from the sale of aviation fuel does not include the amount of any excise tax imposed upon the sale under federal law.

SECTION 56. IC 6-6-13-15, AS ADDED BY P.L.288-2013, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 15. The department shall transfer aviation fuel excise taxes collected under this chapter to the treasurer of state for deposit:

(1) before July 1, 2017, in the state general fund; and
(2) after June 30, 2017, as follows:

(A) Fifty percent (50%) in the state general fund.
(B) Fifty percent (50%) in the airport development grant fund established by IC 8-21-11-4.".
Page 30, delete lines 40 through 42, begin a new paragraph and insert:

"(c) The revenue collected from that part of a fee imposed under this section that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1-1.".

Delete page 31.

Page 32, delete lines 1 through 3.

Page 33, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 69. IC 8-14-1-3, AS AMENDED BY P.L.2-2014, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 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 fifteen percent (15%) thereof. 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 distribute to cities and towns the amounts determined under this subdivision. The amount that each city or town is entitled to receive under this subdivision in 2018 and in each calendar year thereafter is equal to the result of:

(A) the amount of the distribution received by the city or town under this section during the preceding calendar year; multiplied by

(B) the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for the preceding year.

The amount received by a city or town under this subdivision 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 thirty-two percent (32%) thereof; 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 shall be 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.

The amount that each county is entitled to receive under this subdivision in 2018 and in each calendar year thereafter is equal to the result of:

(A) the amount of the distribution received by the county under this section during the preceding calendar year;

multiplied by

(B) the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for the preceding 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 highway fund

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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 forty-seven percent (47%) amounts distributed to the political subdivisions of the state under subdivisions (2) and (3) 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 forty-seven percent (47%) 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.

(7) In the case of a municipality incorporated after December 31, 2017, the municipality's initial annual distribution under this section shall be determined based on the amount the municipality would have received under the distribution formula in this section as in effect June 30, 2017, increased by applying the annual index factor determined in the manner described in IC 6-6-1-6.2(b) for each year that is after 2017 and that precedes the year in which the municipality is incorporated.
SECTION 70. IC 8-14-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 11. (a) The department may create a local agency revolving fund from money appropriated under section 3(6) of this chapter 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.

(b) The revolving fund balance must be maintained through reimbursement from a local unit for money used by that unit to match federal funds.

(c) If the local unit fails to reimburse the revolving fund, the department shall notify the local unit that the department has found the outstanding accounts receivable to be uncollectible.

(d) The attorney general shall review the outstanding accounts receivable and if the attorney general agrees with the department's assessment of the account's status, the attorney general shall certify to the auditor of state that the outstanding accounts receivable is uncollectible and request a transfer of funds as provided in subsection (e).

(e) Upon receipt of a certificate as specified in subsection (d), the auditor of state shall:

(1) immediately notify the delinquent local unit of the claim; and
(2) if proof of payment is not furnished to the auditor of state within thirty (30) days after the notification, transfer an amount equal to the outstanding accounts receivable to the department from the delinquent local unit's allocations from the motor vehicle highway account for deposit in the local agency revolving fund.

(f) Transfers shall be made under subsection (e) until the unpaid amount has been paid in full under the terms of the agreement. However, the agreement may be amended if both the department and the unit agree to amortize the transfer over a period not to exceed five (5) years.

(g) Money in the fund at the end of a fiscal year does not revert to the state general fund.

Page 37, line 14, delete "shall" and insert "may, after approval by the governor,"

Page 37, delete lines 31 through 42, begin a new paragraph and insert:

"SECTION 76. IC 8-21-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The airport development grant fund and the airport development revolving loan
fund are established for the purposes of this chapter. The department shall administer the two (2) funds.

(b) The department shall pay the expenses of administering the funds.

(c) The treasurer of state shall invest the money in each fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund that earns the interest.

(d) **Money deposited in the airport development grant fund under IC 6-6-13-15(2)(B) may be used only to make matching grants to airports under section 5(a)(1) of this chapter for capital improvements.**

(d) (e) Money in a fund at the end of a state fiscal year does not revert to the state general fund.

SEC 77. IC 8-23-29-2, AS ADDED BY P.L.208-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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.”.
Delete pages 38 through 42.
Page 43, delete lines 1 through 8, begin a new paragraph and insert:
"SECTION 78. IC 8-23-9-54, AS AMENDED BY P.L.47-2006, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 54. (a) To provide funds for carrying out the provisions of this chapter, there is created a state highway fund from the following sources:
(1) All money in the general fund to the credit of the state highway account.
(2) All money that is received from the Department of Transportation or other federal agency and known as federal aid.
(3) All money paid into the state treasury to reimburse the state for money paid out of the state highway fund.
(4) All money provided by Indiana law for the construction, maintenance, reconstruction, repair, and control of public highways, as provided under this chapter.
(5) All money that on May 22, 1933, was to be paid into the state highway fund under contemplation of any statute in force as of May 22, 1933.
(6) All money that may at any time be appropriated from the state treasury.
(7) Any part of the state highway fund unexpended at the expiration of any fiscal year, which shall remain in the fund and be available for the succeeding years.
(8) Any money credited to the state highway fund from the motor vehicle highway account under IC 8-14-1-2(4). IC 8-14-1-3(3).
(9) Any money credited to the state highway fund from the highway road and street fund under IC 8-14-2-3.
(10) Any money credited to the state highway fund under IC 6-6-1.1-801.5, IC 6-6-4.1-5, or IC 8-16-1-17.1.
(11) Any money distributed to the state highway fund under IC 8-14-14, IC 8-15.5, or IC 8-15.7.
(b) All expenses incurred in carrying out this chapter shall be paid out of the state highway fund.”.

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Page 43, delete lines 28 through 33.
Page 44, line 40, delete "315" and insert "450".
Page 44, line 41, delete "529" and insert "756".
Page 44, line 42, delete "756" and insert "1,080".
Page 45, line 1, delete "1,008" and insert "1,440".
Page 45, line 2, delete "1,423" and insert "2,034".
Page 45, line 6, delete "A" and insert "The revenue collected from a".
Page 45, line 7, after "(b)" insert "and that results from the part of the fee that is equal to the amount of the fee in effect on June 30, 2017,"
Page 45, delete lines 23 through 28.
Page 45, line 29, reset in roman "(8)".
Page 45, line 29, delete "(9)".
Page 45, between lines 30 and 31, begin a new paragraph and insert: "(d) The revenue collected from a fee described in subsection (a) that is not required to be distributed under subsection (b) and that results from the part of the fee that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1.".
Page 45, line 31, delete "(d)" and insert "(e)".
Page 47, delete lines 8 through 9, begin a new paragraph and insert: "(c) The revenue that is from the fees collected under subsection (b) during each state fiscal year and that results from the part of a fee that is equal to the amount of the fee in effect on June 30, 2017, shall be distributed as follows:"
Page 47, delete lines 12 through 15.
Page 47, line 16, delete "(3)" and insert "(2)".
Page 47, between lines 17 and 18, begin a new paragraph and insert: "(d) The revenue that is from the fees collected under subsection (b) during each state fiscal year and that results from the part of a fee that exceeds the amount of the fee in effect on June 30, 2017, shall be deposited in the motor vehicle highway account established under IC 8-14-1.".
Page 47, line 22, after "vehicle" insert "and hybrid vehicle".
Page 47, between lines 29 and 30, begin a new paragraph and insert: "(c) As used in this section, "hybrid vehicle" means a vehicle that:

(1) draws propulsion energy from both an internal combustion engine and an energy storage device; and
(2) employs a regenerative braking system to recover waste energy to charge the energy storage device that is providing propulsion energy."

Page 47, line 30, delete "(c)" and insert "(d)"

Page 47, line 38, delete "IC 6-6-1.6-3." and insert "IC 6-6-1.6-2.".

Page 47, between lines 39 and 40, begin a new paragraph and insert:
"(e) In addition to any other fee required to register a hybrid vehicle under this chapter, the supplemental fee to register a hybrid vehicle is seventy-five dollars ($75) through December 31, 2022. Before October 1, 2022, and before each October 1 of every fifth year thereafter, the bureau shall determine a new fee amount to take effect as of January 1 of the following year by determining the product of:

1. the fee in effect for the determination year; multiplied by
2. the factor determined under IC 6-6-1.6-2.

The fee shall be rounded to the nearest dollar.".

Page 47, line 40, delete "(d)" and insert "(f)"

Page 47, line 40, delete "local road and bridge" and insert "motor vehicle highway account established under IC 8-14-1.".

Page 47, delete line 41.

Page 48, delete lines 6 through 10, begin a new paragraph and insert:
"Sec. 2. (a) The following shall pay an annual transportation infrastructure improvement fee:

1. The owner of a motor vehicle with a declared gross weight equal to or less than twenty-six thousand (26,000) pounds that is registered in Indiana.
2. The owner of a commercial motor vehicle with a declared gross weight greater than twenty-six thousand (26,000) pounds that is registered in Indiana.

(b) The amount of the annual fee is:

1. fifteen dollars ($15), in the case of a motor vehicle with a declared gross weight equal to or less than twenty-six thousand (26,000) pounds; and
2. one hundred dollars ($100), in the case of a commercial motor vehicle with a declared gross weight greater than twenty-six thousand (26,000) pounds.".

Page 48, line 13, delete "in the" and insert "as follows:

1. Fees described in subsection (b)(1) shall be deposited in the local road and bridge matching grant fund established under IC 8-23-30."
(2) Fees described in subsection (b)(2) shall be deposited in the motor vehicle highway account established under IC 8-14-1.”.

Page 48, delete lines 14 through 15.
Page 49, delete lines 9 through 40, begin a new paragraph and insert:

"SECTION 87. IC 13-20-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) A fee of five dollars and twenty-five cents ($5.25) is imposed on the sale of the following:

(1) Each new tire that is sold at retail.
(2) Each new tire mounted on a new vehicle sold at retail.
(b) The person that sells the new tire or vehicle at retail to the ultimate consumer of the tire or vehicle shall collect the fee imposed by this section.
(c) A person that collects a fee under subsection (b):
(1) shall pay the fees collected under subsection (b):
(A) to the department of state revenue; and
(B) at the same time and in the same manner that the person pays the state gross retail tax collected by the person to the department of state revenue;
(2) shall indicate on the return:
(A) prescribed by the department of state revenue; and
(B) used for the payment of state gross retail taxes;
that the person is also paying fees collected under subsection (b); and
(3) is entitled to deduct and retain one percent (1%) of the fees required to be paid to the department of state revenue under this subsection.
(d) The department of state revenue shall deposit fees collected under this section as follows:
(1) Twenty-five cents ($0.25) from each fee collected shall be deposited in the waste tire management fund established by this chapter.
(2) Five dollars ($5) from each fee collected shall be deposited in the motor vehicle highway account established under IC 8-14-1.

SECTION 88. IC 13-20-13-8, AS AMENDED BY P.L.37-2012, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) Except as provided in subsection (d)(2), (d)(3), (d)(6), and (d)(7), the waste tire management fund is established for the following purposes:
(1) The department may use not more than thirty-five percent (35%) of the money deposited in the fund each year for:
   (A) the removal and disposal of waste tires from sites where the waste tires have been disposed of improperly; and
   (B) operating the waste tire education program under section 15 of this chapter.

(2) The department may use the remaining money deposited in the fund each year to:
   (A) provide grants and loans under section 9(b) of this chapter to entities involved in waste tire management activities; and
   (B) pay the expenses of administering the programs described in:
      (i) subdivision (1)(B); and
      (ii) clause (A).

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(d) Sources of money for the fund are the following:
   (1) Fees paid under section 4(a)(6) of this chapter and IC 13-20-14-5(c).
   (2) Fees collected under section 7 deposited under section 7(d)(1) of this chapter. All money deposited in the fund under this subdivision may be used by the department for waste reduction, recycling, removal, or remediation projects.
   (3) Costs and damages recovered from a person or other entity under section 14 of this chapter or IC 13-20-14-8. All money deposited in the fund under this subdivision may be used by the department for removal and remediation projects.
   (4) Fees established by the general assembly for the purposes of this chapter.
   (5) Appropriations made by the general assembly.
   (6) Gifts and donations intended for deposit in the fund. A gift or donation deposited in the fund under this subdivision may be specified to be entirely for the use of the department.
   (7) Civil penalties collected under IC 13-30-4 for violations of:
      (A) this chapter;
      (B) IC 13-20-14; and
      (C) rules adopted under section 11 of this chapter and IC 13-20-14-6.

All money deposited in the fund under this subdivision may be used by the department for eligible projects.".
Page 50, line 2, strike "a county or municipality that".  
Page 50, line 2, delete "is" and insert "any entity".  
Page 50, line 3, after "through" insert "the state or".  
Page 51, line 13, after "source" delete "." and insert ", except as provided by federal law.".  
Page 51, line 20, after "awarded" insert "additional".  
Page 51, delete line 21.  
Page 51, line 22, after "funds" insert "as considered necessary".  
Page 52, line 1, delete "shall" and insert "may".  
Page 52, line 1, after "exchange" insert "up to".  
Page 52, line 27, after "project" insert ":  
(A) is eligible under federal law; or  
(B)".  
Page 52, line 30, after "(20%)" insert ", or a match consistent with federal law,".  

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1002 as reprinted February 15, 2017.)  

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 2.