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
preceeding 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;
2. multiplied by
3. 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. 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;
commit 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:
(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 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(2) 802(b)(2) of this chapter or in the motor fuel tax fund under section 802(3) 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(4) 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 8-14-2.

(d) (e) After the transfers required by subsections (a) (b) through
(e); (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) (2) Forty percent (40%) to the Indiana department of
transportation.

(e) (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.

(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.

(b) (c) 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 (e); (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)) 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.

(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.

(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.

(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.

(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.

(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).

(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.

(a) (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.

(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) (b) on the fifth day of the immediately succeeding month.

(e) (d) All amounts distributed under subsection (a) (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.

(e) (c) 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 "(c)" 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:
"(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.".

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).

Page 29, delete lines 19 through 42, begin a new paragraph and insert:

"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 cents ($0.10) or twenty cents ($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 1 through 8.
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.".

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 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.
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.

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.

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(7) 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.

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

SECTION 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 gasoline tax imposed under IC 6-6-1.1.
      (ii) The special fuel tax imposed under IC 6-6-2.5.
      (iii) 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 8-14-1-3(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.".
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:"

CR100203/DI 73 2017
(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
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 ($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 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(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.

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

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 2.

Hershman Chairperson