
SENATE BILL No. 439

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6-11-29; IC 8-14-1; IC 9-15-2-1; IC 9-16-1-5; IC 9-29.

Synopsis: Bureau of motor vehicles license branch fund. Abolishes the state license branch fund. Requires the collections from motor vehicle transaction service charges and from certain boat excise tax collections to be deposited in the motor vehicle highway account. Requires the funds in the motor vehicle highway fund to be used to pay the expenses incurred in administering license branches. Requires the funds that remain in the state license branch fund on December 31, 2001, to be transferred to the motor vehicle highway account.

Effective: January 1, 2002.

Merritt

January 18, 2001, read first time and referred to Committee on Finance.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

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SENATE BILL No. 439



A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

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

1 SECTION 1. IC 6-6-11-29 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 29. (a) The
3 auditor of state shall transfer the department of natural resources fee,
4 the lake and river enhancement fee, the delinquent excise taxes, and the
5 delinquent fees collected under this chapter during the preceding
6 month as follows:

7 (1) On or before the eleventh day of each month, the auditor of
8 state shall transfer to the ~~state license branch fund~~ **motor vehicle**
9 **highway account** an amount equal to five percent (5%) of each
10 excise tax transaction completed by the bureau. The money is to
11 be used to cover the expenses incurred by the bureau of motor
12 vehicles and the license branches for returns, decals, collecting
13 the fees and excise taxes and to cover any service charges by the
14 commission under IC 9-29-3. An additional charge may not be
15 imposed for the services of the license branches under this
16 chapter.

17 (2) At least quarterly, the auditor of state shall set aside for the



1 department of natural resources the fees and the delinquent fees
2 collected under this chapter to use as provided in section 35 of
3 this chapter.

4 (3) On or before the tenth day of each month, the auditor of state
5 shall distribute to each county the excise tax collections, including
6 delinquent tax collections, for the county for the preceding month.
7 The auditor shall include a report with each distribution showing
8 the information necessary for the county auditor to allocate the
9 revenue among the taxing units of the county.

10 (4) The auditor of state shall deposit the revenue from the lake
11 and river enhancement fee imposed by section 12(b) of this
12 chapter in the lake and river enhancement fund established by
13 section 12.5 of this chapter.

14 (b) Money credited to each county's account in the state general
15 fund is appropriated to make the distributions and the transfers required
16 by subsection (a). The distributions shall be made upon warrants drawn
17 from the state general fund.

18 SECTION 2. IC 8-14-1-1 IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JANUARY 1, 2002]: Sec. 1. As used in this chapter:

20 (1) "Motor vehicle highway account" means the account of the
21 general fund of the state known as the "motor vehicle highway
22 account" to which is credited collections from motor vehicle
23 **service charges**, registration fees, licenses, driver's and
24 chauffeur's license fees, gasoline taxes, auto transfer fees,
25 certificate of title fees, weight taxes or excise taxes and all other
26 similar special taxes, duties or excises of all kinds on motor
27 vehicles, trailers, motor vehicle fuel or motor vehicle owners or
28 operators, **and from boat excise tax collections under**
29 **IC 6-6-11-29.**

30 (2) The term "department" refers to the Indiana department of
31 transportation.

32 (3) The term "highways" includes roadway, rights of way, bridges,
33 drainage structures, signs, guard rails, protective structures in
34 connection with highways, drains, culverts, and bridges and the
35 substructure and superstructure of bridges and approaches thereto
36 and streets and alleys of cities or towns.

37 (4) The term "construction" means the planning, supervising,
38 inspecting, actual building, draining, and all expenses incidental
39 to the construction of a highway.

40 (5) The term "reconstruction" means a widening or a rebuilding
41 of the highway or any portion thereof.

42 (6) The term "maintenance" when used in reference to cities,

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1 towns and counties as applied to that part of the highway other
 2 than bridges, means the constant making of needed repairs, to
 3 preserve a smooth surfaced highway, adequately drained, marked
 4 and guarded by protective structures for public safety and, as to
 5 bridges, means the constant making of needed repairs to preserve
 6 a smooth surfaced highway thereon and the safety and
 7 preservation of the bridge and its approaches, together with the
 8 substructure and superstructure thereof; and such term also means
 9 and includes the acquisition and use, in any manner, of all needed
 10 equipment, fuel, materials and supplies essential and incident
 11 thereto.

12 (7) The term "vehicle registration" means the number of vehicles
 13 subject to registration under IC 9-18 which are registered
 14 thereunder, and, when used with respect to the state, shall mean
 15 the number of vehicles registered in the state and when used in
 16 respect to a county, city, or town shall mean the number of
 17 vehicles registered by owners resident in the county, city, or town.

18 SECTION 3. IC 8-14-1-2 IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 2002]: Sec. 2. It is hereby declared to be
 20 the policy of the state of Indiana that:

21 (1) the net amount in the motor vehicle highway account shall be
 22 budgeted for:

23 **(A) paying the expenses incurred in administering all**
 24 **license branches in the state under IC 9-16;**

25 **(B) after the expenses under clause (A) have been paid,**
 26 programs of traffic safety; and

27 **(C) after the expenses under clause (A) have been paid,** for
 28 the construction, reconstruction, improvement, maintenance,
 29 and policing of the highways of the state;

30 (2) **after the expenses in subdivision (1)(A) have been paid,** a
 31 fair distribution thereof shall be made between the department
 32 and subordinate political subdivisions having jurisdiction of
 33 highways of the state;

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

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

40 SECTION 4. IC 8-14-1-3 IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2002]: Sec. 3. The money collected for the
 42 motor vehicle highway account fund ~~and~~ remaining after **paying the**

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1 **expenses incurred in administering all license branches in the state**
2 **under IC 9-16**, refunds and the payment of all expenses incurred in the
3 collection thereof, and after the deduction of the amount appropriated
4 to the department for traffic safety and after the deduction of one-half
5 (1/2) of the amount appropriated for the state police department, shall
6 be allocated to and distributed among the department and subdivisions
7 designated as follows:

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

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

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1 Such reduced distributions shall begin with the distribution
2 January 1 of each year.

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

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

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

13 (C) Thirty percent (30%) of the amount allocated to the
14 counties to be divided on the basis of the ratio of the motor
15 vehicle registrations of each county to the total motor vehicle
16 registration of the state.

17 All money so distributed to the several counties of the state shall
18 constitute a special road fund for each of the respective counties
19 and shall be under the exclusive supervision and direction of the
20 board of county commissioners in the construction,
21 reconstruction, maintenance, or repair of the county highways or
22 bridges on such county highways within such county.

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

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

28 (6) Notwithstanding any other provisions of this section, money
29 in the motor vehicle highway account fund may be appropriated
30 to the Indiana department of transportation from the forty-seven
31 percent (47%) distributed to the political subdivisions of the state
32 to pay the costs incurred by the department in providing services
33 to those subdivisions.

34 (7) Notwithstanding any other provisions of this section or of
35 IC 8-14-8, for the purpose of maintaining a sufficient working
36 balance in accounts established primarily to facilitate the
37 matching of federal and local money for highway projects, money
38 may be appropriated to the Indiana department of transportation
39 as follows:

40 (A) One-half (1/2) from the forty-seven percent (47%) set
41 aside under subdivisions (1) and (2) for counties and for those
42 cities and towns with a population greater than five thousand

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(5,000).
(B) One-half (1/2) from the distressed road fund under IC 8-14-8.

SECTION 5. IC 8-14-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. The funds allocated to the respective counties of the state from the motor vehicle highway account, **after the payment of the expenses incurred in administering all license branches in the state under IC 9-16**, shall annually be budgeted as provided by law, and, when distributed shall be used for construction, reconstruction and maintenance of the highways of the respective counties, including highways which traverse the streets of incorporated towns, the cost of the repair and maintenance of which prior to the tenth day of September, 1932, was paid from the county gravel road repair fund excepting where the department is charged by law with the maintenance or construction of any such highway so traversing such streets. Any surplus existing in the funds at the end of the year shall thereafter continue as a part of the highway funds of the said counties and shall be rebudgeted and used as already provided in this chapter. The purchase, rental and repair of highway equipment, painting of bridges and acquisition of grounds for erection and construction of storage buildings, acquisition of rights of way and the purchase of fuel oil, and supplies necessary to the performance of construction, reconstruction and maintenance of highways, shall be paid out of the highway account of the various counties.

SECTION 6. IC 9-15-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. The commission shall do the following:

- (1) Develop and continuously update the bureau's policies.
- (2) Recommend to the governor legislation that is needed to implement the policies developed by the commission.
- (3) Recommend to the bureau proposed rules that are needed to implement the policies developed by the commission and require those proposed rules to be adopted under IC 4-22-2.
- (4) Review, revise, adopt, and submit to the budget agency budget proposals for the commission, the bureau, and the license branches operated under IC 9-16, including the budget required by IC 9-16-3-3.
- (5) Establish the determination criteria and determine the number and location of license branches to be operated under IC 9-16. However, there must be at least one (1) full service license branch in each county.

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1 (6) Establish and adopt minimum standards for the operation and
 2 maintenance of each full service license branch operated under
 3 IC 9-16.

4 (7) Before January 1, 1997, establish and adopt minimum
 5 standards for the operation and maintenance of each partial
 6 service contractor under IC 9-16. The standards must result in
 7 more convenience to the public by providing license branch
 8 services at as many walk-up locations as possible without
 9 increasing the costs of providing these services.

10 (8) Before March 1, 1997, establish and adopt minimum
 11 standards for providing license branch services using telephonic,
 12 facsimile, electronic, or computer means under IC 9-16.

13 ~~(9) Administer the state license branch fund established under~~
 14 ~~IC 9-29-14.~~

15 SECTION 7. IC 9-16-1-5 IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2002]: Sec. 5. Each license branch shall
 17 collect the service charges prescribed by IC 9-29-3 and deposited in the
 18 ~~state license branch fund~~ **motor vehicle highway account** established
 19 under ~~IC 9-29-14~~. **IC 8-14-1.**

20 SECTION 8. IC 9-29-3-23 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 23. The service
 22 charges collected under this chapter shall be deposited in the ~~state~~
 23 ~~license branch fund~~ **motor vehicle highway account** established under
 24 ~~IC 9-29-14~~. **IC 8-14-1.**

25 SECTION 9. IC 9-29-5-38 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 38. (a) Except as
 27 provided in subsection (c), vehicles registered under IC 9-18-25 are
 28 subject to the following:

- 29 (1) An appropriate annual registration fee.
 30 (2) An annual supplemental fee of ten dollars (\$10).
 31 (3) Any other fee or tax required of a person registering a vehicle
 32 under this title.

33 (b) The bureau shall distribute all money collected under the annual
 34 supplemental fee under subsection (a)(2) as follows:

- 35 (1) Five dollars (\$5) from each registration is appropriated to the
 36 bureau of motor vehicles for the purpose of administering
 37 IC 9-18-25.
 38 (2) Five dollars (\$5) from each registration shall be deposited in
 39 the ~~state license branch fund~~ **motor vehicle highway account**
 40 under ~~IC 9-29-14~~. **IC 8-14-1.**

41 (c) A vehicle registered under IC 9-18-25 that is owned by a former
 42 prisoner of war or by the prisoner's surviving spouse is exempt from the

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1 annual registration fee and the annual supplemental fee.
2 SECTION 10. IC 9-29-14 IS REPEALED [EFFECTIVE JANUARY
3 1, 2002].
4 SECTION 11. [EFFECTIVE JANUARY 1, 2002] (a) **The funds**
5 **that remain in the state license branch fund under IC 9-29-14 on**
6 **December 31, 2001, shall be transferred to and deposited in the**
7 **motor vehicle highway account under IC 8-14-1.**
8 (b) **This SECTION expires December 31, 2002.**

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