

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 2008 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 1-1-3.5-5, AS AMENDED BY P.L.204-2001,
- 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JANUARY 1, 2004]: Sec. 5. (a) The governor shall forward a copy of
- 6 the executive order issued under section 3 of this chapter to:
- 7 (1) the director of the Indiana state library;
- 8 (2) the election division; and
- 9 (3) the Indiana Register.
- 10 (b) The director of the Indiana state library, or an employee of the
- 11 Indiana state library designated by the director to supervise a state data
- 12 center established under IC 4-23-7.1, shall notify each state agency
- 13 using population counts as a basis for the distribution of funds or
- 14 services of the effective date of the tabulation of population or
- 15 corrected population count.
- 16 (c) The agencies that the director of the Indiana state library must
- 17 notify under subsection (b) include the following:
- 18 (1) The auditor of state, for distribution of money from the
- 19 following:
- 20 (A) The cigarette tax fund in accordance with IC 6-7-1-30.1.
- 21 (B) Excise tax revenue allocated under IC 7.1-4-7-8.
- 22 ~~(C) The local road and street account in accordance with~~
- 23 ~~IC 8-14-2-4.~~
- 24 ~~(D)~~ (C) The repayment of loans from the Indiana University

- 1 permanent endowment funds under IC 21-7-4.
- 2 (2) The board of trustees of Ivy Tech State College, for the board's
- 3 division of Indiana into service regions under IC 20-12-61-9.
- 4 (3) The department of commerce, for the distribution of money
- 5 from the following:
- 6 (A) The rural development fund under IC 4-4-9.
- 7 (B) The growth investment program fund under IC 4-4-20.
- 8 (4) The division of disability, aging, and rehabilitative services,
- 9 for establishing priorities for community residential facilities
- 10 under IC 12-11-1.1 and IC 12-28-4-12.
- 11 (5) The department of state revenue, for distribution of money
- 12 from the motor vehicle highway account fund under IC 8-14-1-3.
- 13 (6) The enterprise zone board, for the evaluation of enterprise
- 14 zone applications under IC 4-4-6.1.
- 15 (7) The alcohol and tobacco commission, for the issuance of
- 16 permits under IC 7.1.
- 17 (8) The Indiana library and historical board, for distribution of
- 18 money to eligible public library districts under IC 4-23-7.1-29.
- 19 (9) The state board of accounts, for calculating the state share of
- 20 salaries paid under IC 33-13-12, IC 33-14-7, and IC 33-15-26.".
- 21 Page 50, between lines 16 and 17, begin a new paragraph and insert:
- 22 "SECTION 29. IC 6-1.1-18-5, AS AMENDED BY P.L.90-2002,
- 23 SECTION 161, IS AMENDED TO READ AS FOLLOWS
- 24 [EFFECTIVE JANUARY 1, 2004]: Sec. 5. (a) If the proper officers of
- 25 a political subdivision desire to appropriate more money for a
- 26 particular year than the amount prescribed in the budget for that year
- 27 as finally determined under this article, they shall give notice of their
- 28 proposed additional appropriation. The notice shall state the time and
- 29 place at which a public hearing will be held on the proposal. The notice
- 30 shall be given once in accordance with IC 5-3-1-2(b).
- 31 (b) If the additional appropriation by the political subdivision is
- 32 made from a fund that receives:
- 33 (1) distributions from the motor vehicle highway account
- 34 established under IC 8-14-1-1; ~~or the local road and street account~~
- 35 ~~established under IC 8-14-2-4;~~ or
- 36 (2) revenue from property taxes levied under IC 6-1.1;
- 37 the political subdivision must report the additional appropriation to the
- 38 department of local government finance. If the additional appropriation
- 39 is made from a fund described under this subsection, subsections (f),
- 40 (g), (h), and (i) apply to the political subdivision.
- 41 (c) However, if the additional appropriation is not made from a fund
- 42 described under subsection (b), subsections (f), (g), (h), and (i) do not
- 43 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
- 44 not apply to an additional appropriation made from the cumulative
- 45 bridge fund if the appropriation meets the requirements under
- 46 IC 8-16-3-3(c).

1 (d) A political subdivision may make an additional appropriation
 2 without approval of the department of local government finance if the
 3 additional appropriation is made from a fund that is not described
 4 under subsection (b). However, the fiscal officer of the political
 5 subdivision shall report the additional appropriation to the department
 6 of local government finance.

7 (e) After the public hearing, the proper officers of the political
 8 subdivision shall file a certified copy of their final proposal and any
 9 other relevant information to the department of local government
 10 finance.

11 (f) When the department of local government finance receives a
 12 certified copy of a proposal for an additional appropriation under
 13 subsection (e), the department shall determine whether sufficient funds
 14 are available or will be available for the proposal. The determination
 15 shall be made in writing and sent to the political subdivision not more
 16 than fifteen (15) days after the department of local government finance
 17 receives the proposal.

18 (g) In making the determination under subsection (f), the
 19 department of local government finance shall limit the amount of the
 20 additional appropriation to revenues available, or to be made available,
 21 which have not been previously appropriated.

22 (h) If the department of local government finance disapproves an
 23 additional appropriation under subsection (f), the department shall
 24 specify the reason for its disapproval on the determination sent to the
 25 political subdivision.

26 (i) A political subdivision may request a reconsideration of a
 27 determination of the department of local government finance under this
 28 section by filing a written request for reconsideration. A request for
 29 reconsideration must:

- 30 (1) be filed with the department of local government finance
 31 within fifteen (15) days of the receipt of the determination by the
 32 political subdivision; and
- 33 (2) state with reasonable specificity the reason for the request.

34 The department of local government finance must act on a request for
 35 reconsideration within fifteen (15) days of receiving the request."

36 Page 52, between lines 20 and 21, begin a new paragraph and insert:
 37 "SECTION 31. IC 6-6-1.1-103 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 103. As used in
 39 this chapter:

- 40 (a) "Administrator" means the administrative head of the
 41 department of state revenue or the administrator's designee.
- 42 (b) "Dealer" means a person, except a distributor, engaged in the
 43 business of selling gasoline in Indiana.
- 44 (c) "Department" means the department of state revenue.
- 45 (d) "Distributor" means a person who first receives gasoline in
 46 Indiana. However, "distributor" does not include the United States

- 1 or any of its agencies unless their inclusion is permitted under the
 2 Constitution and laws of the United States.
- 3 (e) "Licensed distributor" means a person holding a valid
 4 distributor's license issued by the administrator.
- 5 (f) "Marine facility" means a marina or boat livery.
- 6 (g) "Gasoline" means:
- 7 (1) all products commonly or commercially known or sold as
 8 gasoline, including casinghead and absorption or natural
 9 gasoline, regardless of their classifications or uses; and
 10 (2) any liquid, which when subjected to distillation of
 11 gasoline, naphtha, kerosene, and similar petroleum products
 12 with American Society for Testing Materials Designation
 13 D-86, shows not less than ten percent (10%) distilled
 14 (recovered) below three hundred forty-seven degrees
 15 Fahrenheit (347 degrees F) or one hundred seventy-five
 16 degrees Centigrade (175 degrees C), and not less than
 17 ninety-five percent (95%) distilled (recovered) below four
 18 hundred sixty-four degrees Fahrenheit (464 degrees F) or two
 19 hundred forty degrees Centigrade (240 degrees C).
- 20 However, the term "gasoline" does not include liquefied gases
 21 which would not exist as liquids at a temperature of sixty degrees
 22 Fahrenheit (60 degrees F) or sixteen degrees Centigrade (16
 23 degrees C), and a pressure of fourteen and seven-tenths (14.7)
 24 pounds per square inch absolute, or denatured, wood, or ethyl
 25 alcohol, ether, turpentine, or acetates, unless such product is used
 26 as an additive in the manufacture, compounding, or blending of
 27 a liquid within subdivision (2), in which event only the quantity
 28 so used is considered gasoline. In addition, "gasoline" does not
 29 include those liquids which meet the specifications of subdivision
 30 (2) but which are especially designated for use other than as a fuel
 31 for internal combustion engines.
- 32 (h) "Motor vehicle" means a vehicle, except a vehicle operated on
 33 rails, which is propelled by an internal combustion engine or
 34 motor and is designed to permit its mobile use on public
 35 highways.
- 36 (i) "Person" means a natural person, partnership, firm,
 37 association, corporation, limited liability company, representative
 38 appointed by a court, or the state or its political subdivisions.
- 39 (j) "Public highway" means the entire width between boundary
 40 lines of every publicly maintained way in Indiana including
 41 streets and alleys in cities and towns when any part of the way is
 42 open to public use for vehicle travel.
- 43 (k) "Taxable marine facility" means a marine facility located on
 44 an Indiana lake.
- 45 (l) "Taxicab" means a motor vehicle which is:
- 46 (1) designed to carry not more than seven (7) individuals,

- 1 including the driver;
 2 (2) held out to the public for hire at a fare regulated by
 3 municipal ordinance and based upon length of trips or time
 4 consumed;
 5 (3) not operated over a definite route; and
 6 (4) a part of a commercial enterprise in the business of
 7 providing taxicab service.
- 8 (m) "Terminal" means a marine or pipeline gasoline facility.
 9 (n) "Metered pump" means a stationary pump having a meter that
 10 is capable of measuring the amount of gasoline dispensed through
 11 it.
 12 (o) "Billed gallons" means the gallons indicated on an invoice for
 13 payment to a supplier.
 14 (p) "Export" for gasoline and fuels taxed in the same manner as
 15 gasoline under the origin state's statutes means the sale for export
 16 and delivery out of a state by or for the seller that is:
 17 (1) an export by the seller in the origin state; and
 18 (2) an import by the seller in the destination state.
 19 (q) "Import" for gasoline and fuels taxed in the same manner as
 20 gasoline under the origin state's statutes means the purchase for
 21 export and transportation out of a state by or for the purchaser that
 22 is:
 23 (1) an export by the purchaser in the origin state; and
 24 (2) an import by the purchaser in the destination state.
 25 (r) "Rack" means a dock, platform, or open bay:
 26 (1) located at a refinery or terminal; and
 27 (2) having a system of metered pipes and hoses to load fuel
 28 into a tank wagon or tank transport.
 29 (s) "Eligible unit" means a:
 30 (1) **county that has adopted the county motor vehicle excise**
 31 **surtax (IC 6-3.5-4) and the county wheel tax (IC 6-3.5-5);**
 32 **or**
 33 **(2) city or town located in a county that has adopted the**
 34 **county motor vehicle excise surtax (IC 6-3.5-4) and the**
 35 **county wheel tax (IC 6-3.5-5).**
- 36 SECTION 32. IC 6-6-1.1-201, AS AMENDED BY
 37 P.L.192-2002(ss), SECTION 132, IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 201. (a) **Before**
 39 **January 1, 2004**, a license tax of eighteen cents (\$0.18) per gallon is
 40 imposed on the use of all gasoline used in Indiana, except as otherwise
 41 provided by this chapter.
 42 (b) **After December 31, 2003, and before January 1, 2005, a**
 43 **cents per mile license tax of one and seventeen hundredths cents**
 44 **(\$0.0117) is imposed on the use of all gasoline used in Indiana,**
 45 **except as otherwise provided by this chapter. The cents per mile**
 46 **license tax is converted annually to a per gallon rate as provided in**

1 **section 201.2 of this chapter.**

2 (c) **After December 31, 2004, a cents per mile license tax of one**
 3 **and twenty-nine hundredths cents (\$0.0129) is imposed on the use**
 4 **of all gasoline used in Indiana, except as otherwise provided by this**
 5 **chapter. The cents per mile license tax is converted annually to a**
 6 **per gallon rate as provided in section 201.2 of this chapter.**

7 (d) **The distributor shall initially pay the tax on the billed gallonage**
 8 **of all gasoline the distributor receives in this state, less any deductions**
 9 **authorized by this chapter. The distributor shall then add the per gallon**
 10 **amount of tax to the selling price of each gallon of gasoline sold in this**
 11 **state and collected from the purchaser so that the ultimate consumer**
 12 **bears the burden of the tax.**

13 **SECTION 33. IC 6-6-1.1-201.2 IS ADDED TO THE INDIANA**
 14 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 15 **[EFFECTIVE JULY 1, 2003]: Sec. 201.2. (a) As used in this section,**
 16 **"motor fuel" has the meaning set forth in IC 6-6-4.1-1(g).**

17 (b) **As used in this section, "CPI" refers to the United States**
 18 **Bureau of Labor Statistics Consumer Price Index, all items, all**
 19 **urban consumers, or its successor index.**

20 (c) **The per gallon conversion of the cents per mile license tax**
 21 **imposed under section 201 of this chapter is the amount**
 22 **determined in STEP SEVEN of the following formula, rounded to**
 23 **the nearest one-tenth cent (\$0.001):**

24 **STEP ONE: Divide:**

25 (A) **the Indiana motor vehicle miles of travel (VMT) for**
 26 **the calendar year immediately preceding the calendar year**
 27 **in which the new per gallon conversion rate must be**
 28 **published under subsection (d), as reported by the United**
 29 **States Federal Highway Administration; by**

30 (B) **the certified taxable gallons of motor fuel for the**
 31 **calendar year immediately preceding the calendar year in**
 32 **which the new per gallon conversion rate must be**
 33 **published under subsection (d), as reported by the**
 34 **department;**

35 **to determine the current average miles per gallon (AMPG).**

36 **STEP TWO: Multiply the AMPG calculated under STEP**
 37 **ONE by the cents per mile license tax imposed under section**
 38 **201 of this chapter.**

39 **STEP THREE: For calendar years 2004 and 2005, determine**
 40 **the percentage change between the CPI as last reported for**
 41 **calendar year 2001 and the CPI as last reported for the**
 42 **previous calendar year. For calendar year 2006 and each**
 43 **calendar year thereafter, determine the percentage change**
 44 **between the CPI as last reported for calendar year 2003 and**
 45 **the CPI as last reported for the previous calendar year.**

46 **STEP FOUR: Express the percentage change determined in**
 47 **STEP THREE as a three (3) digit decimal rounded to the**

- 1 **nearest thousandth.**
2 **STEP FIVE: Add one (1) to the decimal determined in STEP**
3 **FOUR.**
4 **STEP SIX: Multiply the STEP TWO amount by the sum**
5 **determined in STEP FIVE.**
6 **STEP SEVEN: For calendar year 2004, determine the lesser**
7 **of the STEP SIX amount or twenty cents (\$0.20). For calendar**
8 **year 2005, determine the lesser of the STEP SIX amount or**
9 **twenty-two cents (\$0.22). For calendar years beginning after**
10 **December 31, 2005, determine the greater of:**
11 **(A) the STEP SIX result; or**
12 **(B) the amount determined under this subsection for the**
13 **previous calendar year.**
14 **(d) Not later than November 1 of each year, the department**
15 **shall:**
16 **(1) publish the annual tax rate in effect for the following**
17 **calendar year in the Indiana Register; and**
18 **(2) widely disseminate information concerning the**
19 **applicability of the per gallon conversion rate.**
20 **(e) Not later than November 1 of each year, the department**
21 **shall publish in the Indiana Register and widely disseminate**
22 **information concerning:**
23 **(1) the certified taxable gallons of fuel; and**
24 **(2) the Indiana vehicle miles of travel;**
25 **used in the calculation of the per gallon conversion rate under**
26 **subsection (c).**
27 **SECTION 34. IC 6-6-1.1-502 IS AMENDED TO READ AS**
28 **FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 502. (a) Except as**
29 **provided in subsection (b), at the time of filing each monthly report,**
30 **each distributor shall pay to the administrator the full amount of tax**
31 **due under this chapter for the preceding calendar month, computed as**
32 **follows:**
33 **(1) Enter the total number of invoiced gallons of gasoline**
34 **received during the preceding calendar month.**
35 **(2) Subtract the number of gallons for which deductions are**
36 **provided by sections 701 through 705 of this chapter from the**
37 **number of gallons entered under subdivision (1).**
38 **(3) Subtract the number of gallons reported under section 501(3)**
39 **of this chapter.**
40 **(4) Multiply the number of invoiced gallons remaining after**
41 **making the computation in subdivisions (2) and (3) by the tax rate**
42 **prescribed by section 201 of this chapter (with respect to**
43 **gasoline received before January 1, 2004) or the tax rate**
44 **determined under section 201.2 of this chapter (with respect**
45 **to gasoline received after December 31, 2003) to compute that**
46 **part of the gasoline tax to be deposited in the highway, road and**
47 **street fund under section 802(2) of this chapter or in the motor**

1 fuel tax fund under section 802(3) of this chapter.

2 (5) Multiply the number of gallons subtracted under subdivision
3 (3) by the tax rate prescribed by section 201 of this chapter (**with**
4 **respect to gasoline received before January 1, 2004) or the tax**
5 **rate determined under section 201.2 of this chapter (with**
6 **respect to gasoline received after December 31, 2003) to**
7 compute that part of the gasoline tax to be deposited in the fish
8 and wildlife fund under section 802(1) of this chapter.

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

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

11 or

12 (2) average monthly gasoline tax liability for the preceding year;
13 exceeds ten thousand dollars (\$10,000), the distributor shall pay the
14 monthly gasoline taxes due by electronic fund transfer (as defined in
15 IC 4-8.1-2-7) or by delivering in person or by overnight courier a
16 payment by cashier's check, certified check, or money order to the
17 department. The transfer or payment shall be made on or before the
18 date the tax is due.

19 SECTION 35. IC 6-6-1.1-606.6 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 606.6. (a) Except
21 as provided in subsection (c), every person included within the terms
22 of section 606(a) of this chapter who transports gasoline in a vehicle on
23 the highways of Indiana in a vehicle having a total tank capacity of less
24 than eight hundred fifty (850) gallons is liable to the state for a penalty
25 equal to the rate provided in section ~~201~~ **201.2** of this chapter on all
26 gasoline transported into Indiana and delivered to any person other than
27 a licensed distributor.

28 (b) Except as provided in subsection (c), every person included
29 within the terms of section 606(c) of this chapter who transports
30 gasoline in a vehicle on the highways of Indiana is liable to the state for
31 a penalty equal to the rate provided in section ~~201~~ **201.2** of this chapter
32 on all gasoline:

33 (1) received by the person for transportation to a point outside
34 Indiana;

35 (2) not ~~in fact~~ transported to a point outside Indiana; and

36 (3) ~~in fact~~ delivered to a person other than a licensed distributor
37 inside Indiana.

38 (c) The following are excluded when computing any liability under
39 this section:

40 (1) All deliveries of gasoline when the tax imposed by law was
41 charged or collected by the parties under the circumstances
42 described in this section.

43 (2) Deliveries of gasoline used in computing the tax under section
44 301 of this chapter.

45 SECTION 36. IC 6-6-1.1-801.5, AS AMENDED BY
46 P.L.192-2002(ss), SECTION 133, IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 801.5. (a) **Before**
 2 **January 1, 2004**, the administrator shall transfer one-ninth (1/9) of the
 3 taxes that are collected under this chapter to the state highway road
 4 construction and improvement fund. **After December 31, 2003, the**
 5 **administrator shall transfer the amount determined under**
 6 **subsection (h) to the state highway road construction and**
 7 **improvement fund.**

8 (b) **Before January 1, 2004**, the administrator shall transfer
 9 one-eighteenth (1/18) of the taxes that are collected under this chapter
 10 to the state highway fund.

11 (c) **After December 31, 2003, and before January 1, 2005, the**
 12 **administrator shall transfer the amount determined under**
 13 **subsection (i) to the state highway fund.**

14 (d) **After December 31, 2004, the administrator shall transfer**
 15 **the amount determined under subsection (j) to the state highway**
 16 **fund.**

17 (e) **Before January 1, 2004**, the administrator shall transfer
 18 one-eighteenth (1/18) of the taxes that are collected under this chapter
 19 to the auditor of state for distribution to counties, cities, and towns. The
 20 auditor of state shall distribute the amounts transferred under this
 21 subsection to each of the counties, cities, and towns eligible to receive
 22 a distribution from the motor vehicle highway account under IC 8-14-1
 23 and in the same proportion among the counties, cities, and towns as
 24 funds are distributed from the motor vehicle highway account under
 25 IC 8-14-1. Money distributed under this subsection may be used only
 26 for purposes that money distributed from the motor vehicle highway
 27 account may be expended under IC 8-14-1.

28 (f) **After December 31, 2003, and before January 1, 2005, the**
 29 **administrator shall transfer the amount of the taxes collected**
 30 **under this chapter that is determined in the last of the following**
 31 **STEPS to the motor vehicle highway account for distribution**
 32 **under IC 8-14-1-3(a):**

33 **STEP ONE: Determine the amount of the taxes collected**
 34 **under this chapter.**

35 **STEP TWO: Determine the tax rate determined under section**
 36 **201.2 of this chapter.**

37 **STEP THREE: Multiply the STEP TWO result by one**
 38 **hundred (100).**

39 **STEP FOUR: Express a fraction, with two (2) being the**
 40 **numerator and the STEP THREE result being the**
 41 **denominator.**

42 **STEP FIVE: Multiply the STEP FOUR result by the STEP**
 43 **ONE result.**

44 (g) **After December 31, 2004, the administrator shall transfer**
 45 **the amount of the taxes collected under this chapter that is**
 46 **determined in the last of the following STEPS to the motor vehicle**
 47 **highway account for distribution under IC 8-14-1-3(a):**

- 1 **STEP ONE: Determine the amount of the taxes collected**
- 2 **under this chapter.**
- 3 **STEP TWO: Determine the tax rate determined under section**
- 4 **201.2 of this chapter.**
- 5 **STEP THREE: Multiply the STEP TWO result by one**
- 6 **hundred (100).**
- 7 **STEP FOUR: Express as a fraction, with three (3) being the**
- 8 **numerator and the STEP THREE result being the**
- 9 **denominator.**
- 10 **STEP FIVE: Multiply the STEP FOUR result by the STEP**
- 11 **ONE result.**
- 12 **(h) The amount of the transfer required under subsection (a)**
- 13 **after December 31, 2003, is the amount determined in the last of**
- 14 **the following STEPS:**
- 15 **STEP ONE: Determine the amount of the taxes collected**
- 16 **under this chapter.**
- 17 **STEP TWO: Determine the tax rate determined under section**
- 18 **201.2 of this chapter.**
- 19 **STEP THREE: Multiply the STEP TWO result by one**
- 20 **hundred (100).**
- 21 **STEP FOUR: Express as a fraction, with two (2) being the**
- 22 **numerator and the STEP THREE result being the**
- 23 **denominator.**
- 24 **STEP FIVE: Multiply the STEP FOUR result by the STEP**
- 25 **ONE result.**
- 26 **(i) The amount of the transfers required under subsection (c)**
- 27 **after December 31, 2003, and before January 1, 2005, is the**
- 28 **amount determined in the last of the following STEPS:**
- 29 **STEP ONE: Determine the amount of the taxes collected**
- 30 **under this chapter.**
- 31 **STEP TWO: Determine the tax rate determined under section**
- 32 **201.2 of this chapter.**
- 33 **STEP THREE: Multiply the STEP TWO result by one**
- 34 **hundred (100).**
- 35 **STEP FOUR: Express as a fraction, with two (2) being the**
- 36 **numerator and the STEP THREE result being the**
- 37 **denominator.**
- 38 **STEP FIVE: Multiply the STEP FOUR result by the STEP**
- 39 **ONE result.**
- 40 **(j) The amount of the transfer required under subsection (d)**
- 41 **after December 31, 2004, is the amount determined in the last of**
- 42 **the following STEPS:**
- 43 **STEP ONE: Determine the amount of the taxes collected**
- 44 **under this chapter.**
- 45 **STEP TWO: Determine the tax rate determined under section**
- 46 **201.2 of this chapter.**
- 47 **STEP THREE: Multiply the STEP TWO result by one**

1 **hundred (100).**
 2 **STEP FOUR: Express as a fraction, with three (3) being the**
 3 **numerator and the STEP THREE result being the**
 4 **denominator.**

5 **STEP FIVE: Multiply the STEP FOUR result by the STEP**
 6 **ONE result.**

7 ~~(d)~~ **(k)** After the transfers required by subsections (a) through ~~(e)~~;
 8 **(g)**, the administrator shall transfer the next twenty-five million dollars
 9 (\$25,000,000) of the taxes that are collected under this chapter and
 10 received during a period beginning July 1 of a year and ending June 30
 11 of the immediately succeeding year to the auditor of state for
 12 distribution in the following manner:

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

18 ~~(2) thirty percent (30%)~~ **(1) Sixty percent (60%)** to each of the
 19 counties, cities, and towns eligible to receive a distribution from
 20 the motor vehicle highway account under IC 8-14-1 and in the
 21 same proportion among the counties, cities, and towns as funds
 22 are distributed from the motor vehicle highway account
 23 **established under IC 8-14-1 for distribution to the counties,**
 24 **cities, and towns under IC 8-14-1-3(a), and**

25 ~~(3)~~ **(2)** Forty percent (40%) to the Indiana department of
 26 transportation.

27 ~~(e)~~ **(l)** The auditor of state shall hold all amounts of collections
 28 received under subsection ~~(d)~~ **(k)** from the administrator that are made
 29 during a particular month and shall distribute all of those amounts
 30 pursuant to subsection ~~(d)~~ **(k)** on the fifth day of the immediately
 31 succeeding month.

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

35 SECTION 37. IC 6-6-1.7 IS ADDED TO THE INDIANA CODE
 36 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2004]:

38 **Chapter 1.7. Supplemental Gasoline Tax**

39 **Sec. 1. The definitions and rules of construction contained in**
 40 **IC 6-6-1.1-103 and IC 6-6-1.1-104 apply throughout this chapter**
 41 **unless the context clearly requires otherwise.**

42 **Sec. 2. Before May 1, the department shall determine annually**
 43 **whether the federal gasoline tax has been reduced below the per**
 44 **gallon rate imposed on January 1, 2003.**

45 **Sec. 3. (a) If the federal gasoline tax is reduced below the per**
 46 **gallon rate imposed on January 1, 2003, a supplemental gasoline**

1 tax is imposed on the use of all gasoline used in Indiana, except as
2 otherwise provided by this chapter.

3 (b) The amount of the tax per gallon is:

4 (1) the per gallon rate of the federal gasoline tax imposed on
5 May 1; minus

6 (2) the per gallon rate of the federal gasoline tax imposed on
7 January 1, 2003.

8 (c) The distributor initially shall pay the tax on the billed
9 gallonage of all gasoline the distributor receives in Indiana, less
10 any deductions authorized by this chapter. The distributor shall
11 then add the per gallon amount of tax to the selling price of each
12 gallon of gasoline sold in Indiana and collected from the purchaser
13 so that the ultimate consumer bears the burden of the tax.

14 Sec. 4. The per gallon tax rate imposed under section 3 of this
15 chapter takes effect on July 1 following the department's
16 determination that the federal gasoline tax has been reduced below
17 the per gallon rate imposed on January 1, 2003.

18 Sec. 5. The supplemental gasoline tax shall be collected and
19 administered in the same manner as the gasoline tax imposed
20 under IC 6-6-1.1.

21 Sec. 6. All allowances, deductions, and exemptions allowed with
22 respect to the gasoline tax apply to the supplemental gasoline tax
23 imposed under this chapter.

24 Sec. 7. The administrator shall transfer the taxes collected
25 under this chapter as follows:

26 (1) Seventy-five percent (75%) to the state highway fund.

27 (2) Twenty-five percent (25%) to the auditor of state for
28 distribution to each of the counties, cities, and towns eligible
29 to receive a distribution from the motor vehicle highway
30 account under IC 8-14-1-3(b).

31 The auditor of state shall distribute the amounts transferred under
32 subdivision (2) in the same proportion among the counties, cities,
33 and towns as funds are distributed from the motor vehicle highway
34 account under IC 8-14-1-3(b). Money distributed under subdivision
35 (2) may be used only for purposes that money distributed from the
36 motor vehicle highway account may be used under IC 8-14-1-3(b).

37 Sec. 8. The per gallon tax rate of the supplemental gasoline tax
38 imposed under this chapter shall be adjusted annually to reflect
39 changes to the per gallon rate of the federal gasoline tax.

40 Sec. 9. If the department determines on May 1 of a state fiscal
41 year in which the supplemental gasoline tax is imposed under this
42 chapter that the per gallon tax rate of the federal gasoline tax is
43 equal to or greater than the per gallon tax rate of the federal
44 gasoline tax imposed on January 1, 2003, the supplemental gasoline
45 tax may not be imposed in the following state fiscal year.

46 Sec. 10. The department may adopt rules to implement this
47 chapter.

1 SECTION 38. IC 6-6-2.5-68 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 68. (a) The
 3 administrator shall transfer the next twenty-five million dollars
 4 (\$25,000,000) of the taxes that are collected under this chapter and
 5 received during a period beginning July 1 of a year and ending June 30
 6 of the immediately succeeding year to the auditor of state for
 7 distribution in the following manner:

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

13 ~~(2) Thirty percent (30%)~~ **(1) Sixty percent (60%)** to each of the
 14 counties, cities, and towns eligible to receive a distribution from
 15 the motor vehicle highway account under ~~IC 8-14-1~~ and in the
 16 same proportion among the counties, cities, and towns as funds
 17 are ~~distributed from~~ the motor vehicle highway account
 18 **established** under IC 8-14-1 **for distribution to the counties,**
 19 **cities, and towns under IC 8-14-1-3(a).**

20 ~~(3) (2)~~ Forty percent (40%) to the Indiana department of
 21 transportation.

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

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

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

34 SECTION 39. IC 6-8.1-1-1, AS AMENDED BY P.L.192-2002(ss),
 35 SECTION 140, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2004]: Sec. 1. "Listed taxes" or "taxes"
 37 includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5);
 38 the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax
 39 (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility
 40 receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5);
 41 the adjusted gross income tax (IC 6-3); the supplemental net income
 42 tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC
 43 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county
 44 economic development income tax (IC 6-3.5-7); the municipal option
 45 income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the
 46 financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); **the**

1 **supplemental gasoline tax (IC 6-6-1.7);** the alternative fuel permit fee
 2 (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax
 3 (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement
 4 under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the
 5 commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste
 6 disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise
 7 tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 8 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
 9 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
 10 innkeeper's taxes (IC 6-9); the various county food and beverage taxes
 11 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil
 12 inspection fee (IC 16-44-2); the emergency and hazardous chemical
 13 inventory form fee (IC 6-6-10); the penalties assessed for oversized
 14 vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for
 15 overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage
 16 tank fee (IC 13-23); the solid waste management fee (IC 13-20-22);
 17 and any other tax or fee that the department is required to collect or
 18 administer."

19 Page 75, between lines 22 and 23, begin a new paragraph and insert:
 20 "SECTION 72. IC 8-14-1-3 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3. **(a) The**
 22 **gasoline taxes and special fuel taxes deposited in the motor vehicle**
 23 **highway account fund under IC 6-6-1.1-801.5 and IC 6-6-2.5-68,**
 24 **respectively, shall be allocated and distributed as follows:**

- 25 (1) **First, to make monthly distributions to the counties, cities,**
 26 **and towns in the amounts determined under subsection (c).**
- 27 (2) **Second, to make monthly distributions to eligible units in**
 28 **the amounts determined under subsection (d) or (e).**
- 29 (3) **Third, to distribute the remainder, if any, to the counties,**
 30 **cities, and towns eligible to receive a distribution under**
 31 **subsection (b) in the same proportion among the counties,**
 32 **cities, and towns as funds are distributed under subsection (b).**

33 **However, if insufficient revenue is available to fully fund the**
 34 **distributions required under subdivision (2), the amounts**
 35 **determined in subsections (d) and (e) for distribution to each**
 36 **eligible unit under subdivision (2) must be reduced**
 37 **proportionately.**

38 (b) The money collected for the motor vehicle highway account
 39 fund and remaining after **making the distributions required under**
 40 **subsection (a),** refunds, and the payment of all expenses incurred in
 41 the collection thereof, and after the deduction of the amount
 42 appropriated to the department for traffic safety and after the deduction
 43 of one-half (1/2) of the amount appropriated for the state police
 44 department, shall be allocated to and distributed among the department
 45 and subdivisions designated as follows:

- 46 (1) Of the net amount in the motor vehicle highway account the

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

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

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

- 40 (A) Five percent (5%) of the amount allocated to the counties
 41 to be divided equally among the ninety-two (92) counties.
- 42 (B) Sixty-five percent (65%) of the amount allocated to the
 43 counties to be divided on the basis of the ratio of the actual
 44 miles, now traveled and in use, of county roads in each county
 45 to the total mileage of county roads in the state, which shall be
 46 annually determined, accurately, by the department.

1 (C) Thirty percent (30%) of the amount allocated to the
2 counties to be divided on the basis of the ratio of the motor
3 vehicle registrations of each county to the total motor vehicle
4 registration of the state.

5 All money so distributed to the several counties of the state shall
6 constitute a special road fund for each of the respective counties
7 and shall be under the exclusive supervision and direction of the
8 board of county commissioners in the construction,
9 reconstruction, maintenance, or repair of the county highways or
10 bridges on such county highways within such county.

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

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

16 (6) Notwithstanding any other provisions of this section, money
17 in the motor vehicle highway account fund may be appropriated
18 to the Indiana department of transportation from the forty-seven
19 percent (47%) distributed to the political subdivisions of the state
20 to pay the costs incurred by the department in providing services
21 to those subdivisions.

22 (7) Notwithstanding any other provisions of this section or of
23 IC 8-14-8, for the purpose of maintaining a sufficient working
24 balance in accounts established primarily to facilitate the
25 matching of federal and local money for highway projects, money
26 may be appropriated to the Indiana department of transportation
27 as follows:

28 (A) One-half (1/2) from the forty-seven percent (47%) set
29 aside under subdivisions (1) and (2) for counties and for those
30 cities and towns with a population greater than five thousand
31 (5,000).

32 (B) One-half (1/2) from the distressed road fund under
33 IC 8-14-8.

34 **(c) After December 31, 2003, each county, city, or town eligible**
35 **to receive a distribution from the motor vehicle highway account**
36 **under this chapter is entitled to a monthly distribution under**
37 **subsection (a)(1) equal to:**

38 **(1) the total amount distributed to the county, city, or town in**
39 **2003 from the motor vehicle highway account and the local**
40 **road and street account; divided by**

41 **(2) twelve (12).**

42 **(d) This subsection does not apply to an eligible unit that did not**
43 **receive county wheel taxes and county motor vehicle excise**
44 **surtaxes in the previous calendar year. After December 31, 2003,**
45 **an eligible unit is entitled to receive a monthly distribution under**
46 **subsection (a)(2) equal to:**

47 **(1) the total amount of county wheel taxes and county motor**

1 vehicle excise surtaxes distributed to the eligible unit in the
 2 previous year; divided by
 3 (2) twelve (12).

4 (e) This subsection applies only to an eligible unit that did not
 5 receive county wheel taxes and county motor vehicle excise
 6 surtaxes in the previous year. The bureau of motor vehicles shall
 7 estimate the amount of county wheel taxes and county motor
 8 vehicle excise surtaxes that the eligible unit will receive in the first
 9 year that the county wheel taxes and county motor vehicle excise
 10 taxes are collected in the eligible unit's county and certify the
 11 estimated amount to the auditor of state. The eligible unit is
 12 entitled to a monthly distribution under subsection (a)(2) equal to:

13 (1) the certified amount of estimated county wheel taxes and
 14 county motor vehicle excise surtaxes; divided by
 15 (2) twelve (12).

16 SECTION 73. IC 8-14-1-4 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 4. (a) The funds
 18 allocated to the respective counties of the state from the motor vehicle
 19 highway account shall annually be budgeted as provided by law, and,
 20 when distributed shall be used for **engineering, land acquisition,**
 21 construction, **resurfacing, restoration, rehabilitation,** reconstruction,
 22 and maintenance of the highways of the respective counties, including
 23 highways which traverse the streets of incorporated towns, the cost of
 24 the repair and maintenance of which prior to the tenth day of
 25 September, 1932, was paid from the county gravel road repair fund
 26 excepting where the department is charged by law with the
 27 maintenance or construction of any such highway so traversing such
 28 streets. Any surplus existing in the funds at the end of the year shall
 29 thereafter continue as a part of the highway funds of the said counties
 30 and shall be rebudgeted and used as already provided in this chapter.
 31 The purchase, rental and repair of highway equipment, painting of
 32 bridges and acquisition of grounds for erection and construction of
 33 storage buildings, acquisition of rights of way and the purchase of fuel
 34 oil, and supplies necessary to the performance of construction,
 35 reconstruction and maintenance of highways, shall be paid out of the
 36 highway account of the various counties.

37 (b) **At least twenty-five percent (25%) of the money distributed**
 38 **to a county under this chapter must be used for engineering, land**
 39 **acquisition, construction, resurfacing, restoration, and**
 40 **rehabilitation of highway facilities.**

41 SECTION 74. IC 8-14-1-5, AS AMENDED BY P.L.61-2000,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 43 JANUARY 1, 2004]: Sec. 5. (a) All funds allocated to cities and towns
 44 from the motor vehicle highway account shall be used by the cities and
 45 towns for the construction, reconstruction, repair, maintenance, oiling,
 46 sprinkling, snow removal, weed and tree cutting and cleaning of their
 47 highways as herein defined, and including also any curbs, and the city's

1 or town's share of the cost of the separation of the grades of crossing of
2 public highways and railroads, the purchase or lease of highway
3 construction and maintenance equipment, the purchase, erection,
4 operation and maintenance of traffic signs and signals, and safety zones
5 and devices; and the painting of structures, objects, surfaces in
6 highways for purposes of safety and traffic regulation. All of such
7 funds shall be budgeted as provided by law.

8 (b) In addition to purposes for which funds may be expended under
9 subsections (a) and (c) of this section, monies allocated to cities and
10 towns under this chapter may be expended for law enforcement
11 purposes, subject to the following limitations:

12 (1) For cities and towns with a population of less than five
13 thousand (5,000), no more than fifteen percent (15%) may be
14 spent for law enforcement purposes.

15 (2) For cities and towns other than those specified in subdivision
16 (1) of this subsection, no more than ten percent (10%) may be
17 spent for law enforcement purposes.

18 (c) In addition to purposes for which funds may be expended under
19 subsections (a) and (b) of this section, monies allocated to cities and
20 towns under this chapter may be expended for the payment of principal
21 and interest on bonds sold primarily to finance road, street, or
22 thoroughfare projects.

23 **(d) At least twenty-five percent (25%) of the money distributed**
24 **to a city or town under this chapter must be used for engineering,**
25 **land acquisition, construction, resurfacing, restoration, and**
26 **rehabilitation of highway facilities.**

27 SECTION 75. IC 8-14-2-1 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 1. As used in this
29 chapter:

30 (1) Primary highway system special account means the account of
31 the state known as the "primary highway system special account"
32 to which is credited monthly fifty-five percent (55%) of the
33 money deposited in the highway, road and street fund.

34 ~~(2) Local road and street account means the account of the state~~
35 ~~known as the "local road and street account" to which is credited~~
36 ~~monthly forty-five percent (45%) of the money deposited in the~~
37 ~~highway, road, and street fund.~~

38 ~~(2)~~ (2) The term "department" refers to the Indiana department of
39 transportation created under IC 8-23-2.

40 ~~(3)~~ (3) The term "primary highways" shall mean that portion of
41 the federal-aid highway system designated by the department and
42 approved by the United States department of transportation as
43 being the state "primary highway system".

44 ~~(5)~~ (4) The term "construction" shall mean both construction and
45 reconstruction to a degree that new, supplementary, or
46 substantially improved traffic service is provided, and significant

1 geometric or structural improvements are effected.
2 ~~(6)~~ (5) "Arterial road system" shall mean the system of roads
3 including bridges in each county of Indiana, under the jurisdiction
4 of the board of county commissioners, or successor body,
5 including a department of transportation of a consolidated city,
6 designated as such by the board under IC 8-23-4-3, but not
7 including local county roads.
8 ~~(7)~~ (6) "Local county roads" shall mean all county roads and
9 bridges which are not designated as being in the arterial road
10 system.
11 ~~(8)~~ (7) "Arterial street system" means the system of streets,
12 including bridges in each city or town in Indiana, under the
13 jurisdiction of municipal street authorities or successor bodies,
14 including a department of transportation of a consolidated city,
15 designated as such by the board under IC 8-23-4-4, but not
16 including local streets.
17 ~~(9)~~ (8) "Local streets" shall mean all city and town streets and
18 bridges which are not designated as being in the arterial street
19 system in each city or town.
20 ~~(10)~~ (9) "Resurfacing" means the placement of additional
21 pavement layers (including protective systems for bridge decks)
22 over the existing (or restored or rehabilitated) roadway or bridge
23 deck surface to provide additional strength or to improve
24 serviceability for a substantial time period.
25 ~~(11)~~ (10) "Restoration and rehabilitation" means work required to
26 return the existing structure (roadway pavement or bridge deck)
27 to a suitable condition for an additional stage of construction
28 (bridge deck protective system or resurfacing) or to a suitable
29 condition to perform satisfactorily for a substantial time period.
30 SECTION 76. IC 8-14-2-3 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3. (a) The auditor
32 of state shall credit the state highway fund established under
33 IC 8-23-9-54 monthly with fifty-five percent (55%) of the money
34 deposited in the highway, road and street fund.
35 (b) Funds allocated to the department under this chapter must be
36 appropriated.
37 (c) **Beginning January 1, 2004, the auditor of state shall credit**
38 **the motor vehicle highway account established under IC 8-14-1**
39 **with forty-five percent (45%) of the money deposited in the**
40 **highway, road and street fund. The amount credited to the motor**
41 **vehicle highway account under this subsection must be used to**
42 **make the distributions required under IC 8-14-1-3(a).**
43 SECTION 77. IC 8-18-22-6 IS AMENDED TO READ AS
44 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 6. (a) Except as
45 provided in subsection (b), the county fiscal body may pledge revenues
46 for the payment of principal and interest on the bonds and for other

1 purposes under the ordinance as provided by IC 5-1-14-4, including
2 revenues from the following sources:

- 3 (1) The motor vehicle highway account.
4 ~~(2) The local road and street account.~~
5 ~~(3) (2) The county motor vehicle excise surtax.~~
6 ~~(4) (3) The county wheel tax.~~
7 ~~(5) (4) The county adjusted gross income tax.~~
8 ~~(6) (5) The county option income tax.~~
9 ~~(7) (6) The economic development income tax.~~
10 ~~(8) (7) Assessments.~~
11 ~~(9) (8) Any other unappropriated or unencumbered money.~~

12 (b) The county fiscal body may not pledge to levy ad valorem
13 property taxes for these purposes, except for revenues from the
14 following:

- 15 (1) IC 8-16-3.
16 (2) IC 8-16-3.1.

17 (c) If the county fiscal body has pledged revenues from the county
18 option income tax as set forth in subsection (a), the county income tax
19 council (as defined in IC 6-3.5-6-1) may covenant that the council will
20 not repeal or modify the tax in a manner that would adversely affect
21 owners of outstanding bonds issued under this chapter. The county
22 income tax council may make the covenant by adopting an ordinance
23 using procedures described in IC 6-3.5-6.

24 (d) If the county fiscal body has pledged revenues from the
25 economic development income tax as set forth in subsection (a), the
26 county income tax council (if the council is the body that imposed the
27 tax) may covenant that the council will not repeal or modify the tax in
28 a manner that would adversely affect owners of outstanding bonds
29 issued under this chapter. The county income tax council may make the
30 covenant by adopting an ordinance using procedures described in
31 IC 6-3.5-6."

32 Page 80, between lines 9 and 10, begin a new paragraph and insert:
33 "SECTION 78. IC 36-1-7-9 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 9. (a) This section
35 may be used only for an agreement between an Indiana municipality
36 and the executive of the county in which it is located concerning
37 highway construction and maintenance and related matters.

38 (b) An agreement under this section must provide for the following:

- 39 (1) Its duration, which may not be more than four (4) years.
40 (2) The specific functions and services to be performed or
41 furnished by the county on behalf of the municipality.

42 In addition, such an agreement may provide for any other appropriate
43 matters.

44 (c) An agreement under this section may provide for either of the
45 following:

- 46 (1) A stipulation that distributions from the motor vehicle

1 highway account under IC 8-14-1 ~~the local road and street~~
 2 ~~account under IC 8-14-2; or both~~; be made to the county rather
 3 than to the municipality.

4 (2) A stipulation that the municipality will appropriate a specified
 5 part of those distributions for purposes listed in the agreement.

6 SECTION 79. IC 36-5-4-13, AS AMENDED BY P.L.170-2002,
 7 SECTION 146, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JANUARY 1, 2004]: Sec. 13. (a) Except as provided in
 9 subsection (c), this subsection applies to a town with a population of
 10 five hundred (500) or less. Notwithstanding the provisions of any other
 11 statute, a town may transfer money from any town fund to another town
 12 fund after the passage of an ordinance or a resolution by the town
 13 legislative body specifying the:

- 14 (1) amount of the transfer;
 15 (2) funds involved;
 16 (3) date of the transfer; and
 17 (4) general purpose of the transfer.

18 (b) Except as provided in subsection (c), this subsection applies to
 19 a town having a population of more than five hundred (500) but less
 20 than two thousand (2,000). Notwithstanding IC 8-14-1, ~~and IC 8-14-2~~;
 21 a town may transfer money distributed to the town from

- 22 ~~(1) the motor vehicle highway account under IC 8-14-1~~
 23 ~~(2) the local road and street account under IC 8-14-2; or~~
 24 ~~(3) the:~~

- 25 ~~(A) motor vehicle highway account under IC 8-14-1; and~~
 26 ~~(B) local road and street account under IC 8-14-2;~~

27 to any other town fund after the passage of an ordinance or a resolution
 28 by the town legislative body that specifies the amount of the transfer,
 29 the funds involved, the date of the transfer, and the general purpose of
 30 the transfer. However, the total amount of all money transferred by a
 31 town under this subsection may not exceed forty thousand dollars
 32 (\$40,000).

33 (c) A:

34 (1) municipality located in a county having a population of more
 35 than fourteen thousand nine hundred (14,900) but less than
 36 sixteen thousand (16,000); and

37 (2) town:

38 (A) located in a county having a population of more than
 39 thirty-four thousand nine hundred (34,900) but less than
 40 thirty-four thousand nine hundred fifty (34,950); and

41 (B) having a population of less than one thousand (1,000);

42 may not transfer money under this section to or from a food and
 43 beverage tax receipts fund established under IC 6-9."

44 Page 82, between lines 27 and 28, begin a new paragraph and insert:
 45 "SECTION 82. IC 8-14-2-4 IS REPEALED [EFFECTIVE
 46 JANUARY 1, 2004].

1 SECTION 83. [EFFECTIVE JULY 1, 2003] (a) **The department**
2 **of state revenue, before November 1, 2003, shall publish in the**
3 **Indiana Register the per gallon conversion rate determined under**
4 **IC 6-6-1.1-201.2, as added by this act, that is applicable for the**
5 **calendar year beginning January 1, 2004.**

6 (b) **IC 6-6-1.1-606.6, as amended by this act, applies to gasoline**
7 **used after December 31, 2003.**

8 (c) **This SECTION expires January 1, 2005."**

9 Renumber all SECTIONS consecutively.

(Reference is to HB 2008 as printed February 26, 2003.)

Representative Scholer