



Reprinted
January 27, 2023

SENATE BILL No. 74

DIGEST OF SB 74 (Updated January 26, 2023 2:13 pm - DI 129)

Citations Affected: IC 8-14.

Synopsis: Local use of restricted funds. Defines "preservation" for purposes of provisions that require counties, cities, and towns to use at least 50% of the money distributed from the motor vehicle highway account for construction, reconstruction, and preservation of highways. Requires the local technical assistance program at Purdue University (LTAP), in conjunction with the Indiana department of transportation (department), to analyze data for calendar years 2018 through 2022 regarding the use of motor vehicle highway account allocations to counties, cities, and towns. Specifies the contents of the analysis and requires LTAP, in conjunction with the department, to present the results of the analysis in a report to the budget committee.

Effective: Upon passage; July 1, 2023.

Alexander, Mishler, Doriot

January 9, 2023, read first time and referred to Committee on Appropriations.
January 19, 2023, amended, reported favorably — Do Pass.
January 26, 2023, read second time, amended, ordered engrossed.

SB 74—LS 6290/DI 139



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First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

SENATE BILL No. 74

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

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

1 SECTION 1. IC 8-14-1-4, AS AMENDED BY P.L.185-2018,
2 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 4. (a) The funds allocated to the respective
4 counties of the state from the motor vehicle highway account shall
5 annually be budgeted as provided by law, and, when distributed shall
6 be used for construction, reconstruction, preservation, and maintenance
7 of the highways of the respective counties, including highways which
8 traverse the streets of incorporated towns, the cost of the repair and
9 maintenance of which prior to the tenth day of September, 1932, was
10 paid from the county gravel road repair fund excepting where the
11 department is charged by law with the maintenance or construction of
12 any such highway so traversing such streets. Subject to subsection (b),
13 any surplus existing in the funds at the end of the year shall thereafter
14 continue as a part of the highway funds of the said counties and shall
15 be rebudgeted and used as already provided in this chapter. The
16 purchase, rental and repair of highway equipment, painting of bridges
17 and acquisition of grounds for erection and construction of storage

SB 74—LS 6290/DI 139



1 buildings, acquisition of rights of way and the purchase of fuel oil, and
 2 supplies necessary to the performance of construction, reconstruction,
 3 preservation, and maintenance of highways, shall be paid out of the
 4 highway account of the various counties.

5 (b) For funds distributed to a county from the motor vehicle
 6 highway account, the county shall use at least fifty percent (50%) of the
 7 money for the construction, reconstruction, and preservation of the
 8 county's highways.

9 **(c) For purposes of this section, "preservation" includes snow**
 10 **removal and expenditures for deicing road salt or similar deicing**
 11 **agents.**

12 SECTION 2. IC 8-14-1-5, AS AMENDED BY P.L.185-2018,
 13 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2023]: Sec. 5. (a) Subject to subsection (c), all funds allocated
 15 to cities and towns from the motor vehicle highway account shall be
 16 used by the cities and towns for the construction, reconstruction,
 17 preservation, repair, maintenance, oiling, sprinkling, ~~snow removal~~,
 18 weed and tree cutting and cleaning of their highways as herein defined,
 19 and including also any curbs, and the city's or town's share of the cost
 20 of the separation of the grades of crossing of public highways and
 21 railroads, the purchase or lease of highway construction, preservation,
 22 and maintenance equipment, the purchase, erection, operation and
 23 maintenance of traffic signs and signals, and safety zones and devices,
 24 and the painting of surfaces in highways for purposes of safety and
 25 traffic regulation. All of such funds shall be budgeted as provided by
 26 law.

27 (b) In addition to purposes for which funds may be expended under
 28 subsection (a), monies allocated to cities and towns under this chapter
 29 may be expended for the payment of principal and interest on bonds
 30 sold primarily to finance road, street, or thoroughfare projects.

31 (c) For funds distributed to a city or town from the motor vehicle
 32 highway account, the city or town shall use at least fifty percent (50%)
 33 of the money for the construction, reconstruction, and preservation of
 34 the city's or town's highways.

35 **(d) For purposes of this section, "preservation" includes snow**
 36 **removal and expenditures for deicing road salt or similar deicing**
 37 **agents.**

38 SECTION 3. IC 8-14-1-5.5 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 5.5. (a) **The local technical assistance**
 41 **program at Purdue University, in conjunction with the Indiana**
 42 **department of transportation, shall analyze data for calendar years**



1 2018 through 2022 regarding the use of motor vehicle highway
2 account allocations to counties under section 4 of this chapter and
3 to cities and towns under section 5 of this chapter. The analysis
4 required by this section shall include the following components:

5 (1) Expenditures for purposes of construction, reconstruction,
6 and preservation, including fund balances.

7 (2) Expenditures for purposes other than construction,
8 reconstruction, and preservation, including fund balances.

9 (3) The requirement to use at least fifty percent (50%) of the
10 money for the construction, reconstruction, and preservation
11 of the local highways.

12 (4) Whether the requirement to use at least fifty percent
13 (50%) of the money for construction, reconstruction, and
14 preservation of the local highways should be changed.

15 (b) The local technical assistance program at Purdue University,
16 in conjunction with the Indiana department of transportation, shall
17 aggregate the results of the analysis conducted under this section
18 and present a report to the budget committee during the 2023
19 interim.

20 (c) This section expires January 1, 2024.

21 SECTION 4. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 74, 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 2, line 6, reset in roman "fifty percent (50%)".

Page 2, line 6, delete "forty".

Page 2, line 7, delete "percent (40%)".

Page 2, after line 8, begin a new paragraph and insert:

"(c) For purposes of this section, "preservation" means snow removal and expenditures for deicing road salt or similar deicing agents.

SECTION 2. IC 8-14-1-5, AS AMENDED BY P.L.185-2018, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) Subject to subsection (c), all funds allocated to cities and towns from the motor vehicle highway account shall be used by the cities and towns for the construction, reconstruction, preservation, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of their highways as herein defined, and including also any curbs, and the city's or town's share of the cost of the separation of the grades of crossing of public highways and railroads, the purchase or lease of highway construction, preservation, and maintenance equipment, the purchase, erection, operation and maintenance of traffic signs and signals, and safety zones and devices, and the painting of surfaces in highways for purposes of safety and traffic regulation. All of such funds shall be budgeted as provided by law.

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

(c) For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways.

(d) For purposes of this section, "preservation" means snow removal and expenditures for deicing road salt or similar deicing agents."

and when so amended that said bill do pass.



(Reference is to SB 74 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 12, Nays 1.

SENATE MOTION

Madam President: I move that Senate Bill 74 be amended to read as follows:

Page 2, line 9, delete "means" and insert "**includes**".

Page 2, line 17, strike "snow removal,".

Page 2, line 35, delete "section," "preservation" means" and insert "**section, "preservation" includes**".

Page 2, after line 37, begin a new paragraph and insert:

"SECTION 3. IC 8-14-1-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. (a) The local technical assistance program at Purdue University, in conjunction with the Indiana department of transportation, shall analyze data for calendar years 2018 through 2022 regarding the use of motor vehicle highway account allocations to counties under section 4 of this chapter and to cities and towns under section 5 of this chapter. The analysis required by this section shall include the following components:**

(1) Expenditures for purposes of construction, reconstruction, and preservation, including fund balances.

(2) Expenditures for purposes other than construction, reconstruction, and preservation, including fund balances.

(3) The requirement to use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the local highways.

(4) Whether the requirement to use at least fifty percent (50%) of the money for construction, reconstruction, and preservation of the local highways should be changed.

(b) The local technical assistance program at Purdue University, in conjunction with the Indiana department of transportation, shall aggregate the results of the analysis conducted under this section and present a report to the budget committee during the 2023 interim.

(c) This section expires January 1, 2024.



SECTION 4. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to SB 74 as printed January 20, 2023.)

ALEXANDER

