

First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1461

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

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

SECTION 1. IC 5-23-8-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 4. One (1) or more governmental bodies may enter into a public-private agreement with respect to a transportation project for the long term development, design, construction, reconstruction, maintenance, repair, and financing of any shared arterial roadways, including the costs associated with the acquisition of right-of-way.**

SECTION 2. IC 6-3.1-38.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:

Chapter 38.1. Railroad Tax Credit for Qualified Infrastructure Investment

Sec. 1. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);**
- (2) a partnership;**
- (3) a limited liability company; or**
- (4) a limited liability partnership.**

Sec. 2. As used in this chapter, "qualified applicant" means:

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(1) a short line rail company located in whole or in part in Indiana that is classified by the United States Surface Transportation Board as a Class II or Class III railroad that makes qualified railroad expenditures; or

(2) an owner or lessee of a rail siding, industrial spur, or industry track located:

(A) on or adjacent to a Class II or Class III railroad in Indiana; or

(B) in a qualified rural county;

that makes qualified new rail infrastructure expenditures.

Sec. 3. As used in this chapter, "qualified new rail infrastructure expenditures" means gross expenditures for new rail infrastructure, including:

(1) construction of new track infrastructure such as industrial leads, switches, spurs, sidings, rail loading docks, and transloading structures, and engineering and site preparation involved with servicing new customer locations;

(2) the expansion by a Class II or Class III railroad; or

(3) construction of new track infrastructure involved with servicing new customer locations located in a qualified rural county.

Sec. 4. As used in this chapter, "qualified railroad expenditures" means gross expenditures for maintenance, reconstruction, or replacement of railroad infrastructure, including track, roadbed, bridges, crossings, signals, industrial leads and sidings, and track related structures, owned or leased by a Class II or Class III railroad located in Indiana. The term does not include expenditures used to generate a federal tax credit or expenditures funded by a state or federal grant.

Sec. 5. As used in this chapter, "qualified rural county" means a county in Indiana with a population of not more than three hundred thousand (300,000).

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax), as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 7. As used in this chapter, "taxpayer" means a qualified applicant that has any state tax liability, or a qualified applicant that is considered a tax exempt entity (owned by a port or governmental entity).

Sec. 8. (a) A taxpayer wishing to claim a tax credit under this



chapter must apply to the department after completion of the project for which qualified railroad expenditures or qualified new rail infrastructure expenditures were incurred. The department shall prescribe the form and manner of the application, which must include:

- (1) the number of miles of railroad track owned or leased in Indiana; and
 - (2) a description and certification of the amount of the taxpayer's qualified railroad expenditures or qualified new rail infrastructure expenditures.
- (b) The department shall evaluate a taxpayer's eligibility for a tax credit under this chapter.
- (c) The department shall certify the eligibility of a taxpayer that meets the requirements for a tax credit under this chapter.

Sec. 9. (a) Subject to subsection (b), if the department certifies a taxpayer under section 8 of this chapter, the taxpayer is entitled to a tax credit against the taxpayer's state tax liability equal to:

- (1) the taxpayer's:
 - (A) qualified railroad expenditures; or
 - (B) qualified new rail infrastructure expenditures; multiplied by
 - (2) fifty percent (50%).
- (b) The amount of a tax credit allowed under subsection (a) shall not exceed the following:
- (1) For qualified railroad expenditures, the product of:
 - (A) the number of miles of Class II or Class III railroad track owned or leased by the taxpayer in Indiana at the close of the taxable year; multiplied by
 - (B) three thousand five hundred dollars (\$3,500).
 - (2) For qualified new rail infrastructure expenditures, the lesser of:
 - (A) fifty percent (50%) of the qualified new rail expenditures for each new rail served customer project completed by the taxpayer in the taxable year; or
 - (B) five hundred thousand dollars (\$500,000) per rail served customer project.

Sec. 10. (a) If a pass through entity is entitled to a credit under section 9 of this chapter but does not have state tax liability against which the credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a credit equal to:

- (1) the credit determined for the pass through entity for the taxable year; multiplied by



(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same qualified railroad expenditure or qualified new rail infrastructure expenditure.

Sec. 11. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department all information that the department determines is necessary for the allowance of the credit provided by this chapter.

Sec. 12. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for five (5) taxable years following the unused credit year.

(b) A taxpayer is not entitled to any carryback or refund of any unused credit.

Sec. 13. (a) A taxpayer may assign any part of the credit that the taxpayer may claim under this chapter. A credit that is assigned under this section remains subject to this chapter. If a taxpayer assigns a part of a credit during a taxable year, the assignee may not subsequently assign all or part of the credit to another taxpayer. A taxpayer may make only one (1) assignment of a credit.

(b) An assignment of a credit must be in writing, and both the taxpayer and assignee shall report the assignment on the taxpayer's and assignee's state tax returns for the year in which the assignment is made, in the manner prescribed by the department. A taxpayer may not receive value in connection with an assignment under this section that exceeds the value of the part of the credit



assigned.

(c) If the transferor is a tax exempt entity, the transfer must be completed on or before the date that is one (1) year after the close of the tax year for which the credit was certified. As used in this subsection, "tax exempt entity" means a government agency or an organization that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code.

Sec. 14. (a) For each state fiscal year beginning after June 30, 2025, the aggregate amount of state tax credits permitted:

- (1) for qualified railroad expenditures allowed under this chapter may not exceed nine million five hundred thousand dollars (\$9,500,000); and**
- (2) for qualified new rail infrastructure expenditures allowed under this chapter may not exceed five million dollars (\$5,000,000).**

(b) Not later than June 15, 2026, and not later than June 15 each year thereafter, the department shall report to the Indiana department of transportation and the state comptroller the total amount of state tax credits certified for the immediately preceding taxable year under section 8(c) of this chapter.

Sec. 15. This chapter expires December 31, 2027.

SECTION 3. IC 6-3.5-4-2, AS AMENDED BY P.L.236-2023, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) An adopting entity of any county may, subject to the limitation imposed by subsection (e), adopt an ordinance to impose a county vehicle excise tax in accordance with this chapter on each vehicle that is subject to the vehicle excise tax under IC 6-6-5 and that is registered in the county.

(b) If a county does not use a transportation asset management plan approved by the Indiana department of transportation, the adopting entity of the county may impose the surtax either:

- (1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than twenty-five dollars (\$25).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance which imposes the tax.

(c) **Except as provided in subsection (i)**, if a county uses a transportation asset management plan approved by the Indiana department of transportation, the adopting entity of the county may impose the surtax either:



- (1) at a rate of at least two percent (2%) and not more than twenty percent (20%); or
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than fifty dollars (\$50).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance that imposes the tax.

(d) Subject to the limits and requirements of this section and except as provided in IC 6-6-5-0.5(2), the adopting entity may do any of the following:

- (1) Impose the county vehicle excise tax at the same rate or amount on each vehicle that is subject to the tax.
- (2) Impose the county vehicle excise tax on vehicles subject to the tax at one (1) or more different rates based on the class of vehicle listed in IC 6-6-5-2(a).

(e) The adopting entity may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

(f) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county council before June 1, 2013, to impose or change the county vehicle excise tax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

(g) Except as provided under section 7.5 of this chapter (before its expiration on December 31, 2023) and subject to subsection (h), a county vehicle excise tax imposed by this chapter for a vehicle is due and shall be paid each year at the time the vehicle is registered.

(h) If the county vehicle excise tax imposed by this chapter was not paid for one (1) or more preceding years, the bureau may collect only the county vehicle excise tax imposed by this chapter for the:

- (1) registration year immediately preceding the current registration year;
- (2) current registration year; and
- (3) registration year immediately following the current registration year.

(i) Beginning July 1, 2025, if a county containing a consolidated city uses a transportation asset management plan approved by the Indiana department of transportation, the adopting entity of the county may impose the surtax either:

- (1) at a rate of at least two percent (2%) and not more than twenty percent (20%); or**
- (2) at a specific amount of at least seven dollars and fifty cents**



(\$7.50) and not more than one hundred fifty dollars (\$150). However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance that imposes the tax.

SECTION 4. IC 6-3.5-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 12. **(a) Except as provided in subsection (b),** in the case of a county that contains a consolidated city, the city-county council may appropriate money derived from the surtax to the department of transportation established by IC 36-3-5-4 for use by the department under law. The city-county council may not appropriate money derived from the surtax for any other purpose.

(b) Beginning July 1, 2025, the city-county council must appropriate money derived from the surtax for the purposes allowed under IC 8-14-1-4(c).

SECTION 5. IC 6-3.5-5-2, AS AMENDED BY P.L.178-2019, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) The adopting entity of any county may, subject to the limitation imposed by subsection (b), adopt an ordinance to impose a county wheel tax in accordance with this chapter on each vehicle that:

- (1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;
- (2) is not exempt from the wheel tax under section 4 of this chapter; and
- (3) is registered in the county.

(b) The adopting entity of a county may not adopt an ordinance to impose the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to impose the county vehicle excise tax.

(c) The adopting entity may impose the wheel tax at a different rate for each of the classes of vehicles listed in section 3 of this chapter. In addition, the adopting entity may establish different rates within the classes of buses, semitrailers, trailers, tractors, and trucks based on weight classifications of those vehicles that are established by the bureau of motor vehicles for use throughout Indiana. **However, Except as otherwise provided in subsection (f),** the wheel tax rate for a particular class or weight classification of vehicles:

- (1) may not be less than five dollars (\$5) and may not exceed forty dollars (\$40), if the county does not use a transportation asset management plan approved by the Indiana department of transportation; or
- (2) may not be less than five dollars (\$5) and may not exceed



eighty dollars (\$80), if the county uses a transportation asset management plan approved by the Indiana department of transportation.

The adopting entity shall state the initial wheel tax rates in the ordinance that imposes the tax.

(d) Subject to subsection (e), a wheel tax imposed by this chapter for a vehicle is due and shall be paid each year at the time the vehicle is registered.

(e) If the county wheel tax imposed by this chapter was not paid for one (1) or more preceding years, the bureau may collect only the county wheel tax imposed by this chapter for the:

- (1) registration year immediately preceding the current registration year;
- (2) current registration year; and
- (3) registration year immediately following the current registration year.

(f) Beginning July 1, 2025, if a county containing a consolidated city uses a transportation asset management plan approved by the Indiana department of transportation, the wheel tax rate for a particular class or weight classification of vehicles may not be less than five dollars (\$5) and may not exceed two hundred forty dollars (\$240).

SECTION 6. IC 6-3.5-5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 14. (a) **Except as provided in subsection (b)**, in the case of a county that contains a consolidated city, the city-county council may appropriate money derived from the wheel tax to:

- (1) the department of transportation established by IC 36-3-5-4 for use by the department under law; or
- (2) an authority established under IC 36-7-23.

(b) Beginning July 1, 2025, the city-county council must appropriate money derived from the wheel tax for the purposes allowed under IC 8-14-1-4(c).

~~(b)~~ (c) The city-county council may not appropriate money derived from the wheel tax for any other purpose.

SECTION 7. IC 8-14-1-4, AS AMENDED BY P.L.179-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4. (a) The funds allocated to the respective counties of the state from the motor vehicle highway account shall annually be budgeted as provided by law, and, when distributed shall be used for construction, reconstruction, preservation, 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. Subject to subsection (b), 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, preservation, and maintenance of highways, shall be paid out of the highway account of the various counties.

(b) Except as provided in subsection (c) **and section 4.1 of this chapter**, for funds distributed to a county from the motor vehicle highway account, the county shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the county's highways.

(c) This subsection applies to a county containing a consolidated city. For funds distributed to a county from the motor vehicle highway account, the county shall use at least sixty-five percent (65%) of the money for the construction, reconstruction, and preservation of the county's highways.

SECTION 8. IC 8-14-1-4.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2025]: **Sec. 4.1. (a) This section applies:**

- (1) beginning after June 30, 2026; and**
- (2) to all counties except a county containing a consolidated city as described in section 4(c) of this chapter and only if the county uses the PASER rating system.**

(b) As used in this section, "PASER" refers to the pavement surface evaluation and rating system used as part of a transportation asset management plan submitted to the local technical assistance program at Purdue University.

(c) If in the preceding calendar year:

- (1) a county's highways have an average PASER rating of at least six (6); and**
- (2) not more than fifteen percent (15%) of the county's highways are in failed condition, as represented by a PASER rating of one (1) or two (2);**

the county shall use at least forty percent (40%) of the money



distributed from the motor vehicle highway account for the construction, reconstruction, and preservation of the county's highways.

SECTION 9. IC 8-14-1-5, AS AMENDED BY P.L.179-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: 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) Except as provided in subsection (d) **and section 5.1 of this chapter**, 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) This subsection applies to a consolidated city. For funds distributed to a consolidated city from the motor vehicle highway account, the consolidated city shall use at least sixty-five percent (65%) of the money for the construction, reconstruction, and preservation of the consolidated city's highways.

SECTION 10. IC 8-14-1-5.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 5.1. (a) This section applies:**

(1) beginning after June 30, 2026; and

(2) to all cities and towns except a consolidated city as described in section 5(d) of this chapter and only if the city or town uses the PASER rating system.

(b) As used in this section, "PASER" refers to the pavement surface evaluation and rating system used as part of a transportation asset management plan submitted to the local



technical assistance program at Purdue University.

(c) If in the preceding calendar year:

- (1) a city or town's highways have an average PASER rating of at least six (6); and
- (2) not more than fifteen percent (15%) of the city or town's highways are in failed condition, as represented by a PASER rating of one (1) or two (2);

the city or town shall use at least forty percent (40%) of the money distributed from the motor vehicle highway account for the construction, reconstruction, and preservation of the city or town's highways.

SECTION 11. IC 8-14-3-3, AS AMENDED BY P.L.10-2019, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) As used in this section, "PASER" refers to the pavement surface evaluation and rating system used as part of a transportation asset management plan submitted to the local technical assistance program at Purdue University.

(b) There is annually appropriated two hundred fifty thousand dollars (\$250,000) from the motor vehicle highway account to the department to develop and maintain a centralized electronic statewide asset management data base that may be used to aggregate data on local road conditions. The data base shall be developed in cooperation with the department and the office of management and budget.

(c) The department, in coordination with the local technical assistance program at Purdue University, shall administer:

- (1) a PASER certification program for PASER raters submitting data to the statewide asset management data base; and
- (2) a quality assurance program for PASER data, consisting of a team of certified PASER raters throughout the state.

SECTION 12. IC 8-14-9-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2.5. (a) As used in this chapter, "low water crossing" means a public road waterway crossing:

- (1) other than a bridge where construction improvements have been made in the stream, river, or lake bed to provide a firm surface for vehicles to travel across the water course; and
- (2) that is designed and constructed to be passable to traffic most of the year during periods of ordinary stream flow but is impassable to traffic during periods of high water.

(b) As used in this chapter, "low water crossing project" means



a project that may consist of one (1) or more of the following:

- (1) Installing appropriate road signs to warn vehicle drivers as they approach a low water crossing.
- (2) Replacing damaged, undersized, perched, and blocked road structures in a low water crossing with structures that will accommodate a greater quantity of stream flow under the road.
- (3) Replacing a low water crossing with a bridge.

SECTION 13. IC 8-14-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. (a) Whenever the local county road and bridge board determines that it is necessary for the general welfare of the persons residing within the local county road and bridge district and that it will be of public utility and benefit to the property in the district to carry out:

- (1) a project of construction, reconstruction, or operation:
 - (A) of roads; ~~or~~
 - (B) of bridges; or
 - (C) of both roads and bridges; or
- (2) a low water crossing project;

within the district, the board shall adopt a resolution stating the necessity of the project and the intent of the district to proceed with the project.

(b) As a part of the resolution, the local county road and bridge board shall:

- (1) adopt preliminary or final plans and specifications for the entire project; and
- (2) determine the estimated cost of all work and all acquisitions necessary to carry out the project.

SECTION 14. IC 8-14.5-6-1, AS AMENDED BY P.L.218-2017, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. Except as provided in sections 2 and 5 of this chapter, the authority may, by resolution, **after budget committee review**, issue and sell bonds or notes of the authority for the purpose of providing funds to carry out the provisions of this article with respect to the construction of a project or projects or the refunding of any bonds or notes, together with any reasonable costs associated with a refunding. ~~However, except as provided in IC 8-15.5-5-6.1, the authority may not issue any bonds or notes for the construction of a project:~~

- (1) after July 1, 2007, for a project that is not a railroad crossing upgrade project described in IC 8-14.5-8; and
- (2) after June 30, 2025, for a railroad crossing upgrade project



~~described in IC 8-14.5-8:~~

The amount of the bonds or notes issued for ~~purposes of subdivision~~ **(2) a railroad crossing upgrade project described in IC 8-14.5-8** may not cause the annual payments on all the bonds and notes for this purpose to exceed ten million dollars (\$10,000,000).

SECTION 15. IC 8-14.5-7-5, AS ADDED BY P.L.246-2005, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. The authority may, by resolution, ~~before July 1, 2009,~~ **after budget committee review,** issue grant anticipation revenue bonds or notes for any purpose that is authorized by IC 8-14.5-6 and for which the department may use federal highway revenues.

SECTION 16. IC 8-15-3-36, AS ADDED BY P.L.218-2017, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36. (a) ~~Before July 1, 2017, the department shall submit a request to the Federal Highway Administration for a waiver to toll lanes on interstate highways. If~~

- ~~(1) a waiver is granted under this subsection; and~~
- ~~(2) the department, with the approval of the governor, decides to establish toll lanes, the department shall submit a request to the Federal Highway Administration for a waiver to toll lanes on interstate highways. If a waiver is granted under this section, toll lanes may be established in accordance with this title. under the waiver;~~

(b) The first toll lanes established on an interstate highway must be located at least seventy-five (75) miles from an interstate highway or bridge on which travel is subject to tolling as of July 1, 2017. This subsection does not apply if a waiver is applied for under subsection (a) after January 1, 2025.

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

~~(c) The feasibility study described in subsection (b) must consider the following:~~

- ~~(1) The economic impact and feasibility of tolling particular interstate highways;~~
- ~~(2) The ability to provide discounts, credits, or otherwise lessen the impact of tolling on local, commuter, and in-state operators;~~
- ~~(3) Information related to the number and impact of out-of-state operators expected to use interstate highways in Indiana;~~
- ~~(4) The rationale for the federal authorization of any tolling plan~~



that may be submitted by the state to the United States Department of Transportation:

(5) The optimal levels at which tolls may reasonably be expected to be set for passenger vehicles and other vehicles:

(6) Appropriate tolling rules regarding population center local traffic:

(7) The state's ability to enter into monetization agreements or long term contracts for initial construction, long term maintenance, installation, and operation of tolling facilities:

(8) Any estimates of which highway facilities would be conducive to tolling operations:

(9) Goals for participation by women-owned and minority owned business enterprises:

(10) Ways to maximize the use of Indiana workers and products made in Indiana:

(d) A written report on the feasibility study shall be delivered before November 1, 2017, to the governor, the legislative council, and the budget committee. The report to the legislative council must be in an electronic format under IC 5-14-6. This subsection expires December 31, 2017.

(e) If, after review of the feasibility study, the governor determines that tolling is the best means of achieving major interstate system improvements in Indiana, the governor shall create a strategic plan for tolling interstate highways and submit the strategic plan to the budget committee before December 1, 2018.

SECTION 17. IC 8-15.5-1-2, AS AMENDED BY P.L.19-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) This article contains full and complete authority for public-private agreements between the authority, a private entity, and, where applicable, a governmental entity. Except as provided in this article, no law, procedure, proceeding, publication, notice, consent, approval, order, or act by the authority or any other officer, department, agency, or instrumentality of the state or any political subdivision is required for the authority to enter into a public-private agreement with a private entity under this article, or for a project that is the subject of a public-private agreement to be constructed, acquired, maintained, repaired, operated, financed, transferred, or conveyed.

(b) Before the authority or the department may issue a request for proposals for or enter into a public-private agreement under this article that would authorize an operator to impose user fees for the operation of motor vehicles on all or part of a toll road project, the general



assembly must adopt a statute authorizing the imposition of user fees. However, during the period beginning July 1, 2011, and ending June 30, 2031, the general assembly is not required to enact a statute authorizing the authority or the department to issue a request for proposals or enter into a public-private agreement to authorize an operator to impose user fees for the operation of motor vehicles on all or part of the following projects:

- (1) A project on which construction begins after June 30, 2011, not including any part of Interstate Highway 69 other than a part described in subdivision (3);
- (2) The addition of toll lanes, including high occupancy toll lanes, to a highway, roadway, or other facility in existence on July 1, 2011, if the number of nontolled lanes on the highway, roadway, or facility as of July 1, 2011, does not decrease due to the addition of the toll lanes;
- (3) A project that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and that connects the state of Indiana with the commonwealth of Kentucky.

However, neither the authority nor the department may issue a request for proposals for a public-private agreement under this article that would authorize an operator to impose user fees unless the budget committee has reviewed the request for proposals.

(c) ~~Except as provided in subsection (b);~~ Before the authority or an operator may carry out any of the following activities under this article, the general assembly must enact a statute authorizing that activity:

- (1) Imposing user fees on motor vehicles for use of Interstate Highway 69.
- (2) **Except for a project for which a waiver is granted under IC 8-15-3-36,** imposing user fees on motor vehicles for use of a nontolled highway, roadway, or other facility in existence or under construction on July 1, 2011, including nontolled interstate highways, U.S. routes, and state routes.

(d) The general assembly is not required to enact a statute authorizing the authority or the department to issue a request for proposals or enter into a public-private agreement for a freeway project.

(e) The authority may enter into a public-private agreement for a facility project if the general assembly, by statute, authorizes the authority to enter into a public-private agreement for the facility project.

(f) As permitted by subsection (e), the general assembly authorizes the authority to enter into public-private agreements for a state park inn



and related improvements at Potato Creek State Park.

SECTION 18. IC 8-15.7-1-5, AS AMENDED BY P.L.19-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. (a) This article contains full and complete authority for agreements and leases with private entities to carry out the activities described in this article. Except as provided in this article, no procedure, proceeding, publication, notice, consent, approval, order, or act by the authority, the department, or any other state or local agency or official is required for the department to enter into a public-private agreement with a private entity under this article for a project to be constructed, maintained, repaired, or operated, and no law to the contrary affects, limits, or diminishes the authority for agreements and leases with private entities, except as provided by this article. However, this article may not be construed to:

- (1) limit the power of the authority, the department, or a private entity to enter an agreement; or
- (2) impose any procedural or substantive requirements on the authority, the department, or a private entity;

concerning a project (as defined by IC 8-15.5-2-7) carried out under IC 8-15.5.

(b) Notwithstanding any other law, ~~and except as provided in subsection (d),~~ before the department, the authority, or an operator may enter into public-private agreements that impose user fees on motor vehicles for use of:

- (1) Interstate Highway 69; or
- (2) **except for a project for which a waiver is granted under IC 8-15-3-36,** nontolled highways, roadways, or other facilities in existence or under construction on July 1, 2011, including nontolled interstate highways, U.S. routes, and state routes;

the general assembly must enact a statute authorizing that activity.

(c) Notwithstanding any other law, the department or the authority may enter into a public-private agreement concerning a project consisting of a passenger or freight railroad system described in IC 8-15.7-2-14(a)(4). Such an agreement is subject to review and appropriation by the general assembly. However, this subsection does not prohibit the department from:

- (1) conducting preliminary studies that the department considers necessary to determine the feasibility of such a project; or
- (2) issuing a request for qualifications or a request for proposals, or both, under IC 8-15.7-4 for such a project.

~~(d) During the period beginning July 1, 2011, and ending June 30, 2031, the general assembly is not required to enact a statute authorizing~~



the department, the authority, or an operator to issue a request for proposals for, or enter into, a public-private agreement that imposes user fees for the operation of motor vehicles for the following projects:

(1) A project on which construction begins after June 30, 2011, not including any part of Interstate Highway 69 other than a part described in subdivision (3);

(2) The addition of toll lanes, including high occupancy toll lanes, to a highway, roadway, or other facility in existence on July 1, 2011, if the number of nontolled lanes on the highway, roadway, or facility as of July 1, 2011, does not decrease due to the addition of the toll lanes;

(3) A project that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and that connects the state of Indiana with the commonwealth of Kentucky.

(e) (d) The following apply:

(1) The authority shall be a party to any public-private agreement entered into pursuant to this article that requires payments to be made to an operator after the operator receives final payment for construction.

(2) The authority may issue bonds or refunding bonds under IC 5-1.2-4 to provide funds for any amounts identified under this article but is not required to comply with IC 8-9.5-8-10.

SECTION 19. IC 8-16-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. Notwithstanding IC 8-18-8-5, all municipal corporations and county executives may provide a cumulative bridge fund to provide funds for the cost of construction, maintenance, and repair of bridges, approaches, **small structures, culverts,** and grade separations **under their jurisdiction.** ~~However, in those counties in which a cumulative bridge fund has been established, the county executive is responsible for providing funds for all bridges, including those in municipalities, within the counties except those bridges on the state highway system.~~ The county executive may use this fund for making county wide bridge inspection and safety ratings of all bridges in a county not on the state highway system. The inspection and safety ratings shall meet all the criteria of the National Bridge Inspection Standards promulgated by the Federal Highway Administration, U.S. Department of Transportation and shall be supervised and approved by a competent, qualified engineer, registered in the state.

SECTION 20. IC 8-17-1-0.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 0.3. As used in this chapter, "bridge" means a**



structure, including supports, erected over a depression or an obstruction, such as water, a highway, or a railway that has:

- (1) a track or passageway for carrying traffic or moving loads; and
- (2) an opening measured along the center of the roadway of more than twenty (20) feet between under copings of abutments or spring lines of arches or extreme ends of opening for multiple boxes.

SECTION 21. IC 8-17-1-46 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 46. (a) This section does not apply to an eligible county (as defined in IC 8-16-3.1-1) that complies with the provisions in IC 8-16-3.1-4.

(b) A county is responsible for the construction, reconstruction, maintenance, and inspection of a bridge that meets the following requirements:

- (1) Is located in the county, including a bridge that is located within the corporate limits of a municipality.
- (2) Has a span length greater than twenty (20) feet.
- (3) Is not part of the state highway system.
- (4) Meets either of the following:
 - (A) The bridge was inspected by the county before January 1, 2024.
 - (B) The bridge was added to the county inventory by the county executive after December 31, 2024.

(c) A municipality is responsible for the construction, reconstruction, and maintenance of a bridge that meets the following requirements:

- (1) Is located within the corporate limits of the municipality.
- (2) Has a span length equal to or less than twenty (20) feet.
- (3) Is not part of the state highway system.

(d) A new bridge that may be the responsibility of the county under subsection (b) must be developed in consultation with the county.

SECTION 22. IC 8-17-4.1-1, AS AMENDED BY P.L.185-2018, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) This chapter applies to:

- (1) all counties; and
- (2) municipalities with a population of at least ~~fifteen thousand~~ ~~(15,000)~~ **five thousand (5,000)**.

(b) As used in this chapter, "governing body" means the county executive, the city executive, or the town legislative body.



SECTION 23. IC 8-23-7-22, AS AMENDED BY P.L.19-2023, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 22. (a) ~~Subject to subsection (b);~~ The department may, after issuing an order and receiving the governor's approval, determine that a state highway should become a tollway. After the order becomes effective, the department shall maintain and operate the tollway and levy and collect tolls as provided in IC 8-15-3 or enter into a public-private agreement with an operator with respect to the tollway under IC 8-15.7. Before issuing an order under this section, the department shall submit to the governor a plan to bring the tollway to the current design standards of the department for new state highways within a specified period. The specified period may not exceed five (5) years.

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

~~(1) Determine that a highway that is in existence or under construction on July 1, 2011, should become a tollway.~~

~~(2) Impose tolls on motor vehicles for use of Interstate Highway 69.~~

~~(c) Notwithstanding subsection (b), during the period beginning July 1, 2011, and ending June 30, 2031, the general assembly is not required to enact a statute authorizing the governor, the department, or an operator to determine that all or part of the following projects should become a tollway:~~

~~(1) A project on which construction begins after June 30, 2011, not including any part of Interstate Highway 69 other than a part described in subdivision (3);~~

~~(2) The addition of toll lanes, including high occupancy toll lanes, to a highway, roadway, or other facility in existence on July 1, 2011, if the number of nontolled lanes on the highway, roadway, or facility as of July 1, 2011, does not decrease due to the addition of the toll lanes;~~

~~(3) A project that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and that connects the state of Indiana with the commonwealth of Kentucky.~~

SECTION 24. IC 8-23-7-23, AS AMENDED BY P.L.94-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 23. (a) Subject to subsection (c), The department may, after issuing an order and receiving the governor's approval, determine that a state highway should become a toll road. An order under this section does not become effective unless the authority adopts



a resolution to accept the designated state highway, or part of the highway, as a toll road project under the conditions contained in the order. An order issued by the department under this section must set forth the conditions upon which the transfer of the state highway, or part of the highway, to the authority must occur, including the following:

(1) The consideration, if any, to be paid by the authority to the department.

(2) A requirement that the authority:

(A) enter into a contract or lease with the department with respect to the toll road project under IC 8-9.5-8-7 or IC 8-9.5-8-8; or

(B) enter into a public-private agreement with an operator with respect to the toll road under IC 8-15.5.

(b) To complete a transfer under this section, the department must, with the governor's approval, execute a certificate describing the real and personal property constituting or to be transferred with the state highway that is to become a toll road project. Upon delivery of the certificate to the authority, the real and personal property described in the certificate is under the jurisdiction and control of the authority.

(c) Before the authority or an operator may carry out any of the following activities under this section, the general assembly must enact a statute authorizing that activity:

(1) Imposing tolls on motor vehicles for use of Interstate Highway 69.

(2) **Except for a project for which a waiver is granted under IC 8-15-3-36**, imposing tolls on motor vehicles for use of a nontolled highway, roadway, or other facility in existence or under construction on July 1, 2011, including nontolled interstate highways, U.S. routes, and state routes.

SECTION 25. IC 8-23-23-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 6. The commissioner shall ensure that the department makes information available to county boards of commissioners and county highway departments about funding from federal and private sources that might be available to the counties for projects involving the reconstruction or replacement of low water crossings (as defined in IC 8-23-30-1(d)), including the following:**

(1) **The federal Surface Transportation Block Grant Program (23 U.S.C. 133).**

(2) **The United States Fish and Wildlife Service.**

SECTION 26. IC 8-23-30-1, AS ADDED BY P.L.146-2016,



SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. ~~(a) The following definitions apply throughout~~
As used in this chapter, (1) "eligible project" means either of the following:

- (1) A project:**
 - (A) that is undertaken by a local unit;**
 - (B) that repairs or increases the capacity of local roads and bridges; and**
 - (C) that is part of the local unit's transportation asset management plan.**
- (2) A project that:**
 - (A) is undertaken by a local unit; and**
 - (B) reduces the risk to human life from low water crossings.**

~~(2) (b) As used in this chapter, "fund" refers to the local road and bridge matching grant fund established by section 2 of this chapter.~~

~~(3) (c) As used in this chapter, "local unit" means a county or municipality.~~

(d) As used in this chapter, "low water crossing" means a public road waterway crossing:

- (1) other than a bridge where construction improvements have been made in the stream, river, or lake bed to provide a firm surface for vehicles to travel across the water course; and**
- (2) that is designed and constructed to be passable to traffic most of the year during periods of ordinary stream flow but is impassable to traffic during periods of high water.**

~~(4) (e) As used in this chapter, "transportation asset management plan" includes planning for drainage systems and rights-of-way that affect transportation assets.~~

(f) As used in this chapter, "wheel tax" means the tax imposed in an ordinance adopted under:

- (1) IC 6-3.5-5, in the case of a county; and**
- (2) IC 6-3.5-11, in the case of a municipality.**

SECTION 27. IC 8-23-30-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 1.5. A project described in section 1(a)(2) of this chapter may consist of one (1) or more of the following:**

- (1) Installing appropriate road signs to warn vehicle drivers as they approach low water crossings.**
- (2) Replacing damaged, undersized, perched, and blocked**



road structures with structures that will accommodate a greater quantity of stream flow under the road.

(3) Replacing low water crossings with bridges.

SECTION 28. IC 8-23-30-2, AS AMENDED BY P.L.165-2021, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The local road and bridge matching grant fund is established to provide matching grants to local units for eligible projects.

(b) The department shall administer the fund.

(c) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Interest deposited in the fund under subsection (d).

(3) Money deposited in or transferred to the fund from any other source.

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

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

(f) Not later than June 1, 2025, the department shall report to the state comptroller the amount of matching grants awarded by the department from the fund in the state fiscal year beginning July 1, 2024, and ending June 30, 2025, that the department will not distribute before July 1, 2025.

(g) The state comptroller shall determine the balance of the money in the fund on June 15, 2025, and on June 15 of each year thereafter. After determining the balance of money in the fund under this subsection, the money in the fund must be allocated in accordance with subsection (h), transferred in accordance with subsections (i) and (j), and distributed in accordance with subsection (k).

(h) After determining the balance of the money in the fund under subsection (g), the money in the fund must first be allocated as follows:

(1) On June 30, 2025, the department must allocate the total of the amount determined under subsection (f) plus one hundred million dollars (\$100,000,000) of money in the fund to make matching grants in the state fiscal year beginning July 1, 2025, and ending June 30, 2026, to all local units. The department may not award more than one hundred million dollars (\$100,000,000) of matching grants in the state fiscal



year beginning July 1, 2025, and ending June 30, 2026.

(2) On June 30, 2026, and June 30 of each year thereafter, the department must allocate the first one hundred million dollars (\$100,000,000) of money in the fund to make matching grants in the next state fiscal year to all local units.

(i) After the department allocates the money in the fund under subsection (h), the state comptroller shall make the following five (5) transfers:

(1) On June 30, 2026, a transfer of:

(A) to the state general fund, the total amount of the state tax credits certified for 2025 by the department of state revenue under IC 6-3.1-38.1-8(c); and

(B) to the department, an amount equal to twenty million dollars (\$20,000,000) minus the amount under clause (A) for deposit in the state highway road construction and improvement fund established under IC 8-14-10 for the department's use in financing a railroad crossing upgrade project as described in IC 8-14.5-8.

(2) On June 30, 2027, a transfer of:

(A) to the state general fund, the total amount of the state tax credits certified for 2026 by the department of state revenue under IC 6-3.1-38.1-8(c); and

(B) to the department, an amount equal to twenty million dollars (\$20,000,000) minus the amount under clause (A) for deposit in the state highway road construction and improvement fund established under IC 8-14-10 for the department's use in financing a railroad crossing upgrade project as described in IC 8-14.5-8.

(3) On June 30, 2028, a transfer of:

(A) to the state general fund, the total amount of the state tax credits certified for 2027 by the department of state revenue under IC 6-3.1-38.1-8(c); and

(B) to the department, an amount equal to twenty million dollars (\$20,000,000) minus the amount under clause (A) for deposit in the state highway road construction and improvement fund established under IC 8-14-10 for the department's use in financing a railroad crossing upgrade project as described in IC 8-14.5-8.

(4) On June 30, 2029, a transfer of twenty million dollars (\$20,000,000) to the department for deposit in the state highway road construction and improvement fund established under IC 8-14-10 for the department's use in financing a



railroad crossing upgrade project as described in IC 8-14.5-8.

(5) On June 30, 2030, a transfer of twenty million dollars (\$20,000,000) to the department for deposit in the state highway road construction and improvement fund established under IC 8-14-10 for the department's use in financing a railroad crossing upgrade project as described in IC 8-14.5-8.

(j) Beginning on June 30, 2027, and on June 30 of each year thereafter, after the department allocates the money under subsection (h) and the state comptroller makes a transfer under subsection (i), when applicable, the state comptroller shall transfer fifty million dollars (\$50,000,000) of money in the fund to the consolidated city in Marion County for the construction, reconstruction, and preservation of the consolidated city's local streets (as defined in IC 8-14-2-1(9)). The consolidated city in Marion County shall not use these revenues for:

- (1) reducing the capacity of existing roads and streets;
- (2) greenways;
- (3) bike lanes;
- (4) bike trails; and
- (5) sidewalks.

One hundred percent (100%) of the money distributed to the consolidated city under this subsection shall be matched with an appropriation by the consolidated city. The appropriation required under this subsection must be new revenue and may not include revenue allocated to public safety purposes under IC 6-3.6-6.

(k) Beginning on June 30, 2027, and on June 30 of each year thereafter, after the state comptroller makes a transfer under subsection (j), the state comptroller shall distribute the remainder of the money in the fund, as follows:

- (1) To be eligible to receive a distribution under this subsection, a local unit must have:
 - (A) adopted a wheel tax; and
 - (B) provided the local technical assistance program at Purdue University with an updated transportation asset management plan within the last twelve (12) months.
- (2) The distribution to a local unit eligible to receive a distribution under subdivision (1) must be proportional to the local unit's share of the total lane mileage for all local units eligible to receive a distribution under subdivision (1). The department shall provide to the state comptroller the total lane mileage for purposes of making the distribution under this subsection.



A local unit may use a distribution made under this subsection only for eligible projects.

~~(f)~~ **(l)** Money in the fund is continuously appropriated for the purpose of the fund.

~~(g)~~ **(m)** Money in the fund may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other agency until after budget committee review, except ~~that~~ **for either or both of the following purposes:**

(1) The department may distribute funds to a local unit that has been approved for a grant under this chapter without budget committee review.

(2) To transfer money in the fund under subsections (i) and (j) and to make a distribution under subsection (k) without budget committee review.

SECTION 29. IC 8-23-30-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 3.5. In each state fiscal year beginning after June 30, 2027, a local unit that receives a distribution under section 2(k) of this chapter may not apply for a grant under section 2(h) of this chapter in an amount that is greater than the maximum grant amount set under section 8 of this chapter minus the amount the local unit received from a distribution under section 2(k) of this chapter.**

SECTION 30. IC 8-23-30-5, AS ADDED BY P.L.146-2016, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 5. In the evaluation of an application for a grant applications for grants from the fund for projects described in section 1(a) of this chapter, the department shall give preference to projects that are anticipated by the department to have the greatest regional economic significance for the region in which the local unit is located.**

SECTION 31. IC 8-23-30-6, AS AMENDED BY P.L.218-2017, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 6. If the department approves a grant to a local unit under this chapter, the required local matching amount by the local unit is equal to the following applicable percentage of the total cost of the eligible project:**

(1) For a county applicant, the following:

(A) Fifty percent (50%), if the county has a population greater than or equal to ~~fifty thousand (50,000): fifty-five thousand (55,000).~~

(B) ~~Twenty-five~~ Twenty percent (25%); (20%), if the county



has a population of less than ~~fifty thousand (50,000)~~; **fifty-five thousand (55,000).**

(2) For a city or town applicant, the following:

(A) Fifty percent (50%), if the city or town has a population greater than or equal to ten thousand (10,000).

(B) ~~Twenty-five~~ **Twenty** percent (~~25%~~); **(20%)**, if the city or town has a population of less than ten thousand (10,000).

SECTION 32. IC 8-23-30-7, AS AMENDED BY P.L.218-2017, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. The department shall allocate at least fifty percent (50%) of the amount available to the department to make grants in a state fiscal year to:

(1) local units that are counties having a population of less than fifty thousand (50,000); and

(2) local units that are municipalities located in counties having a population of less than fifty thousand (50,000).

SECTION 33. IC 9-21-5-2, AS AMENDED BY P.L.189-2018, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) Except when a special hazard exists that requires lower speed for compliance with section 1 of this chapter, the slower speed limit specified in this section or established as authorized by section 3 of this chapter is the maximum lawful speed. A person may not drive a vehicle on a highway at a speed in excess of the following maximum limits:

(1) Thirty (30) miles per hour in an urban district.

(2) Fifty-five (55) miles per hour, except as provided in subdivisions (1), (3), (4), (5), (6), ~~and (7)~~, **and (9).**

(3) Seventy (70) miles per hour on a highway on the national system of interstate and defense highways located outside of an urbanized area (as defined in 23 U.S.C. 101) with a population of at least fifty thousand (50,000), except as provided in subdivision (4).

(4) Sixty-five (65) miles per hour for a vehicle (other than a bus) having a declared gross weight greater than twenty-six thousand (26,000) pounds on a highway on the national system of interstate and defense highways located outside an urbanized area (as defined in 23 U.S.C. 101) with a population of at least fifty thousand (50,000).

(5) Sixty-five (65) miles per hour on:

(A) U.S. 20 from the intersection of U.S. 20 and County Road 17 in Elkhart County to the intersection of U.S. 20 and U.S. 31 in St. Joseph County;



- (B) U.S. 31 from the intersection of U.S. 31 and U.S. 20 in St. Joseph County to the boundary line between Indiana and Michigan; and
 - (C) a highway classified by the Indiana department of transportation as an INDOT Freeway.
- (6) On a highway that is the responsibility of the Indiana finance authority established by IC 5-1.2-3:
- (A) seventy (70) miles per hour for:
 - (i) a motor vehicle having a declared gross weight of not more than twenty-six thousand (26,000) pounds; or
 - (ii) a bus; or
 - (B) sixty-five (65) miles per hour for a motor vehicle having a declared gross weight greater than twenty-six thousand (26,000) pounds.
- (7) Sixty (60) miles per hour on a highway that:
- (A) is not designated as a part of the national system of interstate and defense highways;
 - (B) has four (4) or more lanes;
 - (C) is divided into two (2) or more roadways by:
 - (i) an intervening space that is unimproved and not intended for vehicular travel;
 - (ii) a physical barrier; or
 - (iii) a dividing section constructed to impede vehicular traffic; and
 - (D) is located outside an urbanized area (as defined in 23 U.S.C. 101) with a population of at least fifty thousand (50,000).
- (8) Fifteen (15) miles per hour in an alley.

(9) Sixty-five (65) miles per hour on Interstate Highway 465.

- (b) A person who violates subsection (a) commits a Class C infraction.

SECTION 34. IC 34-28-5-5, AS AMENDED BY P.L.19-2023, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. (a) A defendant against whom a judgment is entered is liable for costs. Costs are part of the judgment and may not be suspended except under IC 9-30-3-12. Whenever a judgment is entered against a person for the commission of two (2) or more civil violations (infractions or ordinance violations), the court may waive the person's liability for costs for all but one (1) of the violations. This subsection does not apply to judgments entered for violations constituting:

- (1) Class D infractions; or



(2) Class C infractions for unlawfully parking in a space reserved for a person with a physical disability under IC 5-16-9-5 or IC 5-16-9-8.

(b) If a judgment is entered:

(1) for a violation constituting:

(A) a Class D infraction; or

(B) a Class C infraction for unlawfully parking in a space reserved for a person with a physical disability under IC 5-16-9-5 or IC 5-16-9-8; or

(2) in favor of the defendant in any case;

the defendant is not liable for costs.

(c) Except for costs, and except as provided in subsections (e) and (f) and IC 9-21-5-11(e), the funds collected as judgments for violations of statutes defining infractions shall be deposited in the state general fund.

(d) A judgment may be entered against a defendant under this section or section 4 of this chapter upon a finding by the court that the defendant:

(1) violated:

(A) a statute defining an infraction; or

(B) an ordinance; or

(2) consents to entry of judgment for the plaintiff upon a pleading of nolo contendere for a moving traffic violation.

(e) The funds collected for an infraction judgment described in section 4(h) of this chapter shall be transferred to a dedicated county fund. The money in the dedicated county fund does not revert to the county general fund or state general fund and may be used, after appropriation by the county fiscal body, only for the following purposes:

(1) To pay compensation of commissioners appointed under IC 33-33-49.

(2) To pay costs of the county's guardian ad litem program.

(f) The funds collected for an infraction judgment described in section 4(i) of this chapter shall be transferred to a dedicated toll revenue fund created as part of a project ~~under IC 8-15.5-1-2(b)(3)~~. **that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and that connects the state of Indiana with the commonwealth of Kentucky.** The money in the fund does not revert to the county general fund or state general fund and may be used only to pay the cost of operating, maintaining, and repairing the tolling system for a project ~~under IC 8-15.5-1-2(b)(3)~~, **that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and**



that connects the state of Indiana with the commonwealth of Kentucky, including major repairs, replacements, and improvements.

SECTION 35. IC 36-6-9-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 4.5. As used in this chapter, "unrestricted funds" means cash reserves that are not:**

- (1) obligated by a township's following year budget;**
- (2) committed to a township's capital improvement plan;**
- (3) encumbered by a contract or purchase order;**
- (4) restricted for a specific use by state or federal law or other applicable state or federal rule;**
- (5) restricted by a contractual obligation; or**
- (6) restricted by a third-party.**

SECTION 36. IC 36-6-9-5, AS ADDED BY P.L.129-2019, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 5. (a) Before July 1, 2025,** this chapter applies to a township if the total amount of funds in a township's capital improvement funds exceeds:

- (1) one hundred fifty percent (150%) of the township's total annual budget estimate prepared under IC 6-1.1-17-2 for the ensuing year; and
- (2) two hundred thousand dollars (\$200,000).

(b) After June 30, 2025, this chapter applies to all townships.

SECTION 37. IC 36-6-9-7, AS ADDED BY P.L.129-2019, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 7. A township that meets the requirements of section 5 of this chapter must:**

- (1) adopt a capital improvement plan not later than September 30 ~~2020; of each calendar year;~~ and
- (2) submit a copy of the adopted capital improvement plan to the department of local government finance in the manner prescribed by the department.

SECTION 38. IC 36-6-9-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 12. (a) Beginning July 1, 2025, a township must adopt a plan on an annual basis. The township must file the plan with the department of local government finance in the form and manner prescribed by the department of local government finance.**

(b) A plan must include:

- (1) the balance of all unrestricted funds that exceed the township's budget for the following year; and**
- (2) the purpose for which all unrestricted funds are being**



retained.

SECTION 39. IC 36-6-10 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

Chapter 10. Township Roads and Infrastructure Fund

Sec. 1. As used in this chapter, "unrestricted funds" has the meaning set forth in IC 36-6-9-4.5.

Sec. 2. A township shall establish a fund for the improvement and maintenance of the roads and infrastructure within the township's boundaries.

Sec. 3. Before a township enters into a written memorandum of understanding under section 4 of this chapter, the township board must adopt a resolution in favor of providing money for the improvement and maintenance of roads and infrastructure.

Sec. 4. A township must enter into a written memorandum of understanding with a city, town, or county, as applicable, for, subject to section 5 of this chapter, the transfer of funds from a fund established under section 2 of this chapter to the city, town, or county for the purpose of bidding out projects that are:

- (1) for the improvement of roads and infrastructure within the township's boundaries; and
- (2) approved by the township.

Funds used for a project under this section must be used solely for projects for roads and infrastructure that are within the township's boundaries.

Sec. 5. A transfer of funds from a fund established under section 2 of this chapter for a purpose allowed under this chapter must be accomplished in the same manner that a township makes transfers from the rainy day fund as set forth in IC 36-1-8-5.1, except that the amount of the transfer of unobligated cash balances as described in IC 36-1-8-5.1(d)(2)(B)(iii) shall contribute thirty percent (30%) of the balance of all unrestricted funds that exceed the township's budget for the following year, as provided in the township's capital improvement plan under IC 36-6-9-12(b)(1).

SECTION 40. IC 36-9-42.2-4.5, AS ADDED BY P.L.218-2017, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4.5. As used in this chapter, "transportation asset management plan" has the meaning set forth in ~~IC 8-23-30-1(4)~~. **IC 8-23-30-1(e).**

SECTION 41. [EFFECTIVE JULY 1, 2025] (a) As used in this SECTION, "department" means the Indiana department of administration created by IC 4-13-1-2.



(b) As used in this SECTION, "Indiana road data" means information, in any form, that:

- (1) is controlled or readily accessible by the state of Indiana; and
- (2) can be used to provide information regarding:
 - (A) road and bridge conditions; and
 - (B) the deterioration or life cycle status of roads and bridges.

(c) Not later than October 1, 2025, the department shall issue a request for information regarding computer technology that can be used to:

- (1) enhance:
 - (A) the collection of Indiana road data;
 - (B) the evaluation of Indiana road data; and
 - (C) the display, visualization, and monitoring of data concerning:
 - (i) the condition, maintenance, and repair of; or
 - (ii) other capital investment in;

Indiana roads based on Indiana road data; and

(2) allow members of the public to voluntarily submit data, information, or other feedback regarding Indiana road conditions for purposes of augmenting Indiana road data; with the goal of better informing Indiana citizens and informing decision making regarding road and bridge maintenance.

(d) The department shall report the results of the request for information to:

- (1) the legislative council (IC 2-5-1.1-1);
- (2) the department; and
- (3) the local technical assistance program at Purdue University.

The information provided to the legislative council under this subsection must be submitted in an electronic format under IC 5-14-6.

(e) If the department receives no responses to the request for information, the department shall report that result under subsection (d).

(f) This SECTION expires December 31, 2026.

SECTION 42. [EFFECTIVE JULY 1, 2025] (a) The legislative council is urged to assign to the interim study committee on roads and transportation established by IC 2-5-1.3-4, during the 2025 legislative interim, the study of appropriate road funding formulas, including the amount of gas taxes and vehicle registration fees and



other methods and amounts used to calculate the funding of roads.

(b) This SECTION expires January 1, 2026.

SECTION 43. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

HEA 1461 — Concur

