

## Vicki Kitchin

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**From:** Vicki Kitchin <vkitchin@buildindianacouncil.org>  
**Sent:** Saturday, April 22, 2017 12:36 AM  
**To:** Vicki Kitchin  
**Subject:** BIC MATTERS: Indiana Legislature Passes Highway Funding Package

TO: BIC Grassroots Network  
FROM: Vicki Kitchin  
DATE: April 22, 2017

### **BIC Matters: Indiana Legislature Passes Long-Term, Dedicated, Stable Highway Funding Package**

The Indiana state legislature has passed HB 1002, the highway funding package that will provide long-term, dedicated and stable increased funding for state and local highways, roads, streets and bridges. The House voted 69-29 in favor; the Senate voted 37-12 in favor; and both votes had bipartisan support. The bill now goes to Governor Holcomb for his signature; he has publicly indicated his support for the package.

HB 1002 will result in additional funding of \$617 million in FY 2018 growing each year to an additional \$1.209 billion in FY 2024. Specifically, it includes the following:

- Raises gas, diesel and motor carrier surcharge taxes by 10 cents each beginning in FY18 and indexes the taxes annually for seven years with a one cent per year cap
- Gradually shifts the sales tax on gas to the state highway fund by 2025 (but allows the Governor to hold back these funds for general fund purposes subject to review by the state budget committee)
- Increases the International Registration Plan and BMV registration fees by 25% for trucks greater than 26,000 lbs.
- Implements a \$15 statewide transportation infrastructure fee for all vehicles less than 26,000 lbs.
- Implements an annual electric vehicle fee of \$150 and a hybrid fee of \$50
- Eliminates the sales tax on special fuel
- Requires INDOT to study tolling and to apply for a federal tolling waiver; requires state budget committee review before INDOT could implement tolling
- Requires INDOT to develop metrics and prioritize projects using a data-driven model
- Moves the motor carrier surcharge tax to the pump and applies to all diesel buyers
- Continues the community crossing matching grant program for locals and modifies the match requirements as follows: counties over 50,000 population and cities/towns over 10,000 population will be at a 50/50 match; counties under 50,000 population and cities/towns under 10,000 population will be at a 75/25 match
- Allows INDOT to operate a federal funds exchange program with locals
- Extends local wheel tax/surtax adoption deadlines
- Restricts local uses of MVH funds to exclude paying for police and painting structures and requires that 50% of MVH funds be used for construction, reconstruction and maintenance
- Phases in changes to the MVH split from current 53% state/47% local to 60% state and 40% local beginning in FY18 and ending in FY23
- Allows the IFA to facilitate the completion of a P3 project in a situation where the P3 agreement has been terminated or the IFA has exercised its right to seek remedies

Our state legislators deserve our praise and thanks for taking this courageous vote to improve our state's highways and bridges and ensure that Indiana reaches the next level for the future.

Chairman Ed Soliday has worked to achieve this measure for at least six years. He has mandated an approach and solution that is unequivocally data-driven. House Speaker Brian Bosma and Chairman Tim Brown have led the House Republican caucus in pressing for solutions, understanding the significance of this issue and advocating for this vote.

In the Senate, Chairman Luke Kenley has worked hard to figure out a financing plan that invests in our highway system while ensuring general fund stability. President Pro Tempore David Long, Chairman Mike Crider and Chairman Brandt Hershman worked with their caucus members to ensure this issue is addressed for the long-term.

BIC would like to thank our broad coalition of partner organizations who have worked closely together for many years to convince legislators of the need for additional investment. These partners include local governments, agriculture, state and local chambers, organized labor and many others.

Also, BIC would like to thank our member associations: ACEC-IN, ACPA-IN, APAI, ICI, IED, IMAA and IRMCA for continued support and perseverance. Our members (all of you, the members of these associations) have been the core of our grassroots network and have responded to our calls to action. Your contacts have made all the difference in this effort.

Finally, we owe great thanks to our professional highway funding experts and lobbying team: Dennis Faulkenberg and Laurie Maudlin of APPIAN Advisors and Bill Livvix of BRL Associates. This achievement is a direct result of their expertise and tenacity and wouldn't have been possible without them.

Thanks to all.



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