

PROPOSED AMENDMENT

SB 179 # 11

DIGEST

Road funding distributions. Provides that a county may not budget or designate any funds distributed to the county from the motor vehicle highway account and the local road and street account for a project to be selected by an individual member of the county council. Provides that a transfer from the local road and bridge matching grant fund to the consolidated city in Marion County (consolidated city) will continue until the consolidated city is no longer able to match the distribution. Provides that a match by the consolidated city must be new revenue each year and the amount of the match may not be met with revenue that was previously used for a match.

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 8-14-1-4, AS AMENDED BY P.L.173-2025,
4 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 4. (a) The funds allocated to the respective
6 counties of the state from the motor vehicle highway account shall
7 annually be budgeted as provided by law, and, when distributed shall
8 be used for construction, reconstruction, preservation, and maintenance
9 of the highways of the respective counties, including highways which
10 traverse the streets of incorporated towns, the cost of the repair and
11 maintenance of which prior to the tenth day of September, 1932, was
12 paid from the county gravel road repair fund excepting where the
13 department is charged by law with the maintenance or construction of
14 any such highway so traversing such streets. Subject to subsection (b),
15 any surplus existing in the funds at the end of the year shall thereafter
16 continue as a part of the highway funds of the said counties and shall
17 be rebudgeted and used as already provided in this chapter. The
18 purchase, rental and repair of highway equipment, painting of bridges
19 and acquisition of grounds for erection and construction of storage
20 buildings, acquisition of rights of way and the purchase of fuel oil, and
21 supplies necessary to the performance of construction, reconstruction,
22 preservation, and maintenance of highways, shall be paid out of the
23 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.

(d) A county, including a county containing a consolidated city, may not budget or designate any funds that are distributed to the county from the motor vehicle highway account for a project to be selected by an individual member of the county council.

SECTION 2. IC 8-14-2-4, AS AMENDED BY P.L.9-2024, SECTION 292, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The state comptroller shall establish a special account to be called the "local road and street account" and credit this account monthly with thirty-seven percent (37%) of the money deposited in the highway, road and street fund.

(b) The state comptroller shall distribute to units of local government money from this account each month. Before making any other distributions under this chapter, the state comptroller shall distribute E85 incentive payments to all political subdivisions entitled to a payment under section 8 of this chapter.

(c) After distributing E85 incentive payments required under section 8 of this chapter, the state comptroller shall allocate to each county the remaining money in this account on the basis of the ratio of each county's passenger car registrations to the total passenger car registrations of the state. The state comptroller shall further determine the suballocation between the county and the cities within the county as follows:

(1) In counties having a population of more than fifty thousand (50,000), sixty percent (60%) of the money shall be distributed on the basis of the population of the city or town as a percentage of the total population of the county and forty percent (40%) distributed on the basis of the ratio of city and town street mileage to county road mileage.

(2) In counties having a population of fifty thousand (50,000) or less, twenty percent (20%) of the money shall be distributed on

the basis of the population of the city or town as a percentage of the total population of the county and eighty percent (80%) distributed on the basis of the ratio of city and town street mileage to county road mileage.

(3) For the purposes of allocating funds as provided in this section, towns which become incorporated as a town between the effective dates of decennial censuses shall be eligible for allocations upon the effectiveness of a corrected population count for the town under IC 1-1-3.5.

(4) Money allocated under the provisions of this section to counties containing a consolidated city shall be credited or allocated to the department of transportation of the consolidated city.

(d) Each month the state comptroller shall inform the department of the amounts allocated to each unit of local government from the local road and street account.

(e) A county, including a county containing a consolidated city, may not budget or designate any funds that are distributed to the county from the local road and street account for a project to be selected by an individual member of the county council."

Page 5, line 2, after "thereafter," insert "**until the consolidated city is no longer able to match the distribution as required under this subsection,"**

Page 5, line 18, after "revenue" insert "**each year**".

Page 5, line 19, after "IC 6-3.6-6" delete "." and insert "**or revenue that was previously used for a match under this subsection."**

Renumber all SECTIONS consecutively.

(Reference is to SB 179 as reprinted January 27, 2026.)