The Life of a House Bill

An Honors Thesis (HONRS 499)

by

Maren A. Byers

Dr. James Ruebel

Ball State University
Muncie, Indiana

April 2002

Graduation May 2002
Abstract

This examination of the life of House Bill 1317 will be divided into three chapters. In Chapter One, the inception of and reasons for the legislation will be explored. The second chapter will be arranged into two sections. Part One will outline the legislative process on a general level. Part two will highlight the previously explained process by following House Bill 1317 through each phase of passage. In Chapter Three, I will conclude this thesis by examining the final result of the process, what triggered it, and the fiscal implications that it will have on our state. Together, the chapters will illustrate the life of one bill in our Indiana legislature. In doing so, a larger picture of the legislative process will be provided.
Acknowledgements:

Dr. James Ruebel has my utmost appreciation. He has allowed me the independence needed to complete this project from afar and, yet, has always offered advice and criticism when needed most. Thank you, Dr. Ruebel, for your patience, your time, and your contributions.
Chapter One: The Birth of a House Bill

According to Alan Rosenthal’s text *The Decline of Representative Democracy*, the basis for legislation is derived from several principal sources (125). The most prominent of these is the existence of an administration agenda. This refers to the fact that a governor is elected with his or her own legislative program to advance. Second, the hierarchy of legislative leadership may adopt a cause or measure that they expect their party members to support in alliance. In Florida, for example, the agenda of the Speaker of the House is equal in importance to the Governor’s (Rosenthal 125). Third, many measures are backed by organized interests, or interest groups. The 2002 edition of *Here’s Your Indiana Government* estimates that there are more than 1,000 registered lobbyists in the state of Indiana that vie for the strengthening or weakening of regulations, reduction of taxes, increased budget shares, and other such issues (313). The fourth venue for the birth of legislation is that of the individual citizen who is unconnected to government. These individuals have personal needs or desires that can be realized through responsive elected officials. Finally, legislation may be introduced as a response to an event or to a problem that requires a remedy or an answer. The death of a well-known person due to drunk driving, for example has been a catalyst in several states, such as New Mexico, to finally enact legislation concerning impaired driving. This was the case concerning House Bill 1317, now known as the Gas Tax Bill.

Several major problems inspired Indiana lawmakers to draft the Gas Tax legislation. First, the September 11th attacks upon the United States sent federal gasoline tax revenues plummeting. Federal funding is based on a system where states must match money from Washington in order to receive funds. President Bush proposed shortly thereafter a cut in federal transportation aid that would result in a $150 million to $200 million loss of money available to Indiana (Sperlik pamphlet). Second, the Crossroads 2000 Program enacted by the Indiana General Assembly in 1997 was set to expire in 2003. This state bonding program raised more than $800 million for highway construction since 1998. With over 100 projects completed or near completion, Crossroads 2000 had funded unprecedented expansion and improvement of Indiana’s
infrastructure. Upon expiration of the Crossroads program, the Indiana Department of Transportation (INDOT) estimated that it would be forced to cut $200 million annually from its budget (Liggett "Two Cents Worth").

Indiana has over 93,000 total miles of highway. The Hoosier State has the nation’s sixth-highest volume of commercial truck traffic, traveling more than 9.5 billion miles throughout the state and carrying more than $1 trillion worth of goods (INDOT Factbook). Indiana’s current transportation budget, including federal funding and the Crossroads 2000 program tops $1.1 billion (Espich pamphlet). The Indiana Department of Transportation’s Long-Range Plan estimated that funding needs from the years 2000-2025 reach as high as $31 billion, combining $17 billion for preserving existing highways and $14 billion for new expansion projects (INDOT Factsheet). Full implementation of the plan would require that construction costs alone be increased to $1 billion by 2007. Currently, construction spending amounts to approximately $700 million per year (Advance Indiana 1). With the expiration of the Crossroads 2000 program and federal funding being cut, the budget for the Indiana Department of Transportation would be cut to $500 million annually. According to the Indiana Highway System Factsheet, this would provide INDOT just enough money to maintain current roads. There would be no funds available for new state-level construction.

At the county and city levels, Local Road and Street funds are were, on average, down nearly fifty-six percent due to the current economic slow-down. Indiana’s local governments were crying out for an additional $200 million in annual revenues through the next decade to cover nearly $2 billion in upgrades to local roads, bridges, and streets (Scholer letter to Editor). In addition, local governments require $453 million per year to maintain the existing infrastructures (Sperlik pamphlet).

In a normal fiscal year, Indiana would be able to compensate for this loss in funds by drawing money from other sources. 2002, however, was an exception. With the budget surplus gone and state revenues dropping at alarming rates, the Indiana Department of Transportation began its plea to Indiana lawmakers months before the 2002 Legislative Session. In view of all
these problems, legislators realized that INDOT’s funding presented a significant problem. If a new source of revenue was not found to bail out the transportation department, there would not be enough state-raised funding to match federal funds after the year 2003. Therefore, the state of Indiana would receive absolutely no federal aid for transportation, making things infinitely worse for the future of Indiana’s infrastructure. As Representative Sue W. Scholer of District 26 stated in a letter to constituents:

Indiana will begin to lose out on federal matching dollars beginning in 2004. These federal dollars are critical to our ability to maintain our roads. As you are aware, a sound infrastructure is necessary to attract and retain a strong business community in this state. (Scholer form letter)

In a worst case scenario, Scholer also stated, reductions in the budget for the Department of Transportation would result in a loss of nearly 13,000 jobs annually.

With these issues taken into consideration, legislators in the Indiana House of Representatives put together a bipartisan attempt to solve the fiscal problems of INDOT. An increase in the gasoline tax became the most popular means of accomplishing this goal for several reasons. The gas tax is used to maintain, repair, and build our current state road system and is used to maintain the Bureau of Motor Vehicle license fees. These tax dollars do not go into the general fund. One-fifteenth of the total tax is appropriated to the State Highway Construction and Improvement fund. Of the remaining revenue, the first $25 million is distributed to counties, cities, and towns. The funds that are left are distributed as follows: 75 percent is appropriated to the Motor Vehicle Highway Fund, and the remained 25 percent is appropriated to the Highway Road and Street Fund.¹

At fifteen cents per gallon, Indiana’s gasoline tax is the sixth lowest in the nation behind Georgia, Alaska, New Jersey, Florida, and Wyoming (F.H.A. pamphlet). The tax was last raised in 1988 from fourteen cents per gallon (I.D.H. pamphlet). That penny raise in the gas tax was immediately committed to repay past bonding programs, and, therefore, produced no adequate

¹ For a detailed explanation of Gasoline Tax Funding, please see Attachment One: Highway Funding Flowchart.
revenue for the Department of Transportation. To make matters worse, the last increase in the gasoline tax that provided new funding for INDOT happened in 1984. Since that time, the consumer price index had risen over sixty-five percent (Hawley Memo). This is equivalent to a nine-cents per gallon loss due to inflation. All but two states had raised their fuel tax rates since Indiana’s 1988 increase, leaving Indiana more than four cents below the national average of 19.067 cents per gallon (INDOT Factbook). Our neighboring states of Illinois and Michigan both tax 19 cents per gallon, and Ohio taxes its fuel at a rate of 22 cents per gallon (INDOT Factsheet). Kentucky, which also has a fifteen cent gasoline tax, is the only other state in the Midwest with a gas tax so below the national average.

As the Indiana General Assembly researched the possibility of raising the gas tax, the idea gained support. According to a pamphlet distributed by Representative Liggett, it was estimated that the average Indiana motorist drives 12,000 miles and consumes just over 545 gallons of gasoline annually. The average car can travel 22 miles for every gallon of gasoline used. That said, the researching legislators drew the conclusion that each one-cent gas tax investment would only cost an additional $5.45 per motorist per year. However, each one-cent increase would yield over $33 million in highway revenues.

Armed with this information, Representative Liggett took the title of author of House Bill 1317. With the above research and the support of his co-authors, Representatives Scholer, Crosby, and Saunders, Liggett submitted the Gas Tax Bill to the Legislative Services Agency for drafting. According to the Indiana Chamber of Commerce’s Here’s Your Indiana Government, the Legislative Services Agency (LSA) is the non-partisan staff arm of the Legislative Council, the interim legislative body in our state (48). The LSA has the responsibility of drafting legislation and completing budgetary and fiscal analyses. From its drafting in the Legislative Services Agency, the bill is submitted to the Secretary of the Senate and the Clerk of the House. It is at this point that the Gas Tax Bill was assigned a number and given official status as an introduced piece of legislation. The legislative process and the life of House Bill 1317 had begun.
Chapter Two: Life of a House Bill

Part One

The introduction of legislation is the first step in a long and complicated process. A bill must receive several readings on the floor of each House before final passage. The first reading occurs when a bill is initially read by title in its house of origin. At this point, the leader of the legislative body, the Speaker of the House in the House of Representatives, or the President Pro Temp in the Senate has the sole responsibility of referring the bill to one of the respective standing committees. The House of Representatives has eighteen standing committees, while the Senate has thirty-seven (www.ai.org).

A majority of bills is assigned to the committees which have obvious jurisdiction over them. An appropriation bill will almost always be assigned to the Committee on Ways and Means in the House of Representatives and the Committee on Finance in the Senate. A bill that addresses the issue of morning kindergarten, for instance, will commonly be referred to the Committee on Education in the House and the committee likewise titled in the Senate. In rare instances, “killer committees” exist to act as graveyards for bills that legislative leadership do not approve of (Rosenthal 131). It has been said that the Committee on Rules in the Indiana Senate is one such entity. Authors of legislation dread that their bills may be sent to one of these such committees, where they are given no further attention. More often than not, however, a bill is referred to the appropriate committee.

The function of standing committees, simply stated, is to provide a division of labor within a legislative body. According to Rosenthal, they are the only means by which a legislature can hope to process the large amount of legislation that is placed before them each session. Each standing committee is filled with appointed members of the larger body. The legislative leadership appoints a diverse and specialized group of legislators headed by a Chairperson. In many respects, the chairperson is the committee (Rosenthal 137). He or she makes the chaired committee a priority in his or her legislative attention and controls the agenda of its meetings.
The committees have the responsibility of considering the merits of each bill assigned to them. If needed, they recommend amendments to the language. These examinations of legislation are referred to as “hearings” that are open to the public so that interested parties may hear the debate and take part in it as they wish. In Indiana, the time and location of all committee hearings are posted on the House and Senate bulletin boards, primarily for the sake of lobbyists that work in and around the Statehouse. A committee hearing has the atmosphere of a town meeting. The committee members are seated around a table or in a row facing the assembling crowd of lobbyists, witnesses, and reporters. As the public assembles, those that wish to testify on behalf of or in opposition to a piece of legislation are asked to register their names on a list so that they may be called upon in orderly fashion. Bills are brought to the table by the chairperson, and the representatives of appropriate interests rise in turn and make their statements to the committee. Afterwards, amendments are proposed, if deemed necessary, and the committee votes on whether or not to recommend such changes to the larger body. While there is no guarantee that bill which has been sent to a committee on First Reading will be heard by the said committee, if a piece of legislation passes out of its committee, it tends to be recommended for passage (Rosenthal 143).

Once a committee has completed its discussion and amending of a bill, it reports its consensus back to the larger body. The legislature has the opportunity to adopt or to reject the committee’s report. Rarely are the committee reports challenged by the floor. Oftentimes, the Speaker or President Pro Tem will rush so quickly through the approval of committee reports that one can scarcely keep track of which bill is being considered. Little discussion is heard, and electronic roll call is very rarely used at this stage. The “yeas” or the “neas” have it, as Speaker John Gregg of the Indiana House of Representatives loves to say, and the process moves on.

During Second Reading of a bill, the language is said to be ready for “amendment, recommitment, or engrossment” (Here’s Your Indiana Government 314). All pieces of legislation that have passed out of committee are assembled on a Legislative Calendar. Dispersed to legislators on a daily basis, oftentimes the calendars are left to “build up” with legislation. It is
within the power of the Speaker of the House and the President Pro Tem to call a bill from the calendar to the floor or to simply ignore it and allow it to be ushered onto the next session’s calendar. If a bill is not called attention to by the legislature’s deadline for Second Readings, the bill “dies.” In the 2002 Session of the General Assembly, the deadline for Second Readings was midnight of February 4th. As I understand it, many bills are left on the calendar until the final moment. During these times, legislators remain in their chairs until all hours of the evening, pushing legislation through until the final minutes before midnight.

When a bill is called to the floor by the Speaker or President Pro Tem, the debating legislators are presented with several options. First, a bill may be recommitted to a committee for further study if leadership thinks it either necessary, or, more likely, convenient to remove the bill from the calendar. Second, any number of amendments may be offered to the piece of legislation. Once a bill is placed on calendar, a legislator is permitted to submit a proposed amendment for printing until the session opens for the day. In the Indiana General Assembly, proposed amendments are printed and filed immediately in each legislator’s “mailbox” on the house floor. Still, floor amendments are often proposed with little warning to the entire membership, making Second Reading sessions particularly heated and chaotic. When a piece of legislation is called to the floor, its author stands before the legislature to represent its interests. The bill’s author is required to yield to fellow legislators proposing amendments, but he or she is also given the opportunity to express support or opposition of the said amendments. After an amendment is proposed before the body, an approval of the majority is necessary for adoption.

Upon hearing and voting on each amendment that has been introduced, a bill is “ordered to engrossment” (Here’s Your Indiana Government 314). This indicates that with its amendments, the printed bill has been authenticated as being accurate and genuine, according to the Indiana Chamber of Commerce’s book. If significant changes have been made to the legislation, the language may be reprinted at this time. After its Second Reading passage, the bill returns to the legislative calendar, listed as being eligible for a Third Reading.
Again, legislative leadership holds the power to call a bill to the floor for a Third Reading and a deadline must be met. As the final days of Third Readings approach, many legislators will speak of a "log jam" that is building. Bills will accumulate on the calendar of eligibility for Second and Third Readings, and they are not addressed in proportion to the number of days remaining. Midnight legislative sessions are common at this time. To worsen the matter, the deadline for Second Readings falls, by law, upon the day before the deadline for Third Readings. A large calendar on the final day of amending will simply worsen the calendar for the following day.

The Third Reading of a bill is the final chance for a house to debate its merits or demerits. Legislators have the opportunity to stand once again before their peers and argue their point-of-view, whether it be in support of or opposition to the legislation. Again, the author defends his or her legislation and welcomes supportive testimony, often from the bill’s coauthors. When discussion is complete, a bill must receive the constitutional majority of each house before it can be passed. In the House of Representatives, 51 "aye" votes must be achieved, and in the Senate, 26 "aye" votes are required. These votes are usually taken by electronic roll call to ensure accuracy. If a bill receives the constitutional majority, it is passed out of its house of origin and on to the other chamber.

Bills approved in one chamber must repeat the painstaking legislative process. Sponsors from the opposite chamber are procured by the authors of legislation to ensure that each bill has the opportunity to be safely guided through the second half of the process. Each piece of legislation, if called to a First Reading by legislative leadership, is assigned to a standing committee once again. Here, new testimony is heard, changes are made, and an official committee report is sent to the larger legislative body. House Bills in the Senate and Senate Bills in the House of Representatives that pass out of the appropriate committees are once again placed on a legislative calendar. At the Speaker or President’s discretion, bills are called for another Second Reading. At this time, the amendment process continues. Senators may amend House Bills and Representatives may amend Senate Bills free from the input of the authoring chamber. A bill facing its Third Reading in the second chamber often bares little resemblance to the piece of legislation that passed out of the first.
If a bill passes out of the second chamber, it is returned, with all amendments, to the house of origin. At this point, any amendments made to a piece of legislation in the second chamber must be agreed upon by the first. A consent or a dissent must be filed by the bill’s author in order that the process may be completed. If a motion of concurrence, or consent, is passed by the chamber, the piece of legislation is sent to the governor for a final approval. The governor sends every bill to the attorney general for examination to ensure that all of its contents are legally acceptable (Here’s Your Indiana Government 315). The last step in the enactment process is for the governor to sign the bill or to let it become law without his signature after seven days. In Indiana, all legislation that has survived the process becomes effective on July 1 of the year it was enacted into law unless a different date is specified in its language. If the governor chooses to veto the legislation, a constitutional majority vote from both chambers will override it.

Obviously, all amendments made in the second house are not approved of by the first. If the authoring chamber files a dissent in opposition to amendments made by the second chamber, and “the second chamber will not recede from its amendments” (Rosenthal 151), a conference committee is appointed to formally approach compromise. According to the Indiana Chamber of Commerce’s book, a conference committee is comprised of two members, one Democrat and one Republican, from each house appointed to outline a compromised version of the bill that is satisfactory to all parties (315). Usually included as appointed members are members of the committees that first examined the bill and, perhaps, the bill’s author (Rosenthal 151). In his text, Alan Rosenthal quotes John Straayer in reference to the process of reaching compromise:

Most decisions are carried out continuously in the thousands upon thousands of sidebar discussions among legislators of both parties and both houses, lobbyists, interested citizens, and others. Agreements are reached behind the scenes and are brought to the committee for ‘symbolic’ ratification (151).

That said, a conference agreement requires the assent and signature of all four members of the committee. A committee report is then submitted simultaneously to the House of Representatives and to the Senate. The bill as reported cannot then be amended. It must either be accepted, rejected, recommitted to a conference committee, or committed to a newly formed committee. If a bill is not accepted in a compromised form by the final day of session, it dies.
Part Two

In its introduced version, House Bill 1317 called for changes to section IC 6-6-1.1 of the Indiana Code. Listed as author and coauthors were Representatives Liggett, Scholer, Crosby, and Saunders, respectively. On the cover page of each printed version of a bill, the legislation is described by a synopsis called a digest. This summary changes as the bill is amended throughout the process. The digest of House Bill 1317 as it entered its First Reading read as follows:

Gasoline tax. Increases the gasoline tax to 17 cents per gallon on July 1, 2002; 21 cents per gallon on July 1, 2003; and 25 cents per gallon on July 1, 2004 (the tax rate is currently 15 cents per gallon). Provides that the increased revenue from the increase in the gasoline tax rate is to be deposited in the local road and street account, the motor vehicle highway account, and the state highway fund (House Bill 1317: Introduced Version).

According to the bill, the language of section IC 6-6-1.1 would be amended in two ways. First, the amount of fifteen cents per gallon would be stricken from the record. Instead, the yearly increases as delineated in the bill’s digest would be listed. Second, extensive changes would be made to the manner in which the increased funds would be dispersed. The amount that had been previously allotted to the State Highway and Road Construction and Improvement Fund would now be divided as follows: The State Highway and Road Construction and Improvement Fund would receive one seventeenth (1/17) of the revenue during the first year, one twenty-first (1/21) of the revenue during the second year, and one twenty-fifth (1/25) of the revenue during the third year. The Local Road and Street Account would then receive two seventeenths (2/17) of the revenue during the first year, two twenty-firsts (2/21) of the revenue in the second year, and two twenty-fifths of the revenue (2/25) in the third year. The Motor Vehicle Highway Account would receive two twenty-firsts (2/21) of the revenue during the second year and six twenty-fifths (6/25) of the revenue during the third year. Finally, the State Highway Fund would receive two-twenty firsts (2/21) of the tax revenue during the second year and two twenty-fifths (2/25) of the revenue during the third year.²

The bill was called to the floor for its First Reading in this form. On January 15, 2002, Speaker John Gregg allowed the bill to be read on the floor of the House of Representatives and

² For the full text, please see Attachment Two: Introduced Version of House Bill 1317.
subsequently sent it to the Committee on Ways and Means ("Action List..."). This twenty-five person standing committee chaired by Representative B. Patrick Bauer received a great deal of attention during the 2002 session of the General Assembly ("Standing Committees..."). Most significantly, it was the point of origin for debate on the infamous House Bill 1004, a Bauer-proposed bill that outlined tax restructuring for the state. No less important, but decidedly less controversial, was the gas tax, which became one of the first pieces of legislation to be called before the committee for discussion.

In its hearing in the Ways and Means Committee, it became apparent that House Bill 1317 would have heated discussion in its future. Representatives from the Indiana Department of Transportation and the Indiana State Building and Construction Trades Council rose in support of the legislation. "When you spend money on roads, almost every dime stays in the state," said Ben Ramsey, a lobbyist for the trade council (Stedman). Those lobbying against House Bill 1317 gathered in much higher numbers. Disgruntled citizens, unsupported by corporate interests, expressed anger not over the increase itself, but over its size. Stan Pinegar, representing the Indiana Petroleum Council, warned the committee that a large increase in the gasoline tax could send drivers across the border to states like Kentucky, where the gas tax rests at fifteen cents per gallon. Also concerned with the interests of convenience store owners, Pinegar worried that a gasoline tax paired with the proposed cigarette tax increase in House Bill 1004 would put Indiana store owners out of business. Michael Pitts of the Indiana Petroleum Marketers and Convenience Store Association suggested that a three cent increase be considered as an alternative.

Members of the House Ways and Means Committee were, in fact, swayed by the opposition. A ten cent increase was deemed to be too large in a year when lawmakers were also considering increases in sales, income, cigarette, and gaming taxes. Instead, the committee voted twenty-one to five for a two cent increase in the state's gasoline tax, an eight cent drop from Liggett's proposed amount. According to Stedman's article in the Courier-Journal, the House Budget Subcommittee Chairman Bill Cochran said that the committee would have approved a larger increase in any other year. The introduced version of House Bill 1317 was amended as
follows: The previous ten-cent increase over three years was removed from record. Instead, the committee called for a one-cent increase in Indiana after December 31, 2002 and a second one cent increase in Indiana after December 31, 2003. The changes that had been made to the dispersion of the gas tax in the introduced version were removed altogether. Instead, it was delineated that a portion of the funds would be dispersed as follows: The State Highway Road Construction and Improvement Fund would receive one sixteenth (1/16) of the funds collected after the first one cent increase was enacted and before January 1, 2004. It would also receive one seventeenth (1/17) of the funds collected after December 31, 2003. The Motor Vehicle Fund would receive one sixteenth (1/16) of the funds collected after the first one cent increase and before January 1, 2004. It would also receive one seventeenth (1/17) of the funds collected after December 31, 2003. The committee report outlining these suggested changes was sent back to the House floor where it was overwhelmingly approved on January 31, 2002 (“Action List...”). The amended version of its language was reprinted and placed on the calendar of bills eligible for second reading the next day.

On February 4, 2002, the deadline day for Second Readings, House Bill 1317 was brought before the House of Representatives. At this point in time, Representative Liggett was called to speak before the House as to the merits of his bill and to oppose or support each of the four proposed amendments that had been filed. Of the four, only one would become part of the legislation.

The first two failed amendments were proposed by Representative Jim Buck. Each addressed a change in the way that funding was dispersed to local road and street funds. Currently, the allocation of money to this fund is based on the ratio of each county’s passenger car registrations to the total passenger car registrations of the state. His amendments would have included pick-up truck registrations as well, but both attempts at adding the language to House Bill 1317 failed on partisan lines (McBride).

A third, and very complicated, amendment was proposed by Representative Jeffrey Espich, the ranking Republican on the House Ways and Means Committee. Espich has long been a proponent of altering Indiana’s gas tax assessment plan. According to his studies, Indiana is
losing millions of dollars in funding per year due to the advent of more fuel efficient cars (Espich pamphlet). As vehicles use less gas to travel the same distance, Indiana is losing more money on gasoline tax. Espich’s proposed amendment would alter the way that Indiana assesses its gasoline tax in this way: Lawmakers would determine the statewide fuel efficiency and calculate the average distance that each gallon of gasoline would travel. At this point, the gas tax would be assessed at the rate of one cent per mile, starting in the year 2005. This amendment also failed, but, according to Representative Espich, will inevitably be seen in the future.

The final, and only successful amendment was proposed by Representative Bauer. A simple change in the language was voted through without dissent from the floor. The amount of funds dispersed to the Motor Vehicle Highway Account after December 31, 2003 was altered from one seventeenth (1/17) to two seventeenths (2/17). The amendments having been heard and voted on, House Bill 1317 was ordered to engrossment and made eligible for Third Reading.

In the late hours of February 5, 2002, House Bill 1317 was brought forward for its final reading in the House of Representatives. After little debate and much support, Speaker of the House John Gregg called for a roll call vote on the bill’s final passage. By a vote of 76 to 21, the gasoline tax legislation left its house of origin and was sent to the Senate where the second phase of the legislative process began.

The following week, on February 11, 2002, House Bill 1317 received its First Reading on the floor of the Indiana Senate (“Action List...”). In the interim, Senators Simpson and Meeks were enlisted as sponsors of the legislation in the Senate. President Pro Tem Robert Garton sent the bill to the Senate Committee on Finance, a fifteen person committee chaired by Senator Larry Borst. It’s committee hearing pitted interests against one another again, but it was the lobbyists for construction companies and for convenience store owners that were best represented on this occasion.

“For the price of dinner and two movies, people get better roads to drive on for the next few years,” said Dennis Faulkenberg, a lobbyist for the Build Indiana Council, a coalition of construction companies (“Gas Tax...Makes Sense...”). Senator Vi Simpson, one of the bills
sponsors, rose in support of the legislation, stating that “for every billion dollars spent on roads, 42,000 construction jobs are created (Starks “..Picks up Speed”).

Convenience store owners claimed, once again, that a combination of increased gasoline taxes and increased cigarette taxes would put a great many Indiana businesses at risk, especially near the Kentucky border. Michael Pitts, a lobbyist that had opposed the bill in its House hearings, expressed fear that people from Southern Indiana would “go in droves over to Kentucky to purchase these taxed items”. According to Tim Stark’s article, “The Gas Tax Hike Picks Up Speed”, located on www.myinky.com, the convenience store association spent just under $15,000 on lobbying last year. The Build Indiana Council spent nearly $79,000 lobbying almost exclusively on the gas tax last year. That said, it was not a great surprise when the Senate Committee on Finance took its next step.

Senator Borst proposed and overwhelmingly passed a seven cent increase in the gasoline tax out of his committee. Under his plan, the language put into the legislation concerning the two cent increase would be removed altogether. In its place, the following stipulations would be added: The gasoline tax would be increased to eighteen cents per gallon on gasoline used in Indiana during the year 2003. It would be increased to twenty cents per gallon for gasoline used in the state during the year 2004. Finally, the tax rate would increase to twenty-two cents per gallon on gasoline used in Indiana after 2004. Also, the language which concerned the dispersal of funds was altered yet again. To replace the House language, the following stipulations were offered: The State Highway Construction and Improvement Fund would receive two eighteenths (2/18) of the taxes collected during 2003, two twentieths (2/20) of the taxes that collected during 2004, and two twenty-seconds (2/22) of the taxes collected after 2004. The State Highway Fund would then receive one eighteenth (1/18) of the funds during 2003, two twentieths of the funds during 2004, and three twenty-seconds (3/22) of the funds after 2004. Counties, cities, and towns would receive one eighteenth (1/18) of the taxes collected during 2003, two twentieths (2/20) of the taxes collected during 2004, and three twenty-seconds (3/22) of the taxes collected after 2004.
The report from the Committee on Finance passed overwhelmingly in the Senate and sent the bill to the calendar for Second Reading eligibility. House Bill 1317 received its Second Reading in the Senate on February 25, 2002. No amendments were proposed to the legislation, therefore it was ordered engrossed with little opposition. Two days later, on February 27, 2002, the gasoline tax was called before the Indiana Senate for its final reading. By a vote of thirty-eight to ten, the amended version of House Bill 1317 was sent from the Senate back to its house of origin. The version of House Bill 1317 that left the Senate carried a digest that read as follows:

Gasoline tax. Increases the state gasoline tax to: (1) 18 cents per gallon during 2003; (2) 20 cents per gallon during 2004; and (3) 22 cents per gallon after 2004 (the tax rate is currently 15 cents per gallon). Provides that certain amounts of increased revenue from the increase in the gasoline tax rate is to be: (1) deposited in the state highway fund; and (2) distributed to counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account.

House Bill 1317 had flown through the second chamber with very little opposition but with many amendments, leaving the the House author, Representative Liggett, faced with a decision. Given the choice between agreeing to the Senate amendments and dissenting to them, Liggett followed the decision that he had made earlier in the session. His prior agreement that a ten cent increase was too much made his decision to oppose the Senate amendments no surprise. On March 11, 2002, the official dissent was filed on the floor of the House of Representatives and a conference committee was created to attempt compromise. Representatives Liggett and Scholer and Senators Meeks and Simpson were appointed as the conferees, and Representatives Espich and Bauer and Senators Riegsecker and Hume were appointed as advisors. These appointments were the final official actions made on House Bill 1317. The conference committee never met, and a compromise was never achieved. On Thursday March 14, the 2002 session of the General Assembly ended at midnight, and House Bill 1317 died.

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3 For full text, please see Attachment Three: the Senate Engrossed Version of House Bill 1317.
Chapter Three: Death of a House Bill

What happened to House Bill 1317 in the final days of the 2002 session of the General Assembly? Simply put, partisan politics and a stalemate between chambers left legislators ready to abandon compromise and prepared to point fingers. Early in the week, signs began to reveal that the efforts to reach compromise were already deteriorating. In one of the final sessions on the House floor, Democrats accused Senate Republicans of using technical rules to control the compromise language in House Bills (Associated Press “Urgency Mounts..”). Representative Win Moses stood before the House of Representatives and offered an ultimatum: if such practices were not lifted, the House Democrats, who hold the majority in their chamber, would kill every Senate bill that was still alive for passage. Drawing applause from Democrats and Republicans alike, Moses claimed that the bipartisan House of Representatives had found a “common enemy- the Senate- to unite against” (Associated Press “Few Signs..”). President Pro Temp Garton responded by claiming that the Senate was acting on long-standing guidelines, and the lines were drawn for a stand-off.

To make matters worse, Senate Republicans turned down and publicly denounced a compromise effort offered by the House and Senate Democrats on House Bill 1004, the comprehensive tax restructuring plan. Senate Republicans stated in a news conference that the plan “fell short of their goals for cutting property taxes and redoing business taxes to bring jobs to the state” (Starks “Angry..”). Democrats lashed out, saying that Republicans were being obstructionist on fixing the budget shortfall. In response to the Republican rejection of the proposed compromise, Representative Bauer directly tied the passage of House Bill 1004 to the fate of several other bills in which the Senate had vested interest (Starks “Bickering..”). One of these such hostage pieces of legislation was House Bill 1317. Therefore, as session drew to a close and the stalemate over the tax and budget bill remained, so did the stalemate over the gasoline tax compromise.

What does this mean for the future of Indiana’s infrastructure? The issues that urged the drafting of House Bill 1317, it seems will become a reality. With the expiration of the Crossroads
2000 program in 2003, the Indiana Department of Transportation will be forced to cut $200 million annually from its budget. With the added cuts in federal funding, the overall budget for INDOT will be cut to $500 million annually (INDOT Factsheet). These losses will come on the heels of the introduction of INDOT’s long-range plan for the years 2000 to 2025. This plan estimates that the agency’s budget will soar as high as $31 billion, with yearly costs amounting to $1 billion as early as the year 2007 (INDOT pamphlet). This plan includes not only expansion projects, but the preservation of our current road system. At the same time, local governments are calling for an increase in funding for their own roads and bridges, as well as additional funding to maintain their existing infrastructures (Sperlik pamphlet). It also seems that the legislators’ biggest fear will also become a reality. After the year 2003, Indiana will be unable to raise the necessary funds to match federal monies (Scholer letter). Therefore, what little federal funding is available will also be lost.

Despite these dismal predictions, many proponents of the gasoline bill hope that life will still be found for its cause. With the end of the session crashing down, talk of the governor calling a special session filled the Statehouse hallways. The governor has the power, as written in Indiana Code, to call a special session at any time if, in his estimation, “the public welfare shall require” such a session (Here’s Your Indiana Government 44). A special session is allotted thirty session days over a period of forty calendar days to complete its work. It is the hope of many that a special session will be called early this summer by Governor O’Bannon to address the tax and budget crisis and to, perhaps, give life to the essential gasoline tax increase. Many legislators, however, see no reason to call a special session in order to fix the state’s financial woes. In an article released by the Associated Press in the final days of the 2002 session, Representative Bauer dismissed the concept altogether. “If we can’t do it now, a special session is not going to get the job done,” said Bauer (Starks “Few Signs…”).

With primaries approaching in early May, Governor O’Bannon will not address the idea of a special session until early to mid-summer. Until that point, it seems that the Indiana Department of Transportation, local governments, and the hundreds of thousands of Indiana jobs that rest on our state’s infrastructure will remain in their current precarious situation. If a special session is not
called during 2002, the gasoline tax increase and funding for Indiana's roads will surely find its way to the calendar of the 2003 General Assembly. One must hope that next year, the need for action will be so apparent that such an important piece of legislation will be overwhelmingly passed and enacted, not utilized as a pawn in the final moments of political disagreement.
HOUSE BILL No. 1317

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6-1.1; IC 8-23-9-54.

Synopsis: Gasoline tax. Increases the gasoline tax to 17 cents per gallon on July 1, 2002, 21 cents per gallon on July 1, 2003, and 25 cents per gallon on July 1, 2004 (the tax rate is currently 15 cents per gallon). Provides that the increased revenue from the increase in the gasoline tax rate is to be deposited in the local road and street account, the motor vehicle highway account, and the state highway fund.

Effective: July 1, 2002.

Liggett, Scholer, Crosby, Saunders

January 15, 2002, read first time and referred to Committee on Ways and Means.
HOUSE BILL No. 1317

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

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

SECTION 1. IC 6-6-1.1-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 201. A license tax of fifteen cents ($0.15) per gallon is imposed on the use of all gasoline used in Indiana, except as otherwise provided by this chapter. The rate of the tax is:

(1) seventeen cents ($0.17) per gallon on gasoline used in Indiana after June 30, 2002, and before July 1, 2003;
(2) twenty-one cents ($0.21) per gallon on gasoline used in Indiana after June 30, 2003, and before July 1, 2004; and
(3) twenty-five cents ($0.25) per gallon on gasoline used in Indiana after June 30, 2004.

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

2002 IN 1317—LS 6865/DI 44+
SECTION 2. IC 6-6-1.1-801.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 801.5. (a) The administrator shall transfer one-fifteenth (1/15) the following amounts of the taxes that are collected under this chapter to the state highway road construction and improvement fund:

(1) One seventeenth (1/17) of the taxes that are collected under this chapter after June 30, 2002, and before July 1, 2003.

(2) One twenty-first (1/21) of the taxes that are collected under this chapter after June 30, 2003, and before July 1, 2004.

(3) One twenty-fifth (1/25) of the taxes that are collected under this chapter after June 30, 2004.

(b) The administrator shall transfer the following amounts of the taxes that are collected under this chapter to the local road and street account:

(1) Two seventeenths (2/17) of the taxes that are collected under this chapter after June 30, 2002, and before July 1, 2003.

(2) Two twenty-firsts (2/21) of the taxes that are collected under this chapter after June 30, 2003, and before July 1, 2004.

(3) Two twenty-fifths (2/25) of the taxes that are collected under this chapter after June 30, 2004.

(c) The administrator shall transfer the following amounts of the taxes that are collected under this chapter to the motor vehicle highway account:

(1) Two twenty-firsts (2/21) of the taxes that are collected under this chapter after June 30, 2003, and before July 1, 2004.

(2) Six twenty-fifths (6/25) of the taxes that are collected under this chapter after June 30, 2004.

(d) The administrator shall transfer the following amounts of the taxes that are collected under this chapter to the state highway fund:

(1) Two twenty-firsts (2/21) of the taxes that are collected under this chapter after June 30, 2003, and before July 1, 2004; and

(2) Two twenty-fifths (2/25) of the taxes that are collected under this chapter after June 30, 2004.

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

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

(2) thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1; and

(3) forty percent (40%) to the Indiana department of transportation.

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

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

SECTION 3. IC 8-23-9-54 is amended to read as follows [EFFECTIVE JULY 1, 2002]: Sec. 54. (a) To provide funds for carrying out the provisions of this chapter, there is created a state highway fund from the following sources:

(1) All money in the general fund to the credit of the state highway account.

(2) All money that is received from the Department of Transportation or other federal agency and known as federal aid.

(3) All money paid into the state treasury to reimburse the state for money paid out of the state highway fund.

(4) All money provided by Indiana law for the construction, maintenance, reconstruction, repair, and control of public highways, as provided under this chapter.

(5) All money that on May 22, 1933, was to be paid into the state highway fund under contemplation of any statute in force as of May 22, 1933.

(6) All money that may at any time be appropriated from the state treasury.

2002 IN 1317—LS 6865/DI 44+
(7) Any part of the state highway fund unexpended at the expiration of any fiscal year, which shall remain in the fund and be available for the succeeding years.

(8) Any money credited to the state highway fund from the motor vehicle highway account under IC 8-14-1-3(4).

(9) Any money credited to the state highway fund from the highway road and street fund under IC 8-14-2-3.

(10) Any money credited to the state highway fund under IC 6-6-1.1-801.5, IC 6-6-4.1-5, or IC 8-16-1-17.1.

(b) All expenses incurred in carrying out this chapter shall be paid out of the state highway fund.
Attachment Three: Senate Engrossed Version of House Bill 1317.

February 22, 2002

ENGROSSED

HOUSE BILL No. 1317

DIGEST OF HB 1317 (Updated February 21, 2002 1:44 PM - DI 101)

Citations Affected: IC 6-6; IC 32-11.

Synopsis: Gasoline tax. Increases the state gasoline tax to: (1) 18 cents per gallon during 2003; (2) 20 cents per gallon during 2004; and (3) 22 cents per gallon after 2004 (the tax rate is currently 15 cents per gallon). Provides that certain amounts of the increased revenue from the increase in the gasoline tax rate is to be: (1) deposited in the state highway fund; and (2) distributed to counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account. Increases the amount of litigation costs that a defendant may be awarded in certain eminent domain actions from $2,500 to $5,000.

Effective: July 1, 2002; January 1, 2003.

Liggett, Scholer, Crosby, Saunders
Klinker, Leuck
(SENATE SPONSORS — SIMPSON, MEEKS R, KENLEY, HUME,
RIEGSECKER, LAWSON C, BRODEN)

January 15, 2002, read first time and referred to Committee on Ways and Means.
January 31, 2002, amended, reported — Do Pass

SENATE ACTION
February 11, 2002, read first time and referred to Committee on Finance.

EH 1317—LS 6865/DI 44+
February 22, 2002

Second Regular Session 112th General Assembly (2002)

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 2001 General Assembly.

ENGROSSED
HOUSE BILL No. 1317

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

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

SECTION 1. IC 6-6-1.1-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 201. A license tax of fifteen cents ($0.15) per gallon is imposed on the use of all gasoline used in Indiana, except as otherwise provided by this chapter. The rate of the tax is:

1. (1) eighteen cents ($0.18) per gallon on gasoline used in Indiana during 2003;
2. (2) twenty cents ($0.20) per gallon on gasoline used in Indiana during 2004; and
3. (3) twenty-two cents ($0.22) per gallon on gasoline used in Indiana after 2004.

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

EH 1317—LS 6865/41 44+
SECTION 2. IC 6-6-1.1-801.5 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 801.5. (a) The
administrator shall transfer one-fifteenth (1/15) the following amounts
of the taxes that are collected under this chapter to the state highway
road construction and improvement fund:
   (1) Two eighteenths (2/18) of the taxes that are collected under
       this chapter during 2003.
   (2) Two twentieths (2/20) of the taxes that are collected under
       this chapter during 2004.
   (3) Two twenty-seconds (2/22) of the taxes that are collected
       under this chapter after 2004.
(b) The administrator shall transfer the following amounts of
taxes that are collected under this chapter to the state highway
fund:
   (1) One eighteenth (1/18) of the taxes that are collected under
       this chapter during 2003.
   (2) Two twentieths (2/20) of the taxes that are collected under
       this chapter during 2004.
   (3) Three twenty-seconds (3/22) of the taxes that are collected
       under this chapter after 2004.
(c) The administrator shall transfer the following amounts of
taxes that are collected under this chapter to the auditor of state
for distribution to counties, cities, and towns:
   (1) One eighteenth (1/18) of the taxes that are collected under
       this chapter during 2003.
   (2) Two twentieths (2/20) of the taxes that are collected under
       this chapter during 2004.
   (3) Three twenty-seconds (3/22) of the taxes that are collected
       under this chapter after 2004.
The auditor of state shall distribute the amounts described in this
subsection to each of the counties, cities, and towns eligible to
receive a distribution from the motor vehicle highway account
under IC 8-14-1 and in the same proportion among the counties,
cities, and towns as funds are distributed from the motor vehicle
highway account under IC 8-14-1. Money distributed under this
subsection may be used only for purposes that money distributed
from the motor vehicle highway account may be expended under
IC 8-14-1.
(d) After the transfers required by subsections (a) through (c), the administrator shall transfer the next
twenty-five million dollars ($25,000,000) of the taxes that are collected
under this chapter and received during a period beginning July 1 of a
year and ending June 30 of the immediately succeeding year to the
auditor of state for distribution in the following manner:
(1) thirty percent (30%) to each of the counties, cities, and towns
eligible to receive a distribution from the local road and street
account under IC 8-14-2 and in the same proportion among the
counties, cities, and towns as funds are distributed under
IC 8-14-2-4;
(2) thirty percent (30%) to each of the counties, cities, and towns
eligible to receive a distribution from the motor vehicle highway
account under IC 8-14-1 and in the same proportion among the
counties, cities, and towns as funds are distributed from the motor
vehicle highway account under IC 8-14-1; and
(3) forty percent (40%) to the Indiana department of
transportation.
(e) The auditor of state shall hold all amounts of collections
received under subsection (b) (d) from the administrator that are made
during a particular month and shall distribute all of those amounts
pursuant to subsection (b) (d) on the fifth day of the immediately
succeeding month.
(f) All amounts distributed under subsection (b) (d) may only be
used for purposes that money distributed from the motor vehicle
highway account may be expended under IC 8-14-1.
SECTION 3. IC 32-11-1-10 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. The costs of the
proceedings shall be paid by the plaintiff, except that in case of trial the
additional costs thereby caused shall be paid as the court shall adjudge.
However, if, in case of trial, the amount of damages awarded to the
defendant by the judgment, exclusive of interest and costs, is greater
than the amount specified in the last offer of settlement made by the
plaintiff under section 8.1 of this chapter, the court shall allow the
defendant his litigation expenses in an amount not to exceed
twenty-five hundred five thousand dollars ($25,000). ($5,000).
COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1317, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 2 with "[EFFECTIVE JANUARY 1, 2003]".

Page 1, delete lines 6 through 11, begin a new line block indented and insert:

"(1) sixteen cents ($0.16) per gallon on gasoline used in Indiana after December 31, 2002, and before January 1, 2004; and
(2) seventeen cents ($0.17) per gallon on gasoline used in Indiana after December 31, 2003."

Page 2, delete lines 6 through 40, begin a new line block indented and insert:

"(1) One sixteenth (1/16) of the taxes that are collected under this chapter after December 31, 2002, and before January 1, 2004.
(2) One seventeenth (1/17) of the taxes that are collected under this chapter after December 31, 2003.
(b) The administrator shall transfer the following amounts of the taxes that are collected under this chapter to the motor vehicle highway account:
(1) One sixteenth (1/16) of the taxes that are collected under this chapter after December 31, 2002, and before January 1, 2004.
(2) One seventeenth (1/17) of the taxes that are collected under this chapter after December 31, 2003.".

Page 2, line 41, delete "(e)" and insert "(c)".
Page 2, line 42, delete "(d)" and insert "(b)".
Page 3, line 17, delete "(f)" and insert "(d)".
Page 3, line 18, delete "(e)" and insert "(c)".
Page 3, line 20, delete "(e)" and insert "(c)".
Page 3, line 22, delete "(g)" and insert "(e)".
Page 3, line 22, delete "(c)" and insert "(c)".
Page 3, delete lines 25 through 42, begin a new paragraph and insert:

"SECTION 3. IC 32-11-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. The costs of the proceedings shall be paid by the plaintiff, except that in case of trial the additional costs thereby caused shall be paid as the court shall adjudge.

EH 1317—LS 6865/D1 44+"
However, if, in case of trial, the amount of damages awarded to the defendant by the judgment, exclusive of interest and costs, is greater than the amount specified in the last offer of settlement made by the plaintiff under section 8.1 of this chapter, the court shall allow the defendant his litigation expenses in an amount not to exceed twenty-five hundred five thousand dollars ($25,000): ($5,000)."

Delete page 4.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1317 as introduced.)

BAUER, Chair

Committee Vote: yeas 21, nays 5.
HOUSE MOTION

Mr. Speaker: I move that House Bill 1317 be amended to read as follows:
Page 2, line 15, delete "One seventeenth (1/17)" and insert "Two seventeenths (2/17)".

(Reference is to HB 1317 as printed February 1, 2002.)

BAUER
SENATE MOTION

Mr. President: I move that Senator Broden be added as cosponsor of Engrossed House Bill 1317.

SIMPSON
Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1317, 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 1, delete lines 6 through 9, begin a new line block indented and insert:

"(1) eighteen cents ($0.18) per gallon on gasoline used in Indiana during 2003;
(2) twenty cents ($0.20) per gallon on gasoline used in Indiana during 2004; and
(3) twenty-two cents ($0.22) per gallon on gasoline used in Indiana after 2004."

Page 2, delete lines 4 through 16, begin a new line block indented and insert:

"(1) Two eighteenths (2/18) of the taxes that are collected under this chapter during 2003.
(2) Two twentieths (2/20) of the taxes that are collected under this chapter during 2004.
(3) Two twenty-seconds (2/22) of the taxes that are collected under this chapter after 2004.

(b) The administrator shall transfer the following amounts of taxes that are collected under this chapter to the state highway fund:

(1) One eighteenth (1/18) of the taxes that are collected under this chapter during 2003.
(2) Two twentieths (2/20) of the taxes that are collected under this chapter during 2004.
(3) Three twenty-seconds (3/22) of the taxes that are collected under this chapter after 2004.

(c) The administrator shall transfer the following amounts of taxes that are collected under this chapter to the auditor of state for distribution to counties, cities, and towns:

(1) One eighteenth (1/18) of the taxes that are collected under this chapter during 2003.
(2) Two twentieths (2/20) of the taxes that are collected under this chapter during 2004.
(3) Three twenty-seconds (3/22) of the taxes that are collected under this chapter after 2004.

The auditor of state shall distribute the amounts described in this subsection to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account.
under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1. Money distributed under this subsection may be used only for purposes that money distributed from the motor vehicle highway account may be expended under IC 8-14-1.".

Page 2, line 17, delete "(c)" and insert "(d)".
Page 2, line 18, delete "(b)" and insert "(c)".
Page 2, line 35, delete "(d)" and insert "(e)".
Page 2, line 36, delete "(c)" and insert "(d)".
Page 2, line 38, delete "(c)" and insert "(d)".
Page 2, line 40, delete "(e)" and insert "(f)".
Page 2, line 40, delete "(c)" and insert "(d)".

and when so amended that said bill do pass.

(Reference is to HB 1317 as reprinted February 5, 2002.)

BORST, Chairperson

Committee Vote: Yeas 12, Nays 3.
Codicil

The processes described in this thesis occurred during the 2002 session of the Indiana General Assembly. After adjournment and prior to the due date for this research paper, several advancements were made towards continuing the legislative processes of the 2002 session. On April 9th, 2002, Governor Frank O'Bannon gathered bipartisan leadership of the Indiana General Assembly. It became apparent that Governor O'Bannon was laying the groundwork for a special legislative session focused on fixing the growing budget deficit and overhauling the state’s outdated tax system. At the end of the day, the two houses remained so far apart in opinion, however, that Governor O'Bannon announced he would recall the General Assembly for a special session on May 14th. It is his hope that continued meetings of legislators will reach a compromise prior to that date, making the $20,000 a day special session a one-day “approval stamp” event--a mere technicality (Staff Report). Many legislators mocked the thought, going so far as to refuse to refer to the talks as “negotiations”.

In three meetings, between April 9th and April 19th, middle ground has become more difficult to find. Governor O'Bannon stated, “I'm always optimistic, but I'm not as optimistic as I generally am” (Staff and Wire Report). Most lawmakers were downright pessimistic. While the Governor can compel legislators to meet, he cannot compel them to act. Continued meetings meant to quell the disagreement and construct a new plan seemed, however, reminiscent of the failed session just weeks earlier. As May 14th approached, the possibility of a long and expensive special session appeared more and more likely.
Works Cited

“Action List: House Bill 1317” (www.ai.org)


Hawley, James D. Memo to Area Plan Commission. 10 Jan. 2002.


“Standing Committees: House and Senate” (www.in.gov).


