

HOUSE BILL No. 1336

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-2-1-13; IC 6-8-2.1; IC 6-8.1-1-1; IC 9-14-12-10; IC 27-7-6-13.

Synopsis: Law enforcement academy funding. Imposes an excise tax on each policy of insurance issued for automobile liability coverage on a passenger motor vehicle or motorcycle registered in Indiana. Provides that the excise tax is imposed at the rate of \$0.05 per \$1,000 of total coverage under the policy for death, bodily injury, and property damage. Transfers the money received from the excise tax to the law enforcement academy fund (fund). Amends the fund provisions to allow the law enforcement training board to use money in the fund for: (1) capital projects; (2) technology equipment and services; and (3) curriculum development; for a law enforcement academy (including the northwest Indiana law enforcement academy and the southwest Indiana law enforcement academy); and (4) awarding grants or reimbursing costs for law enforcement training of police officers, county sheriffs, and deputy sheriffs under a grant program established by the board. Provides that, if an insurer cancels an automobile insurance policy for nonpayment of premium, the insurer shall notify the bureau of motor vehicles (bureau) of the cancellation via a computerized information system established by the bureau. Requires the bureau to send a notice of intent to revoke motor vehicle registration (notice) to the owner of a passenger motor vehicle or motorcycle for which the bureau has received a notice of cancellation of automobile liability coverage requiring the owner to provide proof of financial responsibility for the passenger motor vehicle or motorcycle to the bureau within 30 days. Requires the bureau to revoke the certificate of registration and proof of registration of the passenger motor vehicle or motorcycle if the bureau does not receive proof of financial responsibility as required in the notice.

Effective: July 1, 2019.

Speedy

January 14, 2019, read first time and referred to Committee on Ways and Means.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1336

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

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

- 1 SECTION 1. IC 5-2-1-13, AS AMENDED BY P.L.217-2017,
- 2 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2019]: Sec. 13. (a) There is created a fund known as the law
- 4 enforcement academy fund.
- 5 (b) The fund consists of amounts:
- 6 (1) **deposited under IC 6-8-2.1-6; and**
- 7 (2) deposited under IC 33-37-7-9.
- 8 (c) **Amounts held in the fund shall be used only for the purposes**
- 9 **set forth in subsection (e). However, not more than fifty percent**
- 10 **(50%) of the money deposited in the fund in a state fiscal year may**
- 11 **be used for the purposes set forth in subsection (e)(10).**
- 12 (d) **Not more than ten percent (10%) of the money in the fund**
- 13 **may be used by the board for administration costs.**
- 14 (e) This fund may be used by the board for the following:
- 15 (1) To acquire for the state land and interests in and to land, and
- 16 to construct upon such land a fully equipped law enforcement
- 17 academy to consist of classrooms, housing facilities, a cafeteria,



1 firearms ranges, a driving course, and other physical facilities
 2 which are deemed necessary in the discretion of the board for the
 3 basic, inservice, and advanced training of law enforcement
 4 officers in the skills and techniques of law enforcement.

5 (2) Expenditures may be made by the board for, among other
 6 things, all expenses required for land acquisition and transfer,
 7 including but not limited to personal services, appraisers fees, and
 8 the cost of acquiring any interest in land and the construction and
 9 maintenance of improvements thereon.

10 (3) Building and grounds maintenance for the law enforcement
 11 academy.

12 (4) Training equipment and supplies necessary to operate ~~the a~~
 13 law enforcement academy.

14 (5) Aid to approved law enforcement training schools certified as
 15 having met or exceeded the minimum standards established by
 16 the board.

17 (6) Personal services, as authorized by the board, with the
 18 approval of the governor.

19 **(7) Capital projects related to the building and grounds for a**
 20 **law enforcement academy.**

21 **(8) Technology equipment and services for a law enforcement**
 22 **academy.**

23 **(9) Curriculum development for a law enforcement academy.**

24 **(10) Awarding grants, or reimbursing costs, under the grant**
 25 **program established by the board under subsection (h).**

26 ~~(7)~~ **(11)** Any other purpose necessary to carry out this chapter, as
 27 determined by the board.

28 **For purposes of subdivisions (4), (7), (8), and (9), "law enforcement**
 29 **academy" includes the northwest Indiana law enforcement**
 30 **academy and the southwest Indiana law enforcement academy.**

31 ~~(b)~~ **(f)** The budget agency may, with the approval of the board and
 32 the governor, make allocations and transfers of funds appropriated by
 33 the general assembly to state agencies having jurisdiction and control
 34 over land acquired by the board for the purposes stated in this section,
 35 except that these allocations and transfers may not be made in the
 36 acquisition of land which has been declared surplus land of the state
 37 pursuant to statute.

38 ~~(e)~~ **(g)** The board is further authorized to acquire land for the
 39 purposes of this section and law enforcement academy buildings by
 40 gift, donation, bequest, devise, exchange, purchase, or eminent domain,
 41 or other means. However, any money or proceeds from gifts, bequests,
 42 grants, or other donations shall be deposited in a special donation fund,



1 which must be established for the purposes described in this section,
 2 for the use of the board to accomplish the purposes of this section. No
 3 part of the special donation fund reverts to the general fund unless
 4 specified by the donor as a condition to the donor's gift. All land and
 5 academy buildings, however acquired, become the property of the state.

6 **(h) The board shall establish a grant program to provide grants**
 7 **or to reimburse the costs incurred for law enforcement training of**
 8 **police officers, county sheriffs, and deputy sheriffs in Indiana. The**
 9 **board shall administer the program. A police department or**
 10 **sheriff's department that wishes to receive a grant or**
 11 **reimbursement under this subsection must do the following:**

12 **(1) Submit an application for a grant or reimbursement to the**
 13 **board according to application rules and procedures**
 14 **approved by the board.**

15 **(2) Provide a description of the training for which the grant**
 16 **or reimbursement is sought.**

17 **A grant or reimbursement may not be made to a police department**
 18 **or sheriff's department from the law enforcement academy fund**
 19 **unless the training for which the grant or reimbursement is made**
 20 **is required to meet the mandatory training requirements for law**
 21 **enforcement officers under this chapter, or is otherwise approved**
 22 **by the board before the approval of the application for the grant**
 23 **or reimbursement.**

24 SECTION 2. IC 6-8-2.1 IS ADDED TO THE INDIANA CODE AS
 25 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 2019]:

27 **Chapter 2.1. Automobile Liability Insurance Excise Tax**

28 **Sec. 1. This chapter applies only to a policy of insurance that**
 29 **provides automobile liability coverage for:**

30 **(1) a passenger motor vehicle (as defined in IC 9-13-2-123)**
 31 **registered in Indiana; or**

32 **(2) a motorcycle (as defined in IC 9-13-2-108) registered in**
 33 **Indiana;**

34 **that meets or exceeds the requirements for proof of financial**
 35 **responsibility set forth in IC 9-25-2-3.**

36 **Sec. 2. The following definitions apply throughout this chapter:**

37 **(1) "Automobile liability coverage" means coverage of bodily**
 38 **injury, death, and property damage, and may include medical**
 39 **payments, uninsured motorists coverage, or other usual**
 40 **coverage for an automobile accident.**

41 **(2) "Department" refers to the department of state revenue.**

42 **(3) "Insurance provider" means an insurer, a broker, an**



1 agent of an insurer, or any other person that is authorized and
 2 licensed to transact the kind of motor vehicle liability
 3 insurance described in section 1 of this chapter.

4 (4) "Person" has the meaning set forth in IC 6-2.5-1-3.

5 Sec. 3. (a) An excise tax is imposed on each policy of insurance
 6 issued after June 30, 2019, by an insurance provider to an insured
 7 for automobile liability coverage as described in section 1 of this
 8 chapter.

9 (b) The excise tax imposed under this chapter is equal to:

10 (1) five cents (\$0.05); multiplied by

11 (2) the quotient of:

12 (A) the sum of the dollar amount limits under the terms of
 13 the policy of insurance for coverage of:

14 (i) bodily injury to or death of two (2) or more persons in
 15 one (1) accident; and

16 (ii) property damage in any one (1) accident; divided by

17 (B) one thousand (1,000).

18 Sec. 4. A person that purchases a policy of insurance for motor
 19 vehicle liability insurance coverage described in section 1 of this
 20 chapter is liable for the excise tax imposed on the transaction
 21 under this chapter. The person shall pay the tax to the insurance
 22 provider as a separate amount added to the consideration for the
 23 transaction. The insurance provider shall collect the tax as an
 24 agent for the state.

25 Sec. 5. (a) An insurance provider shall remit the excise tax that
 26 the insurance provider collects under this chapter to the
 27 department. The excise taxes collected during a particular month
 28 must be remitted to the department before the fifteenth day of the
 29 following month.

30 (b) The department shall prescribe the return to be filed for the
 31 payment of the excise tax.

32 Sec. 6. The amounts received from the excise tax imposed under
 33 this chapter shall be transferred by the auditor of state to the law
 34 enforcement academy fund created by IC 5-2-1-13.

35 SECTION 3. IC 6-8.1-1-1, AS AMENDED BY P.L.212-2018(ss),
 36 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2019]: Sec. 1. "Listed taxes" or "taxes" includes only the
 38 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the supplemental
 39 wagering tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the
 40 slot machine wagering tax (IC 4-35-8); the type II gambling game
 41 excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the
 42 utility receipts and utility services use taxes (IC 6-2.3); the state gross



1 retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3);
 2 the supplemental net income tax (IC 6-3-8) (repealed); the county
 3 adjusted gross income tax (IC 6-3.5-1.1) (repealed); the county option
 4 income tax (IC 6-3.5-6) (repealed); the county economic development
 5 income tax (IC 6-3.5-7) (repealed); the local income tax (IC 6-3.6); the
 6 auto rental excise tax (IC 6-6-9); the financial institutions tax
 7 (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the special fuel tax
 8 (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax
 9 collected under a reciprocal agreement under IC 6-8.1-3; the vehicle
 10 excise tax (IC 6-6-5); the aviation fuel excise tax (IC 6-6-13); the
 11 commercial vehicle excise tax (IC 6-6-5.5); the excise tax imposed on
 12 recreational vehicles and truck campers (IC 6-6-5.1); the hazardous
 13 waste disposal tax (IC 6-6-6.6) (repealed); the heavy equipment rental
 14 excise tax (IC 6-6-15); the cigarette tax (IC 6-7-1); the beer excise tax
 15 (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 16 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
 17 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); **the**
 18 **automobile liability insurance excise tax (IC 6-8-2.1)**; the various
 19 innkeeper's taxes (IC 6-9); the various food and beverage taxes
 20 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil
 21 inspection fee (IC 16-44-2); the penalties assessed for oversize vehicles
 22 (IC 9-20-3 and IC 9-20-18); the fees and penalties assessed for
 23 overweight vehicles (IC 9-20-4 and IC 9-20-18); and any other tax or
 24 fee that the department is required to collect or administer.

25 SECTION 4. IC 9-14-12-10 IS ADDED TO THE INDIANA CODE
 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 27 1, 2019]: **Sec. 10. (a) The bureau shall establish and maintain a**
 28 **computerized information system for the purpose of receiving and**
 29 **compiling notices of cancellation of automobile liability coverage**
 30 **that are required to be submitted to the bureau under**
 31 **IC 27-7-6-13.**

32 **(b) The bureau shall monitor the computerized information**
 33 **system under this section to identify those passenger motor vehicles**
 34 **and motorcycles for which the bureau has received a notice of**
 35 **cancellation of automobile liability coverage form.**

36 **(c) If the bureau receives a notice of cancellation of automobile**
 37 **liability coverage under IC 27-7-6-13 for a specified passenger**
 38 **motor vehicle or motorcycle, the bureau shall, not more than**
 39 **fifteen (15) days after receiving the notice, send a notice of intent**
 40 **to revoke motor vehicle registration by regular mail to the last**
 41 **known address of the owner of the passenger motor vehicle or**
 42 **motorcycle as indicated in the records of the bureau.**



1 (d) The notice of intent to revoke motor vehicle registration
2 under subsection (c) must state substantially the following:

3 (1) The bureau has received notice that the policy of insurance
4 for the owner's passenger motor vehicle or motorcycle
5 (whichever is applicable) has been canceled by the named
6 insurer due to nonpayment.

7 (2) A statement that the owner is required to provide proof of
8 financial responsibility (as defined in IC 9-25-2-3) for the
9 passenger motor vehicle or motorcycle to the bureau not later
10 than thirty (30) days from the date indicated in the notice.

11 (3) A description of the steps that the owner of the passenger
12 motor vehicle or motorcycle must take to provide proof of
13 financial responsibility to the bureau as required under
14 subdivision (2).

15 (4) A statement that the failure to provide proof of financial
16 responsibility to the bureau within the time limit specified in
17 the notice will result in the bureau revoking the certificate of
18 registration and proof of registration for the passenger motor
19 vehicle or motorcycle.

20 (5) A statement of the possible sanctions for operating a
21 passenger motor vehicle or motorcycle that is not registered.

22 (e) The bureau shall revoke the certificate of registration and
23 proof of registration for a passenger motor vehicle or motorcycle
24 if the following apply:

25 (1) The bureau has sent a notice of intent to revoke motor
26 vehicle registration to the owner of the passenger motor
27 vehicle or motorcycle as required under subsection (c).

28 (2) The bureau has not received proof of financial
29 responsibility for the passenger motor vehicle or motorcycle
30 as required in the notice of intent to revoke motor vehicle
31 registration.

32 (3) More than thirty (30) days have passed since the date
33 indicated in the notice of intent to revoke motor vehicle
34 registration from which the owner of the passenger motor
35 vehicle or motorcycle was required to provide proof of
36 financial responsibility to the bureau.

37 (f) Upon revoking a certificate of registration and proof of
38 registration under subsection (e), the bureau shall send notice of
39 the revocation by regular mail to the last known address of the
40 owner of the passenger motor vehicle or motorcycle as indicated in
41 the records of the bureau.

42 (g) The computerized information system under this section



1 must provide a secure Internet web site to permit individuals to
2 submit a notice of cancellation of automobile liability coverage
3 form in an online electronic format. The bureau may issue a
4 confidential security number or code to each insurance provider
5 that may be required to provide a notice of cancellation of
6 automobile liability coverage form to the bureau under
7 IC 27-7-6-13, and the bureau may restrict access to the
8 computerized information system to only those individuals who
9 access the system by way of a confidential security number or code
10 issued by the bureau under this subsection.

11 SECTION 5. IC 27-7-6-13 IS ADDED TO THE INDIANA CODE
12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
13 1, 2019]: Sec. 13. (a) As used in this section, "automobile insurance
14 policy" has the meaning set forth in section 2 of this chapter,
15 except that the term includes an insurance policy that provides
16 automobile liability coverage as defined in section 2 of this chapter
17 for a motorcycle (as defined in IC 9-13-2-108).

18 (b) Beginning after June 30, 2019, an insurer shall notify the
19 bureau of motor vehicles when the insurer cancels an automobile
20 insurance policy for nonpayment of premium as described in
21 section 4(a) of this chapter.

22 (c) An insurer shall provide the notice required under
23 subsection (b) to the bureau of motor vehicles not later than five (5)
24 days after the cancellation by completing and submitting a notice
25 of cancellation of automobile liability coverage form via the
26 computerized information system established by the bureau under
27 IC 9-14-12-10(a).

28 (d) The bureau of motor vehicles shall prescribe a standard
29 notice of cancellation of automobile liability coverage form that
30 must be used by an insurer to provide the notice required under
31 this section.

