Local agencies have long lacked an accurate method for determining and reporting the condition of the local roads and bridges in Indiana. With the asset management plan incentives included in HB 1001 and SB67, local agencies can begin inventorying, assessing, and reporting the condition of those roads and bridges. That effort, combined with the data management system being developed by the Indiana LTAP, will allow for the timely analysis and reporting of local road and bridge conditions. With good data, local agencies will be able to annually determine where the need is greatest.

The Indiana General Assembly passed two road funding bills in the 2016 session: HB 1001 and SB 67. This legislation (1) established a Local Road and Bridge Matching Grant; (2) created a special distribution to local agencies from the Local Option Income Tax (LOIT); (3) increased the amounts that counties can charge for the wheel tax and the excise surtax (LOHUT); (4) allowed municipalities with populations over 10,000 to establish a wheel tax; and (5) required local agencies to have an asset management plan to be eligible for some of these new funding sources. Data reported in the Asset Management Plans will allow LTAP to accurately tell the story of local road conditions in Indiana. This special LTAP newsletter describes their impact and opportunities on local road funding, and what LTAP is doing to assist local agencies.

HB 1001

HB 1001 affects local agencies road and street funding in the following ways:

1. Establishes the Local Road and Bridge Matching Grant Fund.
2. Authorizes an eligible municipality (population greater than 10,000) to impose a municipal motor vehicle license excise surtax and a municipal wheel tax.
3. Doubles the rates of the wheel tax and excise surtax (LOHUT) that a county can adopt if they have an Asset Management Plan.

The Local Road and Bridge Matching Grant Fund will be administered by INDOT and disbursed through an application process. It requires a local agency to have an INDOT approved Asset Management Plan in order to be able to participate. The fund requires a 50% match from the local agency and the match has to come from at least one of the following sources: (1) funds from an increase in wheel tax/excise surtax after June 30, 2016; (2) funds from the special distribution from the local option income taxes (SB 67); or (3) funds in the local agency rainy day fund. In FY 2017, approximately $185 million will be distributed in the fund from the state's excess reserves. In FY 2018, 14.286% (1/7) of the gasoline use tax on fuels will be distributed in the fund (estimated at $69.2 million). Thereafter, 21.42% (1.5/7) of the gasoline use tax on fuel will be distributed in the fund (estimated at $104.9 million).
SB 67

This bill lowers the amount required in a trust fund from 50% to 15%, resulting in the release of over $500 million back to local agencies. A minimum of 75% of this distribution is designated for road construction, maintenance, repair, and airport capital projects; or it can be placed in the rainy day fund to spend on previously mentioned ways.

LOHUT

June 30 is the deadline for a county or municipal to adopt the wheel tax and excise surtax (LOHUT) to receive revenue starting January 2017. Indiana LTAP provides assistance to counties and municipalities by calculating revenue estimates based on maximum rates or different rates for the different vehicle classifications. LTAP is available upon request to provide information and respond to questions to a county’s or municipality’s council.

ASSET MANAGEMENT PLAN

Asset Management is quantifying the condition of assets (roads and bridges) and proposing a multi-year treatment plan that optimizes funding and asset inventory condition. LTAP, with input from local agencies and INDOT, has developed and INDOT has approved asset management plan requirements for bridges and pavements. The plan requirements are described.

Pavement Asset Management Plan

The plan’s main requirements are contained in two tables below. Additional requirements outside these tables are: (1) define performance goals and expected level of service; (2) define pavement rating system used; (3) describe the process used to develop the treatment plan; (4) describe your monitoring program; and (5) describe drainage and right-of-way conditions. Table 1 is to be used for reporting the complete pavement inventory and Table 2 summarizes the treatment planned for the next 5 years. LTAP will be distributing these requirements to locals through the LTAP website (when available), INDOT LPA program and local associations.
In response to HB 1001 and SB 67, Indiana LTAP is ready to work with local agencies to help ensure they make the most of this opportunity.

**DATA MANAGEMENT SYSTEM**
LTAP will develop and manage a data system for asset management and road ratings. Proposed features and components are being evaluated by LTAP and will be released when they are finalized.

**PASER TRAINING**
PASER is a Pavement Surface Evaluation and Rating system developed by the University of Wisconsin-Madison Transportation Information Center. This rating system allows for local agencies to quickly rate their pavements using in-house personnel.

Indiana LTAP is currently scheduling workshops across Indiana for the spring. We will hold as many as is necessary to get everyone up to speed using the PASER rating system as soon as possible. In response to HB 1001 and SB 67, Indiana LTAP is ready to work with local agencies to help ensure they make the most of this opportunity. Deadlines for submitting proposals and other key dates will be available once finalized. Please contact us if you are interested in assistance with developing asset management plans, LOHUT calculations, and PASER training. We can be reached at (765) 494-2164 or inltap@purdue.edu. Check our website for future updates and materials: www.purdue.edu/INLTAP.

**SUMMARY**
In response to HB 1001 and SB 67, Indiana LTAP is ready to work with local agencies to help ensure they make the most of this opportunity. Deadlines for submitting proposals and other key dates will be available once finalized. Please contact us if you are interested in assistance with developing asset management plans, LOHUT calculations, and PASER training. We can be reached at (765) 494-2164 or inltap@purdue.edu. Check our website for future updates and materials: www.purdue.edu/INLTAP.