

## **IC 8-14-8**

### **Chapter 8. Distressed Roads**

#### **IC 8-14-8-1**

##### **Purpose**

Sec. 1. The intent of this chapter is to create a method of providing financial assistance to counties, cities, and towns (referred to as "units" in this chapter) which have serious road and street deficiencies. This chapter has the purpose of enhancing public safety and ensuring the free flow of commerce.

*As added by Acts 1981, P.L.88, SEC.12. Amended by P.L.114-1983, SEC.1.*

#### **IC 8-14-8-2**

##### **Distressed road fund; establishment**

Sec. 2. There is established a distressed road fund which is to be administered by the Indiana department of transportation. The distressed road fund is a nonbudgetary, nonreverting fund.

*As added by Acts 1981, P.L.88, SEC.12. Amended by P.L.18-1990, SEC.113.*

#### **IC 8-14-8-3**

##### **"Qualified county"**

Sec. 3. For purposes of this chapter, "qualified county" means a county having a population of:

- (1) more than fifty-seven thousand (57,000) but less than sixty thousand (60,000);
- (2) more than forty thousand (40,000) but less than forty-two thousand (42,000);
- (3) more than thirty-three thousand five hundred (33,500) but less than thirty-four thousand (34,000);
- (4) more than thirty thousand (30,000) but less than thirty-two thousand (32,000);
- (5) more than twenty-five thousand eight hundred (25,800) but less than twenty-six thousand (26,000);
- (6) more than eighteen thousand (18,000) but less than nineteen thousand five hundred (19,500);
- (7) more than twenty thousand nine hundred (20,900) but less than twenty-one thousand (21,000);
- (8) more than twelve thousand eight hundred (12,800) but less than thirteen thousand (13,000);
- (9) more than ten thousand (10,000) but less than ten thousand five hundred (10,500); or
- (10) more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000).

*As added by Acts 1981, P.L.88, SEC.12. Amended by Acts 1982, P.L.1, SEC.26; P.L.12-1992, SEC.64; P.L.170-2002, SEC.66; P.L.119-2012, SEC.90.*

#### **IC 8-14-8-4**

**Loan; application; requisites**

Sec. 4. (a) A qualified county which:

- (1) has adopted the county motor vehicle excise surtax under IC 6-3.5-4 and the county wheel tax under IC 6-3.5-5;
- (2) is imposing the county motor vehicle excise surtax at:
  - (A) the maximum allowable rate, if the qualified county sets a county motor vehicle excise surtax rate under IC 6-3.5-4-2(a)(1); or
  - (B) an amount of not less than twenty dollars (\$20), if the qualified county sets the county motor vehicle excise surtax at a specific amount under IC 6-3.5-4-2(a)(2); and
- (3) has not issued bonds under IC 8-14-9;

may apply to the Indiana department of transportation for a loan from the distressed road fund. At the time of the application, the county shall notify the department of local government finance that it has made the application.

(b) The application must include, at a minimum:

- (1) a map depicting all roads and streets in the system of the applicant; and
- (2) a copy of that county's proposed program of work covering the current and the immediately following calendar year.

*As added by Acts 1981, P.L.88, SEC.12. Amended by P.L.18-1990, SEC.114; P.L.255-1996, SEC.6; P.L.90-2002, SEC.315.*

**IC 8-14-8-5****Loan; evaluation of needs; criteria**

Sec. 5. (a) In evaluating each applicant's needs for a loan from the distressed road fund, the Indiana department of transportation shall use criteria that are consistent with good engineering practices. The criteria used must include, at a minimum:

- (1) traffic counts and projected traffic;
- (2) areas served;
- (3) surface material and conditions;
- (4) base material and depth;
- (5) drainage, including culverts;
- (6) width of roadway and right-of-way;
- (7) soils upon which the road is placed;
- (8) topography; and
- (9) seasonal weather conditions and the effect on road repair and maintenance.

(b) In addition to the criteria listed in subsection (a), the department shall consider the minimum transportation needs of all areas regardless of population or vehicle registration, and the report filed with the department by the department of local government finance under section 6 of this chapter.

*As added by Acts 1981, P.L.88, SEC.12. Amended by P.L.18-1990, SEC.115; P.L.90-2002, SEC.316.*

**IC 8-14-8-6****Report; availability and use of highway money**

Sec. 6. Within thirty (30) days of the date of application for a loan by a qualified county, the department of local government finance shall submit to the Indiana department of transportation a financial report which shall include the following:

- (1) The amount of money available to the county for road construction and maintenance.
- (2) An analysis of the use, during the five (5) years immediately preceding the date of the loan application, of all highway money the county has received.
- (3) Any other information required by the Indiana department of transportation for the processing of loan applications.

*As added by Acts 1981, P.L.88, SEC.12. Amended by P.L.114-1983, SEC.2; P.L.18-1990, SEC.116; P.L.90-2002, SEC.317.*

#### **IC 8-14-8-7**

##### **Loan approval; agreement; terms; repayment**

Sec. 7. (a) The Indiana department of transportation shall notify a qualified county that makes a loan application of the department's approval or disapproval of the application within sixty (60) days of the date of application. The decision made by the department to approve or disapprove a loan application is final.

(b) The Indiana department of transportation and each qualified county for which a loan has been approved under this chapter shall enter into a loan agreement which shall specify, as a minimum, the purposes for which the loan is to be used and the terms of repayment of the loan. The terms must be consistent with subsection (c).

(c) The maximum term of repayment of a loan made under this section is ten (10) years. A loan that is repaid within the term of repayment specified in the loan agreement is not subject to interest. If a loan is not fully repaid within the term of repayment, the balance that remains unpaid at the end of the term of repayment is subject to interest at the rate of twelve percent (12%) per year.

*As added by Acts 1981, P.L.88, SEC.12. Amended by P.L.114-1983, SEC.3; P.L.18-1990, SEC.117.*

#### **IC 8-14-8-8**

##### **Receipts from loan repayment; deposit in fund**

Sec. 8. All amounts received by the Indiana department of transportation from a county as repayment of a loan made under this chapter, or as payment of interest on a loan made under this chapter, shall be deposited in the distressed road fund.

*As added by Acts 1981, P.L.88, SEC.12. Amended by P.L.18-1990, SEC.118.*

#### **IC 8-14-8-9**

##### **Expenditures not subject to Geometric Design Guide for Local Roads and Streets**

Sec. 9. Notwithstanding any other law, expenditure made from the distressed roads fund are not subject to the provisions of the Geometric Design Guide for Local Roads and Streets.

*As added by Acts 1982, P.L.79, SEC.2.*

#### **IC 8-14-8-10**

##### **Loan; qualified county or unit eligible to receive distribution from motor vehicle highway account**

Sec. 10. The Indiana department of transportation shall make loans from the distressed road fund:

- (1) to any qualified county under the terms of this chapter; or
- (2) to any unit eligible to receive a distribution from the motor vehicle highway account (IC 8-14-1) under terms of section 11 of this chapter.

*As added by P.L.114-1983, SEC.4. Amended by P.L.18-1990, SEC.119.*

#### **IC 8-14-8-11**

##### **Loan; application; approval; interest; agreement between unit and department; restrictions on funds**

Sec. 11. (a) A unit must make application for the loan to the Indiana department of transportation. The application must include, as a minimum:

- (1) a map depicting all roads and streets in the system of the applicant; and
- (2) a copy of that unit's proposed program of work covering the current and the immediately following calendar year.

(b) The Indiana department of transportation shall notify a unit that makes a loan application of the department's approval or disapproval of the application within sixty (60) days of the date of application. The decision made by the department to approve or disapprove is final.

(c) The loan is not subject to the payment of interest or penalty if repaid within two (2) years.

(d) The unit and the Indiana department of transportation shall enter into a written agreement stating the terms of the loan. The agreement must include a provision that the unit directs the auditor of state to withhold distributions from its allocations from the motor vehicle highway account if the loan is not repaid within two (2) years.

(e) Money from a loan made under this section may be used only for the purpose of matching federal aid highway funds.

*As added by P.L.114-1983, SEC.5. Amended by P.L.18-1990, SEC.120.*

#### **IC 8-14-8-12**

##### **Use of funds for matching federal or local money**

Sec. 12. Funds in the distressed road fund may be appropriated to the Indiana department of transportation to maintain a working balance in accounts established primarily to facilitate the matching of federal and local money for highway projects.

*As added by P.L.113-1983, SEC.3. Amended by P.L.18-1990, SEC.121.*