FAILED TO PASS 3 AYES - 4 NAYS

LAPORTE COUNTY COUNCIL

ORDINANCE NO. 2026-08
ESTABLISHING A COUNTY MOTOR VEHICLE EXCISE SURTAX AND COUNTY WHEEL TAX

WHEREAS, Indiana Code §6-3.5-4, et seq. (the County Vehicle Excise Tax Act or Surtax Act) authorizes the County Council as the Adopting Entity, to impose, by ordinance, a county vehicle excise tax at a rate of not less than two percent (2%) nor more than ten percent (10%) or a rate of at least $7.50 and not more than $30.00 on certain vehicles registered in the County: however, a higher maximum rate of twenty percent (20%) or $80 is possible if LaPorte County has an approved transportation asset management plan; and

WHEREAS, I.C. 6-3.5-5, et seq. (the "Wheel Tax Act") authorizes the County Council to impose, by ordinance, an annual wheel tax (the County Wheel Tax) at a rate of not less than $5.00 nor more than $40.00 on certain classifications of vehicles not exempted from the wheel tax and registered in the county, though a higher maximum rate of $80 is possible if LaPorte County has an approved transportation asset management plan; and

WHEREAS, *the County Vehicle Excise Tax and Wheel Tax Act* (collectively, the "Act") each require that the Excise Surtax and the Wheel Tax be imposed concurrently; and

WHEREAS, LaPorte County, Indiana has experienced a decline in revenue necessary to support the safe, all-weather operation of the county road and street system; and

WHEREAS, recently the Indiana General Assembly enacted HEA 1461, which created a second pot of Community Crossing Matching Grant (CCMG) funding <u>only</u> for counties that have adopted a wheel tax and funding will be based on total lane miles beginning in fiscal year 2027; and

WHEREAS, thus, effective as of July 1, 2025, counties without a wheel tax are limited to receiving funding only from the first pot of CCMG monies; and

WHEREAS, over the last few years, LaPorte City, Indiana has seen a dramatic decline in revenue necessary to support the safe operation of a streets and road system within the County, based on changes to state law, which include but are not limited to the following:

a. The Indiana General Assembly enacted legislation reducing the percentage of gas tax given to the Motor Vehicle Highway Fund (MVH);
b. The Indiana General Assembly enacted legislation requiring a governmental unit to deposit Motor Vehicle Highway Funds as follows:
    1. 50% of MVH funding must be designated as unrestricted and used for operating; and
    2. 50% of MVH funding must be used for construction, reconstruction, and preservation of a unit's streets and roads, however, maintenance expenditures no longer counted toward this 50% requirement; and

c. The Indiana General Assembly enacted Senate Bill 1 regarding property taxes and as a result, all municipalities are expected to lose significant property tax revenue in incremental phases for the next several years; and

WHEREAS, in addition to the statutory changes to the MVH Fund by the General Assembly and the recent adoption of Senate Bill 1, the County has experienced and expects to continue to experience a decline in riverboat funds as well; and

WHEREAS, the LaPorte Council finds it necessary to now impose the County Vehicle Excise Surtax and the County Wheel Tax.

NOW, THEREFORE, BE IT AND IT IS HEREBY ORDAINED BY THE County Council of LaPorte County, Indiana, as follows:

Section 1. County Vehicle Excise Tax.

1. Tax Rate. Effective January 1, 2027, and in accordance with Indiana Code § 6-3.5-4-2, $7.50 tax shall be imposed on the following vehicle types:
    i. Passenger motor vehicles;
    ii. Collector vehicles,
    iii. Trailers 9,000 pounds or less;
    iv. Trucks 11,000 pounds or less;
    v. Mini-trucks; and
    vi. Military vehicles.
    vii. Motorcycles;
    viii. Motor driven cycles;

2. As provided by Indiana Code § 6-6.5-5-0.5 and Indiana Code § 9-18.1-1, the following motor vehicles are exempt from the annual County Vehicle Excise Tax:
    a. Vehicles that are:
        i. Owned by the state.
        ii. Owned by a state agency (as defined in IC 6-1.1-1-18).
        iii. Owned by a municipal corporation (as defined in IC 36-1-2-10).
        iv. Owned by a volunteer fire department (as defined in IC 36-8-12-2).
        v. Owned by a volunteer emergency ambulance service that:
            1. meets the requirements of IC 16-31; and
            2. has only members that serve for no compensation or nominal annual compensation of not more than three thousand five hundred dollars ($3,500.00).
        vi. Owned by a rehabilitation center funded under IC 12-2.
        vii. Owed by a community action agency (IC 12-14-23).
        viii. Owned by an area agency on aging (IC 12-10-1-6) and a county council on aging that is funded through an area agency.
        ix. Owned by a community mental health center (IC 12-29-2).

x. Owned by an approved postsecondary educational institution listed in IC 21-7-13-6(a)(1)(C).
xi. A trailer with a declared gross vehicle weight of three thousand pounds or less.

3. Vehicle definitions. The definition set forth in the Act, presently defined under Indiana Code § 6-3.5-4-1 and Indiana Code § 6-3.5-5-1 shall apply to this section.
4. Uses of fund.
   a. Pursuant to Indiana Code § 6-3.5-5-1, surtax revenues may be used for one or more of the following purposes:
      i. to construct, reconstruct, repair, or maintain streets and roads under its jurisdiction; or
      ii. for LaPorte County's, contribution to obtain a grant from the local road and bridge matching brant fund under IC 8-23-30.
5. Accounting of Fund. Pursuant to I.C. 6-3.5-11-15, on or before October 1 of each year, the Auditor shall provide the County Council with an estimate of the wheel tax revenues to be received by the County under this section during the next calendar year. The County shall include the estimated excise tax revenues in the County's budget estimate for the calendar year.

Section 2. County Vehicle Wheel Tax

1. Tax Rate. Effective January 1, 2027, and in accordance with Indiana Code § 6-3.5-5-2, a $5.00 tax shall be imposed on the following vehicle types:
   a. Buses;
   b. Recreational Vehicles;
   c. Semitrailers;
   d. Trailers with a declared gross weight of more than nine thousand (9,000) pounds; and
   e. Trucks and tractors with a declared gross weight of more than eleven thousand (11,000) pounds.
2. As provided by Indiana Code § 6-3.5-5-4, the following motor vehicles are exempt from the annual Wheel Tax:
   a. owned by the state;
   b. owned by a state agency of the state;
   c. owned by a political subdivision of the state;
   d. subject to the municipal vehicle excise tax imposed under I.C 6-3.5-4;
   e. A bus owned and operated by a religious or nonprofit youth organization and
      i. used to transport persons to religious services or for the benefit of its
      ii. members;
   f. A school bus; and
   g. A motor vehicle that is funeral equipment and that is used in the operation of
      i. funeral services (as defined in IC 25-15-2-17).

h. Vehicle Definition. The definitions as set forth in the Act, presently defined under Indiana Code § 6-3.5-4-1 shall apply to this subsection.

3. Uses of Fund.

a. Pursuant to Indiana Code § 6-3.5-5-15, wheel tax revenues may be used for one or more of the following purposes:

i. to construct, reconstruct, repair, or maintain streets and roads under its jurisdiction;

ii. as a contribution to an authority established under Indiana Code § 36-7-23; of

iii. for LaPorte County's, contribution to obtain a grant from the local road and bridge matching brant fund under IC 8-23-30.

4. Accounting of Fund. Pursuant to I.C. 6-3.5-11-15, on or before October 1 of each year, the Auditor shall provide the County Council with an estimate of the wheel tax revenues to be received by the County under this section during the next calendar year. The County shall include the estimated wheel tax revenues in the County's budget estimate for the calendar year. The provisions of this ordinance will expire on December 31, 2028 if no action is taken to renew in a timely manner.

Section 3. Creation of fund. There is hereby created a LaPorte County Surtax Fund, ("Fund"), Fund No. _________, which shall be a non-reverting fund. Revenues received from the department of Motor Vehicles from taxes imposed under this section shall be deposited into the fund.

Section 4. Repeal and modification. This Ordinance may be repealed, and the rates set forth herein may be decreased or increased only in accordance with the Act and in addition thereto, the Auditor shall place on the County Council Agenda in July of each succeeding year an Item calling for review of the above imposed rate structure.

Section 5. Publication. Pursuant to Indiana Code § 6-3.5-4-6 and I.C. 6-3.5-5-8, the Auditor is hereby directed to send a copy of this Ordinance and, if applicable, a copy of a letter from the Indiana Department of Transportation approving the LaPorte County's transportation asset management plan to the Indiana Bureau of Motor Vehicles, 100 N. Senate Avenue, 4th Floor, Indianapolis, Indiana 46204 immediately and no later than 1st of September 2026.

The Auditor shall take all reasonable and necessary measures, including but not limited to U.S. Mail, Certified Mail, and Overnight Mail to ensure the prompt delivery of this Ordinance by the August 31, 2026.

Section 6. Conflicting Ordinances. Any Ordinance or provision of any Ordinance of LaPorte County, Indiana in conflict with the provisions of this Ordinance is hereby repealed.

Section 7. Severability. The invalidity of any section, clause, sentence, or provision of this Ordinance shall not affect the validity of any other part of this Ordinance which can be given without such invalid part or parts.

Section 8. Effective Date. This Ordinance to be in full force and effective after its passage and publication by law.

DULY PASSED AND ADOPTED on this 24th day of August 2026, by the LaPorte County Council, as fiscal body of LaPorte County, Indiana.

	Yeah	Nay
Jennifer Heath		
Brett Kessler		
Justin Kiel		
Adam Koronka		
Mike Mollenhauer		
Jimmy Pressel III		
Mark Yagelski		

ATTEST:

Michael Rosenbaum, CPA
LaPorte County Auditor

EXHIBIT A

INDIANA DEPARTMENT OF TRANSPORTATION

100 North Senate Avenue
Room N758
Indianapolis, Indiana 46204

PHONE: (855) 463-6848

Eric Holcomb, Governor
Michael Smith, Commissioner

8/5/2026

Mr. Mitchell Bishop
La Porte County Highway Department
1805 W 5th Street
La Porte, IN 46350

RE: Asset Management Plan Approval Letter –

This letter is to confirm that the Asset Management Plan that was submitted by the La Porte County to INDOT has been approved. Please feel free to let me know if you need additional information.

Sincerely,

Kathy Eaton-McKalip

Kathy Eaton-McKalip
Director, Local Programs
Kaeaton-mckalip@indot.in.gov

PURDUE UNIVERSITY. Local Technical Assistance Program

1281 Win Hentschel Blvd
Suite 2111
West Lafayette, IN, 47906

December 1, 2025

LaPorte County, Indiana

RE: Approval Letter for 2025 Pavement Asset Management Plan

To Whom It May Concern,

Thank you for submitting LaPorte County's Asset Management Plan. It has been determined that your 2025 Pavement Asset Management Plan has met all the criteria required from the INDOT approved template and is complete.

Use this approval letter for the 2026 (calendar year) Community Crossings Matching Grant Program's application. Please note that you will need to submit your asset management plan each year by December 1st to be eligible for the following year's Community Crossing Matching Grant Program.

Sincerely,

Patrick A. Conner, PE
LTAP Asset Management Engineer

765-494-2164 | 800-428-7639
inltap@purdue.edu | purdue.edu/inltap | @ltapindiana