Cumberland Town Council

Ordinance 2017 – 19

Imposing a Motor Vehicle License Excise Surtax

Whereas, Indiana Code § 6-3.5-10 authorizes the Cumberland Town Council ("Council") to impose a motor vehicle license excise surtax ("surtax") in an amount not less than $7.50 but not more than $25.00; and

Whereas, pursuant to Indiana Code § 6-3.5-10, if the Town desires to impose a surtax, the Town must concurrently adopt a municipal wheel tax; and

Whereas, the Town will concurrently adopt a municipal wheel tax pursuant to Town Ordinance 2017 - 18; and

Whereas, the Town may use the surtax to construct, reconstruct, repair, or maintain streets and roads within the Town's jurisdiction and for the Town’s contribution to obtain a grant from the local road and bridge matching grant fund under Indiana Code § 8-23-30; and

Whereas, the Town uses a transportation asset management plan approved by the Indiana Department of Transportation. This plan is attached as Exhibit A; and
Whereas, the Council finds that it is in the best interest of the Town, and its citizens, to impose a surtax.

Therefore, it is Ordained that a new section, § 00-03-32-24, is added to the Town of Cumberland Code of Ordinances to impose a motor vehicle license excise surtax, and this section shall read as follows:

"§ 00-03-32-24 Imposition of Motor Vehicle License Excise Surtax.

(A) Imposition of Rate of Motor Vehicle License Excise Surtax. A Motor Vehicle License $7.50
Excise Surtax ("surtax") of $2.00 shall be imposed on the following motor vehicles registered in the Town of Cumberland:

(1) Passenger vehicles;

(2) Motorcycles;

(3) Trucks with a declared gross weight that does not exceed 11,000 pounds; and,

(4) Motor driven cycles.

This surtax shall be paid each year at the time the vehicle is registered.

(B) Motor Vehicles subject to Surtax. A vehicle is subject to the surtax if the vehicle is registered in the Town of Cumberland after December 31, 2018 pursuant to Ind. Code § 6-3.5-10-3. However, in the first year the surtax is effective, the surtax does not apply to the registration of a motor vehicle for the registration year that commenced in 2018.

The Cumberland Town Council ("Council") shall send a copy of this ordinance imposing the surtax and a copy of a letter from the Indiana Department of Transportation ("INDOT") approving the Town's transportation asset management plan to the Bureau of Motor Vehicle ("BMV") on or before September 1st following the adoption of the ordinance.

(C) Rescission of Surtax. After January 1 but before September 1 of any year, the Council may adopt an ordinance to rescind the surtax. If the Council adopts an ordinance to rescind the surtax, the surtax does not apply to a
motor vehicle registered after December 31 of the year in which the ordinance is adopted.

The Council cannot adopt an ordinance to rescind the surtax unless the Council concurrently adopts an ordinance to rescind the municipal wheel tax pursuant to Ind. Code § 6-3.5-11.

The Council must send a copy of an ordinance rescinding the surtax and a copy of a letter from INDOT approving the Town's transportation asset management plan to the BMV on or before September 1 of the following calendar year.

(D) Increase or Decrease of Surtax. The Council may adopt an ordinance to increase or decrease the surtax. An ordinance establishing a new amount adopted after December 31 but on or before September 1 of the following year applies to motor vehicles registered after December 31 of the year the ordinance is adopted. An ordinance establishing a new amount adopted after September 1 but before January 1 of the following year applies to motor vehicles registered after December 31 of the year following the year the ordinance is adopted.

The Council must send a copy of an ordinance increasing or decreasing the surtax and a copy of a letter from INDOT approving the Town's transportation asset management plan to the BMV on or before September 1 of the following calendar year.

(E) Payment of Surtax Required to Register Motor Vehicle: Amount; Collection. A person may not register a motor vehicle in the Town unless the person pays the surtax due, if any, to the BMV. The BMV shall collect the surtax due, if any, at the time the vehicle is registered.

(F) Adjustment of Surtax. If a vehicle has been acquired or brought into Indiana, or for any other reason becomes subject to registration after the regular annual registration date in the year on or before which the owner of the vehicle is required under the motor vehicle registration laws of Indiana to register vehicles, the amount of the surtax shall be reduced in the same manner as the excise tax is reduced under Indiana Code § 6-6-5-7.2.
The owner of a vehicle who sells the vehicle in a year in which the owner has paid the surtax imposed by this chapter is entitled to receive a credit that is calculated in the same manner and subject to the same requirements as the credit for the excise tax under Ind. Code § 6-6-5-7.2.

If the name of the owner of a vehicle is legally changed and the change has caused a change in the owner's annual registration date, the surtax liability of the owner shall be adjusted in the same manner as excise taxes are adjusted under Indiana Code § 6-6-5-7.2.

(G) *Remittance of Collected Surtax: Surtax Collections Report.* On or before the tenth day of the month following the month in which the surtax is collected, the BMV must remit the surtax revenue to the Town of Cumberland Clerk-Treasurer. Concurrently with the remittance, the BMV must file a surtax collections report prepared on forms prescribed by the State Board of Accounts with the Town of Cumberland Clerk-Treasurer.

(H) *Cumberland Surtax Fund: Use.* The Clerk Treasurer shall deposit the surtax revenues in the "Cumberland Surtax Fund." The Town may use the surtax revenues to construct, reconstruct, repair, or maintain streets and roads under the Town's jurisdiction or for the Town's contribution to obtain a grant from the local road and bridge matching grant under Ind. Code § 8-23-30.

(I) *Report of Estimate of Anticipated Surtax Revenue: Budget.* On or before October 1 of each year, the Cumberland Clerk-Treasurer shall provide the Council with an estimate of the surtax revenues to be received by the Town during the next calendar year. The Council shall include the estimated surtax revenues in the Town’s budget estimate for the calendar year.

(J) *Violations.* The owner of a vehicle who knowingly registers the vehicle without paying the surtax commits a Class B misdemeanor."

It is further ordained that the Town Council authorizes the Town Manager to provide a copy of this ordinance and the Town's transportation asset management plan to the Commissioner of the BMV.
It is further ordained that any provision of the Town of Cumberland Code of Ordinances which is not specifically amended by this ordinance shall remain in full force and effect.

It is further ordained that this ordinance shall become effective upon adoption.

Ordained this 6th day of December, 2017.

Cumberland Town Council:

Anna Pea, President

Joe Siefker, Vice President

Nicole Bell, Member

Aaron Cutshaw, Member

Brian Gritter, Member

Attest:

Erica Salmon, Clerk-Treasurer
Exhibit A