

PROPOSAL NO. 5, 2026

**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF LAWRENCE,
INDIANA IMPOSING A MUNICIPAL WHEEL TAX AND MOTOR VEHICLE
LICENSE EXCISE SURTAX AND CREATING THE CITY OF LAWRENCE
WHEEL TAX FUND AND THE CITY OF LAWRENCE MOTOR VEHICLE
LICENSE EXCISE SURTAX FUND**

WHEREAS, the Community Crossings Matching Grant Program (the “CCMG Program”) is a partnership between the Indiana Department of Transportation (“INDOT”) and Hoosier communities, both urban and rural, designed to invest in infrastructure projects that catalyze economic development, create jobs, and strengthen local transportation networks;

WHEREAS, the CCMG Program provides funding to cities, towns, and counties across Indiana to make improvements to local roads and bridges;

WHEREAS, absent the adoption of this Ordinance, the City of Lawrence, Indiana (the “City”) would be eligible for significantly less funding through the CCMG Program;

WHEREAS, Ind. Code §6-3.5-11 *et seq.* (the “Wheel Tax Act”) authorizes the Common Council of the City (the “Common Council”) to impose by ordinance an annual wheel tax (“Wheel Tax”) of not more than Forty Dollars (\$40.00) on certain motor vehicles registered in the City;

WHEREAS, Ind. Code §6-3.5-10 *et seq.* (the “Excise Tax Act”) authorizes the Common Council to impose by ordinance an annual license excise tax surtax (the “Excise Surtax”) at a rate of not more than Twenty-Five Dollars (\$25.00) on certain motor vehicles registered in the City;

WHEREAS, the Wheel Tax Act authorizes the Common Council to impose the Wheel Tax at a different rate for each class of vehicle subject to the Wheel Tax Act. In addition, the Wheel Tax Act authorizes the Common Council to establish different rates within different classes of buses, recreational vehicles, semitrailers, tractors, and trucks based on weight classification established by the Indiana Bureau of Motor Vehicles;

WHEREAS, the Excise Tax Act authorizes the Common Council to impose the Excise Surtax on each motor vehicle that is subject to the tax, or impose the Excise Surtax on vehicles subject to the tax at one or more different amounts based upon the class of vehicles;

WHEREAS, the Wheel Tax Act prohibits the Common Council from adopting an ordinance imposing a Wheel Tax unless the Common Council concurrently adopts an ordinance under Ind. Code §6-3.5-10-1 *et seq.* to impose the annual motor vehicle license excise surtax;

WHEREAS, pursuant to Ind. Code §6-3.5-10-1 *et seq.*, the Common Council is concurrently adopting a Motor Vehicle License Excise Surtax;

WHEREAS, pursuant to Ordinance No. 4, 2025, the Common Council previously imposed a municipal wheel tax and motor vehicle license excise surtax effective January 1, 2026;

WHEREAS, Marion County (the “County”) also imposes a wheel tax and motor vehicle license excise surtax upon vehicles registered within the County;

WHEREAS, the Common Council and the Mayor of the City (the “Mayor”) desire to ensure that owners of vehicles registered in the City are not subject to both the applicable County rates and the corresponding City rates;

WHEREAS, the Common Council has determined that repealing Ordinance No. 4, 2025 and adopting this Ordinance will allow owners of vehicles registered in the City to pay only the City’s substantially lower rates rather than both the applicable City and County rates;

WHEREAS, concurrently with this Ordinance, the Common Council is considering Proposal No. 4, 2026, which, if adopted, would repeal Ordinance No. 4, 2025 and terminate the municipal wheel tax and motor vehicle license excise surtax imposed thereunder;

WHEREAS, the City utilizes a transportation asset management plan, which has been approved by INDOT; and

WHEREAS, the Common Council deems it necessary and in the best interests of the City, its residents, and its businesses to impose the Wheel Tax and Excise Surtax at the rates established herein to generate revenue to support the safe operation and continued maintenance of the streets and roads under the jurisdiction of the City, maintain the City's eligibility for increased funding through the CCMG Program, and reduce the financial impact on owners of vehicles registered in the City resulting from the increased County rates established by City-County General Ordinance No. 44, 2026.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL AS FOLLOWS:

SECTION 1. Title 7 (Local Tax Revenue), Article 1 (Motor Vehicle Taxes), Chapter 1 (Wheel Tax Fund) is hereby created and added to the Code of Ordinances of the City as follows:

Wheel Tax Fund.

- (a) Definitions. The definitions and provisions set forth in Ind. Code §6-3.5-11-1 are incorporated herein by reference and shall apply throughout this Ordinance.
- (b) City of Lawrence Wheel Tax Fund. The "City of Lawrence Wheel Tax Fund" is hereby created and shall be a non-reverting fund. The City may only use the revenue from the Wheel Tax for the following purposes:
 - (1) to construct, reconstruct, repair, or maintain streets and roads that are under the jurisdiction of the City;
 - (2) as a contribution to an authority established under Ind. Code §36-7-23;
 - (3) for the City's contribution to obtain a grant from the local road and bridge matching grant fund under Ind. Code 8-23-30; and
 - (4) any other allowable uses under Ind. Code §6-3.5-11.
- (c) Imposition and Rate of Wheel Tax. Effective January 1, 2027, the following vehicles registered in the City of Lawrence and subject to the Wheel Tax shall incur a Wheel Tax in the amount of Forty Dollars (\$40.00) pursuant to Ind. Code §6-3.5-11-1 *et seq.*
 - (1) Buses;
 - (2) Recreational vehicles;
 - (3) Semitrailers;
 - (4) Trailers with a declared gross weight of more than nine thousand (9,000) pounds; and
 - (5) Trucks and tractors with a declared gross weight of more than eleven thousand (11,000) pounds.
- (d) Pursuant to Ind. Code §6-3.5-11-4, a vehicle is exempt from the Wheel Tax if the vehicle is:
 - (1) owned by the State of Indiana;
 - (2) owned by a state agency of the State of Indiana;
 - (3) owned by a political subdivision of the State of Indiana;
 - (4) subject to the annual license excise surtax imposed pursuant to Ind. Code §6-3.5-10;
 - (5) a bus owned and operated by a religious or non-profit youth organization and used to transport persons to religious services or for the benefit of its members;
 - (6) a school bus;

- (7) a motor vehicle that is funeral equipment and that is used in the operation of funeral services as defined in Ind. Code §25-15-2-17; or
 - (8) any other vehicle exempt pursuant to Ind. Code §6-3.5-11-4.
- (e) The Wheel Tax shall be paid to the Indiana Bureau of Motor Vehicles each year at the time the vehicle is registered. The City's Controller shall deposit the Wheel Tax revenues received in a fund to be known as the "City of Lawrence Wheel Tax Fund" and shall distribute the City of Lawrence Wheel Tax Fund consistent with Ind. Code §6-3.5-11-1 *et seq.*
 - (f) Accounting of Wheel Tax Fund. On or before October 1 of each year, the City Controller shall provide the Common Council with an estimate of the Wheel Tax revenues to be received by the City during the next calendar year. The City shall include the estimated Wheel Tax revenues in the City's budget estimate for the calendar year.
 - (g) Transmittal of Ordinance. The Common Council authorizes the Mayor's designee to provide a copy of this Ordinance to the Indiana Department of Revenue and the Indiana Bureau of Motor Vehicles as required by Ind. Code §6-3.5-11-8.

SECTION 2. Title 7 (Local Tax Revenue), Article 1 (Motor Vehicle Taxes), Chapter 2 (Motor Vehicle License Excise Surtax Fund) is hereby created and added to the Code of Ordinances of the City as follows:

Motor Vehicle License Excise Surtax Fund.

- (a) Definitions. The definitions and provisions set forth in Ind. Code §6-3.5-10-1 are incorporated herein by reference and shall apply throughout this Ordinance.
- (b) City of Lawrence Motor Vehicle License Excise Surtax Fund. The "City of Lawrence Motor Vehicle License Excise Surtax Fund" is hereby created and shall be a non-reverting fund. The City may use the Excise Surtax revenues for the following purposes:
 - (1) to construct, reconstruct, repair, or maintain streets and roads under the City's jurisdiction;
 - (2) for the City's contribution to obtain a grant from the local road and bridge matching grant fund under Ind. Code 8-23-30; or
 - (3) any other allowable uses under Ind. Code §6-3.5-10.
- (c) Imposition and Rate of Excise Surtax. Effective January 1, 2027, the following vehicles, registered in the City of Lawrence and subject to the Motor Vehicle License Excise Tax, shall be subject to the Excise Surtax in the amount of Twenty-Five Dollars (\$25.00), pursuant to Ind. Code §6-3.5-10-1 *et seq.*
 - (1) Passenger motor vehicles.
 - (2) Motorcycles.
 - (3) Motor driven cycles.
 - (4) Collector vehicles.
 - (5) Trailer vehicles with a declared gross weight of 9,000 pounds or less.
 - (6) Trucks with a declared gross weight of 11,000 pounds or less.
 - (7) Mini-trucks.
 - (8) Military vehicles.

The Excise Surtax shall be paid with the registration of each such vehicle.

- (d) The City Controller shall deposit revenue received from the Excise Surtax in a fund to be known as the "City of Lawrence Motor Vehicle License Excise Surtax Fund" and shall distribute the Surtax Fund consistent with Ind.

Code §6- 3.5-10-10.

- (e) Accounting of Excise Surtax Fund. On or before October 1 of each year, the City Controller shall provide the Common Council with an estimate of the Excise Surtax revenues to be received by the City during the next calendar year. The City shall include the estimated Excise Surtax revenues in the City's budget estimate for the calendar year.
- (f) Transmittal of Ordinance. The Common Council authorizes the Mayor's designee to provide a copy of this Ordinance to the Indiana Department of Revenue and the Indiana Bureau of Motor Vehicles as required by Ind. Code §6-3.5-10-6.

SECTION 3. The WHEREAS Recitals are incorporated herein by reference.

SECTION 4. All prior ordinances or parts thereof inconsistent with any provision of this Ordinance are hereby repealed. This Ordinance shall have no effect upon any other sections of the Code of Ordinances of the City of Lawrence, Indiana or ordinances not specifically changed by this Ordinance, except as herein provided, and all other sections of the Code of Ordinances of the City of Lawrence, Indiana not inconsistent herewith remain the same.

SECTION 5. The sections, paragraphs, sentences, clauses, phrases and words of this Ordinance are separable, and if any word, phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional, invalid or unenforceable by the valid judgment or decree of a Court of competent jurisdiction, such unconstitutionality, invalidity or unenforceability shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs and sections of this ordinance.

SECTION 6. This Ordinance shall be in full force and effect from and after its passage, approval and publication according to law.

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ADOPTED this _____ day of _____ 2026.

Attest: _____

Leatrice Adkisson,
City Clerk

Zach Cramer,
President

Presented by me to the Mayor of the City of Lawrence, Indiana, this _____ day of _____, 2026, at _____ o'clock _____. m.

Leatrice Adkisson, City Clerk

Approved by me this _____ day of _____, 2026, at _____ o'clock _____. m.

Deborah Whitfield, Mayor