Elise M. Nieshalla State Comptroller

Local Road and Street (LRS) Distribution

The LRS Distributions are a monthly state revenue allocation given to counties, cities and towns for engineering, land acquisition, construction and maintenance of local roads.

Distribution Schedule

LRS Distributions are made monthly to counties, cities and towns.

Primary Revenue Sources

- 25% of the Gasoline Excise Tax after the first $70 Million (IC 6-6-1.1-801.5, IC 6-6-1.1-802)
- 25% of the Special Fuel Tax after monthly transfer to Motor Carrier Regulation Fund (IC 6-6-2.5-68, IC 6-6-1.1-802)
- Vehicle Registration and Title Fees collected under IC 9-18.1 et. seq.

Two Step Distribution Calculation

Pursuant to IC 8-14-2-3, 63% of collections are transferred to INDOT for use in the State Highway Fund. The other 37% is distributed counties, cities, and towns based on a two-step calculation according to IC 8-14-2-4.

1. **Step One:** Determine the total allocation for each county based on passenger car registrations.

2. **Step Two:** Calculate the unit level distribution based on county population
   If a county has a population of *greater than 50,000*:
   - 60% of the money shall be distributed based on the population of the unit compared to the total county population.
   - 40% of money shall be distributed based on road and street miles of the unit compared to the total county road mileage.

   If a county has a population of *fewer than 50,000*:
   - 20% of the money shall be distributed based on the population of the unit compared to the total county population.
   - 80% of the money shall be distributed based on road and street miles of the unit compared to the county total road mileage.

Permissible Uses

Pursuant to IC 8-14-2-5, the monthly LRS distributions can be used by counties, cities and towns for:

- Engineering, land acquisition, construction, resurfacing, maintenance and restoration of local and arterial road and street systems
- Payment of principal and interest on bonds sold primarily to finance road, street or thoroughfare projects
- Any local costs required to undertake a recreational or reservoir road project under IC 8-23-5
- The purchase, rental or repair of highway equipment

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