



Media Advisory

For Immediate Release

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City of Evansville Announces Plan to Implement Wheel Tax to Support Road Repairs

"Paving the Way" campaign launched to support stronger, safer streets citywide

The City of Evansville announced today that it will pursue a municipal wheel tax to provide a stable, dedicated source of funding for road and street improvements, responding to long-standing infrastructure challenges and one of the most frequent concerns raised by city residents.

In 2026, Evansville is projected to lose millions of dollars in property tax revenue due to changes in state law (Senate Bill 1, now known as Senate Enrolled Act 1, or SEA1). During the same legislative session, Indiana passed House Enrolled Act 1461 (HEA 1461), requiring cities to adopt the Wheel and Excise Tax in order to qualify for Lane Mile Distribution Dollars - a new, guaranteed state funding stream for local roads.

"Wheel taxes are going to be something you're going to need to use," Governor Mike Braun recently told a Mayor's Conference audience in Elkhart, Indiana. "If you don't do that, it's going to be hard for the state to partner up in places that need even more for their own roads."

By adopting this tax, Evansville can secure its fair share of those state Lane Mile Distribution dollars.

The new initiative, titled "Paving the Way," reflects the City's commitment to building a stronger Evansville, block by block and street by street, starting with the foundational infrastructure residents rely on every day.

The ordinance will be introduced at Monday's City Council meeting, sponsored by councilors Ben Trockman (D-1st Ward), Missy Mosby (D-2nd Ward), Zac Heronemus (D-3rd Ward), and Paul Green (D-At Large).

"We all drive the same roads, and we all feel the impact when they fall into disrepair," said Mayor Stephanie Terry. "This step ensures we can take real action beyond patching potholes. This will help us make sustained progress across our neighborhoods."

A Clear Need

Each year, Evansville has approximately \$3 million available for street repairs and resurfacing. Even when coupled with state Community Crossing funds, the number well short of the \$12 million experts estimate is needed annually to keep roads from further deteriorating.

Fully restoring city streets would require an estimated \$15-\$20 million per year over several years.

The proposed wheel tax would apply when residents renew their vehicle registration through the Bureau of Motor Vehicles. For most drivers, the cost would be \$25 per year - just over \$2 per month:

- Motorcycles: \$15 per year
- Passenger Vehicles: \$25 per year
- Heavy Trucks: \$35 per year

City officials estimate this will raise approximately \$2.7 million per year, which would be legally restricted to capital improvements such as street resurfacing, sidewalk upgrades, and curb work. They cannot be used for salaries or unrelated city services.

“Revenue from the wheel tax will go directly into Evansville’s Road And Street Fund,” said City Council President Ben Trockman, who is sponsoring the ordinance. “Most importantly, it will help unlock up to \$4.5 million in state matching funds through the Community Crossings Grant — a major opportunity to improve and rebuild our city’s streets for everyone who uses them.”

A priority list of street improvement projects will be published prior to implementation, with initial work focused on heavily traveled thoroughfares and residential areas with persistent maintenance backlogs.

The City will also publish an annual report showing how every dollar was used.

Next Steps

City Council will review the proposed wheel tax ordinance in the coming weeks. If approved, it would go into effect in 2026, aligning with BMV registration cycles. Full details, including estimated revenue and project planning will be available at evansville.in.gov/fixtheroads.

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