

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into this \_\_\_\_\_ day of September, 2016, by and between the Indiana Department of Revenue (“IDOR”) and the United States Unified Carrier Registration Board of Directors (“UCR Board”) (collectively the “Parties”), regarding the development, management, operation, and hosting of an IDOR Unified Carrier Registration System accessible to other states and registrants (those persons that register for Unified Carrier Registration). The Unified Carrier Registration System’s functionality will include registration functionality regarding the collection and distribution of funds collected by IDOR on behalf of Unified Carrier Registration states. This agreement will govern the relationship between UCR Board and IDOR for operation and access to the IDOR-developed Unified Carrier Registration System.

### WITNESSETH:

WHEREAS, the UCR Board, pursuant to 49 U.S.C. 14504a, has the statutory responsibility to administer the Unified Carrier Registration (“UCR”) Agreement among states; and

WHEREAS, IDOR, pursuant to Ind. Code § 6-8.1-4-4, operates a Registration Center (“Center”) to service motor carriers and the owners of commercial motor vehicles, and the Center operates under the supervision of IDOR through the Motor Carrier Services Division (“MCSD”); and

WHEREAS, IDOR operates the Unified Carrier Registration System (“UCR System,” or “System”), a comprehensive, one-stop web site for UCR information and transaction services, and through which electronic interface and Internet content development services and transactions are developed for carriers, brokers, freight forwarders, and leasing companies; and

WHEREAS, the UCR Board desires that IDOR’s UCR System be improved and enhanced to improve overall national registration performance.

NOW THEREFORE, this MOU is entered into between IDOR and UCR Board to further accomplish the mutual aims of both parties, upon the following terms and conditions:

#### **1. Prior Agreements.**

- 1.1 The UCR Board and IDOR had previously entered into “Memorandum of Understanding” signed on June 12, 2013 by the UCR Board and on June 17, 2013 by IDOR (the “2013 MOU”).
- 1.2 This Memorandum of Understanding terminates, replaces, and supersedes the 2013 MOU.

#### **2. IDOR Duties.**

- 2.1 IDOR will, on behalf of UCR Board, operate and provide access to the Indiana-developed UCR System for other states and registrants under the following payment terms and conditions:
- 2.1.1 This is a support and maintenance fixed-fee agreement. IDOR will be compensated annually the amount of \$1,320,000 (the “Services Fee”) by UCR Board, for supporting and maintaining the UCR System. UCR Board shall make an initial payment to IDOR in an amount representing twenty-five percent (25%) of the Services Fee for UCR System no later than September 30, 2016. UCR Board shall make subsequent payments to IDOR quarterly. The compensation replaces the previously charged convenience fee charged to each registrant which IDOR agrees to discontinue beginning with the 2017 registration year.
  - 2.1.2 Each registrant registering under the Unified Carrier Registration shall pay a credit card instant access fee or an electronic check (“eCheck”) instant access fee as provided under this section.
  - 2.1.3 IDOR agrees to accept the following credit cards/debit cards/pre-paid cards for payment of Unified Carrier Registration transactions: MasterCard, Discover and Visa.
- 2.2 IDOR System Requirements.
- 2.2.1 IDOR agrees to maintain accurate records pertaining to these Unified Carrier Registration transactions, and to reconcile the transactions on a monthly basis. IDOR shall administer and distribute funds according to the terms and conditions adopted by UCR Board. The terms and conditions currently in effect are set forth in Exhibit A.
  - 2.2.2 IDOR acknowledges that UCR Board may amend such terms and conditions at any time through the submission of a Systems Request Order. IDOR agrees to update UCR System to the mutual agreement of both parties in response to such Systems Request Order.
  - 2.2.3 IDOR agrees to set up separate development and production database environments and host the UCR Registration and Depository systems on multiple servers in a load balanced environment, and make systems available 24-hours a day, seven-days-a-week at 99% availability throughout the year accounting for unscheduled downtime events.
  - 2.2.4 IDOR will manage returned eCheck “processing avoidance” by holding distribution for financial clearing of all deposited checks received through the System application.

- 2.2.5 IDOR will notify states of the returned eCheck for collection. IDOR deems the collection of returned “bad” checks the responsibility of the state which received the check and IDOR will hold returned check amounts from monthly distribution to the state of the returned eCheck(s) from payments received for that state.
- 2.2.6 IDOR will not customize the UCR System for any individual state.
- 2.2.7 IDOR will provide reporting and account inquiry at the state level for all states.
- 2.2.8 IDOR will provide real-time views by states and self-service capabilities for all users.
- 2.2.9 IDOR Motor Carrier Services will provide customer service support for the UCR Indiana online system from the hours of 8:00 am to 4:30 pm Monday thru Friday (excluding holidays).
- 2.2.10 The system requirements included as part of this MOU may specify that certain individuals working under a contract with IDOR (“Contract Employees”) are included in this MOU. IDOR agrees that UCR Board shall not be responsible for such Contract Employees, except to the extent that IDOR includes the compensation paid to such Contract Employees in its accounting to UCR Board for reimbursement purposes.
- 2.3 IDOR will develop and maintain the Depository Reporting System in the UCR System. IDOR will capture monthly payment transactions, generating reports based on those transactions, which will allow the UCR Board to update and maintain its accounting of UCR fees and revenue distribution.
- 2.4 Reporting Requirements.
- 2.4.1 IDOR will generate reports for the purpose of enhancing compliance. The reports will include, but are not limited to, the following:
- 2.4.1.1 Registered report
- 2.4.1.2 Unregistered report
- 2.4.1.3 New Entrant Solicitation Report
- 2.4.2 An e-mailing function will be utilized to send out e-mail “blasts” to carriers, etc. that have not paid, and to send out renewals.
- 2.4.3 The reports and UCR statistics will be available for execution on a daily, weekly, and monthly basis.

- 2.5 IDOR will receive all Systems Request Orders from the UCR Board Chairman, presented through the UCR Indiana Systems Subcommittee Chairman (or his/her designee) to the Manager that oversees the UCR online system and IT Systems and Programming Manager. IDOR only needs to act on requests submitted from the UCR Board Chairman through the UCR Indiana Systems Subcommittee Chairman (or his/her designee).
- 2.6 Each Systems Request Order made pursuant to this MOU will be described and memorialized in an Appendix to this MOU. Each such Appendix shall be subject to the terms of this MOU and shall be incorporated herein by reference when executed by the parties.
- 2.7 IDOR agrees to cooperate with UCR Board and to provide UCR Board access, upon UCR Board's reasonable request, to IDOR documents and records for the purpose of audits which may include, but is not limited to confidential taxpayer information, if UCR Board deems this information as necessary for it to fulfill any of its obligations, taking into account IDOR's confidential and proprietary information which are to be accorded full protection according to all statutes and applicable laws. Any audits may be performed by UCR Board or its agent; shall occur only during normal business hours; and shall in each instance be preceded by at least three (3) business days' advance notice.
- 2.8 IDOR will ensure that it will have the resources available on an ongoing and continuous basis to address Systems Request Orders by the UCR Board pursuant to the budget allocation for improvements or information approved by the parties.

<b>Resource Category</b>	<b>Available Capacity* (hours)</b>  <b>(October – March) Peak Registration Months</b>	<b>Available Capacity* (hours)</b>  <b>(April – September)</b>
IT Production Support for UCR Registration and Depository Systems	240/Month – 1.5 FTE	160/Month – 1 FTE
IT Development Support – Dev/QA/BA/Other	560/Month – 3.5 FTE	640/Month – 4 FTE

\* Capacity reflects the aforementioned Contract Employees per Section 2.2.10.

Development and Production Support staff will be dedicated resources to UCR System. Under the dedicated staffing model, capacity available towards UCR development and support cannot be recovered if not utilized on a continuous basis.

- 2.9 IDOR will provide the UCR Board with timetables for all requested improvements and/or information.

### **3. UCR Board Duties.**

- 3.1 The UCR Indiana Systems Subcommittee Chairman (or his/her designee) will work closely with IDOR to develop a Systems Request Order specifying the UCR Board requirements for the current Unified Carrier Registration System.
- 3.2 The UCR Indiana Systems Subcommittee Chairman will ensure that all requirements imposed by UCR Board on IDOR are clear and straightforward.
- 3.3 The UCR Board will accept reasonable timeframes for IDOR's completion of all requests.
- 3.4 The UCR Board understands that as part of this MOU, IDOR will move the UCR Depository reporting function, but not the Depository banking function, to the state of Indiana, IDOR.

### **4. Key Positions and Contact Protocol.**

- 4.1. **IDOR.** The following IDOR team positions are considered essential to the success of the MOU. As such, IDOR commits to keeping these positions assigned to this MOU's obligations and performance requirements as delineated:
  1. Program Manager- Claudia Mellott--Koerner  
Direct Telephone #: 317-615-7210  
Direct Email Address: [cmellott@dor.in.gov](mailto:cmellott@dor.in.gov)
  2. Project Manager-Sandra Bowling  
Direct Telephone: 317-615-7285  
Direct Email Address: [sbowling@dor.in.gov](mailto:sbowling@dor.in.gov)
  3. Executive Manager- Jim Poe  
Direct Telephone #: 317-232-8257  
Direct Email Address: [jpoe@dor.in.gov](mailto:jpoe@dor.in.gov)
  4. IT Program Manager– Ravi Surapaneni  
Direct Telephone: 317-615-7446  
Direct Email Address: [rsurapaneni@dor.in.gov](mailto:rsurapaneni@dor.in.gov)
  5. IDOR commits to providing personnel for UCR Board to contact regarding any aspect of the work to be performed pursuant to this MOU.

6. IDOR's Project Manager shall be the primary point of contact for UCR Board for all items related to the Production Operations phase. If she cannot be reached UCR Board may contact IDOR's Program Manager.
7. IDOR's Executive Manager will be a secondary contact for all related items in the Production Operations phase.
8. IDOR's Project Manager or the Program Manager (whomever has the responsibility to resolve a problem identified by UCR Board) will validate with UCR Board that the incident has been resolved. The outcome or resolution of the incident may be communicated in person, on the phone, or through electronic means including e-mail.

4.2. **UCR Board.** UCR Board's key personnel for purposes of work done pursuant to this MOU are as follows:

Chairman  
 Unified Carrier Registration System  
 Direct Telephone:  
 Direct Email:

Vice Chairman  
 Unified Carrier Registration System  
 Direct Telephone:  
 Direct Email:

Chairman – Indiana Systems Subcommittee  
 Unified Carrier Registration System  
 Direct Telephone:  
 Direct Email:

**5. Term.**

- 5.1. This MOU shall start on the date of the last signature to the MOU, and shall remain in effect for a period ending no later than September 30, 2018.
- 5.2. The UCR Board or IDOR may terminate this MOU by delivering a "Termination Notice" to the other party at least ninety (90) days prior to the termination's effective date. By such termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination.
- 5.3. Should any disputes arise with respect to this MOU, the UCR Board and IDOR agree will act immediately to resolve any such disputes. If resolution is not reached, the UCR Board and IDOR shall consider whether termination of the MOU is appropriate.

**6. General Terms.**

- 6.1. This MOU may be modified upon the initiative of the UCR Board or IDOR. Such modifications must be in writing and must be signed by authorized representatives of the UCR Board and IDOR.
- 6.2. The Parties agree to comply with all current and future federal, state, and local laws, rules, regulations, or ordinances pertaining to this MOU. The enactment of any state or Federal statute or the promulgation of regulations thereunder after execution of this MOU shall be reviewed by IDOR and UCR Board to determine whether the provisions of the MOU require formal amendment.
- 6.3. **Limitations of Liability.** NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY LOST DATA, LOST PROFITS OR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL OR OTHER INDIRECT DAMAGES OF ANY KIND FOR ANY REASON WHATSOEVER INCLUDING, BUT NOT LIMITED TO, DAMAGES BASED UPON NEGLIGENCE, BREACH OF WARRANTY, STRICT LIABILITY, OR ANY OTHER THEORY EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 6.4. The parties acknowledge that IDOR intends to provide enhanced access to public records through the computer gateway administered by IDOR and the state of Indiana Office of Technology, pursuant to Ind. Code § 5-14-3-3.6(f). In accordance with Ind. Code § 5-14-3 et seq., the parties will not engage in unauthorized enhanced access to public records, unauthorized alteration of public records, or the disclosure of confidential public records. The parties covenant and agree to comply with Indiana Public Records Law, Ind. Code § 5-14-3 et seq. and Ind. Code § 6-8.1-7-1(a) to the extent permitted by law.
- 6.5. Neither IDOR nor the UCR Board shall assign or subcontract the whole or any part of this MOU without mutual written agreement.
- 6.6. This MOU does not create or impart any rights for or upon any third party.
- 6.7. Each party agrees to be solely responsible for the negligent or wrongful acts or omissions of its employees, consultants, independent contractors, representatives and agents and will not seek financial contributions from the other for such acts or omissions. Each party acknowledges that the other shall bear no responsibility or liability of any kind for the acts or omissions of personnel or representatives of the other. Each party will accept liability for all damages caused by the negligent or wrongful acts or omissions of its employees while acting within the scope of his or her employment to the maximum extent allowed by state and Federal law.
- 6.8. Changes to Federal or State laws or regulations that affect a party's ability to perform pursuant to this MOU's terms and conditions may result in immediate termination of all or part of a party's obligations/affected abilities. If immediate termination occurs, the terminating party will deliver a Termination Notice to the

other party as soon as possible specifying the extent to which performance of services under such immediate termination is effective.

- 6.9. When the Director of the Indiana State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support the continuation of performance of this MOU, the MOU shall be canceled. A determination by the Director of the State Budget Agency that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.
- 6.10. Whenever any notice, statement, or other communication is required under this MOU, it shall be sent to the following addresses, by certified mail or delivery, unless otherwise specifically advised:

**Notices to IDOR shall be sent to:**

Andrew Kossack  
Commissioner  
Indiana Department of Revenue  
10 North Senate Avenue, Room N-248  
Indianapolis, IN 46204

**Notices to the UCR shall be sent to:**

Avelino A. Guitierrez  
Chair  
Unified Carrier Registration System  
1120 Paseo De Peralta  
P.O. Box 1269  
Santa Fe, NM 87504

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Acceptance

**In Witness Whereof**, the UCR Board and IDOR have, through their duly authorized representatives, read and understood the foregoing terms of this MOU, and do by their respective signatures dated below hereby agree to the terms thereof. The signatory for each of the Parties represents that he is duly authorized to execute this MOU on behalf of his respective agency and has obtained all the necessary or applicable approvals to make this MOU fully binding upon his respective agency when his signature is affixed.

**STATE OF INDIANA**  
**INDIANA DEPARTMENT OF REVENUE**

\_\_\_\_\_  
Andrew Kossack, Commissioner

\_\_\_\_\_  
Date

**UCR BOARD**

\_\_\_\_\_  
Avelino A. Guitierrez, Chair

\_\_\_\_\_  
Date

Approved:  
**STATE BUDGET AGENCY**

\_\_\_\_\_  
Brian E. Bailey  
Director

Date: \_\_\_\_\_

**EXHIBIT A**  
**UCR FEES AND REVENUE DISTRIBUTION**

Determination of UCR Fees.

- (1) The UCR fees shall be determined by the Secretary based upon the recommendation of the Board.
- (2) UCR fees charged to a registrant under the UCR Agreement shall be based on the number of commercial motor vehicles owned or operated by the registrant.
- (3) UCR fees charged to a broker or leasing company in connection with such a filing shall be equal to the smallest UCR fee charged to a motor carrier, motor private carrier, or freight forwarder.
- (4) The Board shall develop no more than 6 and no less than 4 brackets of carriers based on the size of fleet.
- (5) The UCR fee scale shall be progressive in the amount of the UCR fee.
- (6) The Board may ask the Secretary to adjust the UCR fees within a reasonable range on an annual basis if the revenues derived from the UCR fees are insufficient to provide the revenues to which the States are entitled or exceed those revenues.
- (7) The Secretary shall set the annual UCR fees and any adjustment of those UCR fees within 90 days after receiving the Board's recommendation and after notice and opportunity for public comment.

Payment of UCR Fees to the Base State.

- (1) The registrant shall pay UCR fees to its Base State only. No other State shall collect UCR fees from a registrant who does not properly select its Base State as required by law and this UCR Agreement.
- (2) Payment by the registrant to an online system that indicates the Base State of the registrant shall be considered as payment to the Base State. UCR fees collected from that site shall be sent to the Base State except as follows:
  - (i) Once a Base State has reached its revenue cap for a registration year, any further funds collected from the online registration system for that registration year shall be forwarded to the Depository.
  - (ii) If a Base State is more than 30 days past due in payments owed to the UCR Depository, the online registration system shall not distribute said funds until such time as notified by the Chair of the Depository Subcommittee that such state is current in its obligations to the Depository. If a Base State is more than 60 days past due in payments owed to the UCR Depository, the online registration system shall forward any funds held on behalf of said Base State to the Depository.

Payment from the Base State to the depository.

- (1) The Base State may retain an amount of the gross revenues it collects under the UCR Agreement equivalent to the portion of revenues to which the State is entitled.
- (2) All revenues a Base State collects in excess of the amount to which the State is entitled shall be forwarded to the Depository. Any funds forwarded to the Depository by a Base State shall be applied to any outstanding obligations of said Base State in order of age of said obligations, oldest first, unless written

instructions directing otherwise are provided to the Chair of the Depository Subcommittee 5 days or more prior to the payment.

- (3) If a Base State is more than 90 days past due in payments owed to the UCR Depository, any funds held by the Depository on behalf of said Base State pursuant to Section 16(b)(2)(ii) above shall be used to pay down any past due balance owed to the Depository.
- (4) Excess UCR fees in the Depository shall be distributed by the Board on a pro rata basis to each Base State that did not collect all of its entitled revenue.
- (5) No State shall receive more than the State is entitled under the law.

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**APPENDIX 1**

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