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FISCAL IMPACT STATEMENT

LS 6073

BILL NUMBER: SB 14

NOTE PREPARED: Feb 7, 2007

BILL AMENDED: Feb 6, 2007

SUBJECT: Public-Private Agreements for Railroads.

FIRST AUTHOR: Sen. Jackman

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Public-Private Agreements:* The bill adds passenger and freight railroad systems to the definition of "project" for purposes of public-private agreements by the Department of Transportation (INDOT). It provides that INDOT may issue a request for proposals and enter into a public-private agreement for a railroad project without legislative approval. It also provides that "project", for purposes of public-private agreements by INDOT, does not include a passenger railroad system that is operated by the Northern Indiana Commuter Transportation District.

Alternative Transportation Construction Fund: The bill provides that passenger and freight railroad systems projects may not receive funds from the Major Moves Construction Fund. It establishes the Alternative Transportation Construction Fund for funding passenger and freight railroad system projects under public-private agreements by the INDOT.

Reporting: The bill requires INDOT to submit an annual report to Legislative Council on efforts concerning the development, financing, or operation of freight railroad systems through public-private agreements.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Public-Private Agreements:* Under current law, certain types of public-private agreements can be undertaken with the approval of the General Assembly. This bill would remove the requirement that the General Assembly approve passenger and freight railroad system projects, while expanding the types of projects that may be considered for public-private agreements to include this type of project. Ultimately, the fiscal impact of this bill will depend on administrative actions as to the number, type, and scope of projects undertaken.

Reporting: The bill may minimally increase administrative costs for INDOT to prepare an annual report for the Legislative Council concerning INDOT's efforts in developing, financing, operating, or any combination of these concerning passenger or freight railroad systems.

Explanation of State Revenues: *Alternative Transportation Construction Fund:* Under current law, revenues from public-private agreements are distributed at the direction of INDOT to the Major Moves Construction Fund, the State Highway Fund, or an operator or the Indiana Finance Authority (IFA) for debt reduction. Under the bill, the funds could also be distributed to the Alternative Transportation Construction Fund (ATCF) established by the bill.

Under the bill, the Major Moves Construction Fund would not be used for funding projects or making payments in connection with a public-private agreement concerning a passenger or freight railroad system. Instead, payments received by the IFA or INDOT concerning a public-private agreement for passenger and freight railroad systems, along with appropriations; gifts, grants, loans, bond proceeds, and other money; and interest, premiums, or other earnings would be deposited in the ATCF. The ATCF would fund public-private agreements for passenger and freight railroad systems, and other distributions including payments of obligations incurred or amounts owed by IFA, INDOT, or an operator concerning public-private agreements for passenger and freight railroad systems or for lease payments to IFA as appropriated by the General Assembly.

The ATCF would be administered by INDOT, and the funds in the ATCF would not revert to the state General Fund at the end of the year. Money would not be expended from the ATCF without appropriation by the General Assembly, and money in the ATCF could not be transferred, assigned, or otherwise removed by the State Board of Finance, the Budget Agency, or any other state agency.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Transportation; Indiana Finance Authority.

Local Agencies Affected:

Information Sources:

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