

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7403**  
**BILL NUMBER: SB 523**

**NOTE PREPARED: Apr 12, 2011**  
**BILL AMENDED: Jan 27, 2011**

**SUBJECT:** Commuter Rail Service Fund.

**FIRST AUTHOR:** Sen. Charbonneau  
**FIRST SPONSOR:** Rep. Dermody

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) The bill provides that a commuter transportation district may use money deposited in the Commuter Rail Fund (CRF) that is revenue derived from the taxation of indefinite-situs distributable property of railroad car companies to: (1) satisfy any debt service; and (2) provide state matching funds for federal transportation capital grants.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) Money in the CRF is distributed to the Northern Indiana Commuter Transportation District (NICTD) for maintenance, improvement, and operation of the commuter rail service. Under the bill, NICTD could also use money that is deposited in the CRF from rail car companies to be used for debt service or for nonfederal matching share of federal transportation capital grants.

**Background:** The tax on indefinite-situs distributable property of rail car companies is assessed by the Department of Local Government Finance based on the statewide average net property tax rate and a credit for maintenance and improvements on rail cars owned or used by the taxpayer. In addition to this revenue source, the CRF receives revenue from the state Sales and Use Tax. However, only revenue from the rail car

company property tax would be available for debt repayment and nonfederal share matching. The five-year revenue history of the CRF is shown below.

<b>Fiscal Year</b>	<b>Rail Car Company Property Tax Revenue</b>	<b>Sales and Use Tax Revenue</b>
2006	\$4,145,168	\$7,514,028
2007	4,393,762	7,694,684
2008	5,062,811	7,930,782
2009	5,259,948	7,164,237
2010	4,340,736	7,387,107

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** NICTD.

**Information Sources:**

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