

HOUSE BILL No. 1385

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-10-1; IC 8-3-1.7.

Synopsis: Industrial rail service fund. Increases the amount of state gross and retail and use taxes deposited into the industrial rail service fund (IRSF) from 0.029% to 0.099% of the taxes collected each year. Authorizes the Indiana department of transportation to make grants from the IRSF to reimburse a Class II or a Class III railroad for public safety expenditures. Provides that a grant from the IRSF to a Class II or a Class III railroad for the rehabilitation of railroad infrastructure or railroad construction may not exceed 20% of the gross sales and use tax receipts deposited in the IRSF in the previous state fiscal year.

Effective: July 1, 2015.

Goodin, Stemler

January 14, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1385

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-2.5-10-1, AS AMENDED BY P.L.205-2013,
- 2 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2015]: Sec. 1. (a) The department shall account for all state
- 4 gross retail and use taxes that it collects.
- 5 (b) The department shall deposit those collections in the following
- 6 manner:
- 7 (1) Ninety-eight and ~~eight~~ **seven** hundred ~~forty-eight~~
- 8 **seventy-eight** thousandths percent (~~98.848%~~) (**98.778%**) of the
- 9 collections shall be paid into the state general fund.
- 10 (2) One percent (1%) of the collections shall be deposited in the
- 11 motor vehicle highway account established under IC 8-14-1.
- 12 (3) ~~Twenty-nine~~ **Ninety-nine** thousandths of one percent
- 13 (~~0.029%~~) (**0.099%**) of the collections shall be deposited into the
- 14 industrial rail service fund established under IC 8-3-1.7-2.
- 15 (4) One hundred twenty-three thousandths of one percent



- 1 (0.123%) of the collections shall be deposited into the commuter
 2 rail service fund established under IC 8-3-1.5-20.5.
- 3 SECTION 2. IC 8-3-1.7-0.5 IS ADDED TO THE INDIANA CODE
 4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 5 1, 2015]: **Sec. 0.5. As used in this chapter, "public safety
 6 expenditure" refers to any expenditure of money for:**
- 7 **(1) the construction, maintenance, or repair of a railroad
 8 crossing; or**
- 9 **(2) the installation or maintenance of safety equipment at a
 10 railroad crossing;**
- 11 **to the extent that a Class II or a Class III railroad is required to
 12 make the expenditure under this article or IC 8-6.**
- 13 SECTION 3. IC 8-3-1.7-2 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) There is created
 15 a fund known as the industrial rail service fund. The fund shall consist
 16 of money distributed to the fund by IC 6-2.5-10-1 and IC 8-3-1.5-20.
 17 Amounts held in the fund may only be used to do the following:
- 18 (1) Provide loans to railroads that will be used to purchase or
 19 rehabilitate real or personal property that will be used by the
 20 railroad in providing railroad transportation services.
- 21 (2) Pay operating expenses of the Indiana department of
 22 transportation, subject to appropriation by the general assembly.
- 23 (3) Provide fifty thousand dollars (\$50,000) annually to the
 24 Indiana department of transportation for rail planning activities.
 25 Money distributed under this subdivision does not revert back to
 26 the state general fund at the end of a state fiscal year.
- 27 (4) Provide money for the high speed rail development fund under
 28 IC 8-23-25.
- 29 (5) Provide grants to a railroad owned or operated by a port
 30 authority established under IC 8-10-5.
- 31 (6) Make grants to a Class II or a Class III railroad for the
 32 rehabilitation of railroad infrastructure or railroad construction.
- 33 **(7) Make grants to a Class II or a Class III railroad to
 34 reimburse the railroad for public safety expenditures made by
 35 the railroad in the previous state fiscal year.**
- 36 (b) A grant made under subsection (a)(5) **or (a)(6)** may not exceed
 37 twenty percent (20%) of the gross sales and use tax receipts deposited
 38 in the fund under IC 6-2.5-10-1 during the fiscal year preceding the
 39 fiscal year in which the grant is made.
- 40 (c) A grant program under subsection (a)(6) must:
- 41 (1) provide a grant to a recipient of not more than seventy-five
 42 percent (75%) of the cost of the project; and



- 1 (2) require a grant recipient to pay for not more than twenty-five
2 percent (25%) of the cost of a project.
- 3 **(d) This subsection applies to public safety expenditures made**
4 **after June 30, 2014. After June 30, 2015, a Class II or a Class III**
5 **railroad may submit to the Indiana department of transportation**
6 **an application for a grant under subsection (a)(7). The grant**
7 **application must be submitted in the manner prescribed by the**
8 **department. The Indiana department of transportation may**
9 **approve or reject a grant application submitted under this**
10 **subsection in accordance with standards adopted by the**
11 **department.**
- 12 SECTION 4. [EFFECTIVE JULY 1, 2015] **(a) IC 6-2.5-10-1, as**
13 **amended by this act, applies to state gross retail and use taxes**
14 **collected after June 30, 2015.**
- 15 **(b) This SECTION expires January 1, 2016.**

