

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7273

BILL NUMBER: HB 1367

DATE PREPARED: Jan 13, 2000

BILL AMENDED:

SUBJECT: Street lights at railroad grade crossings.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Indiana Department of Transportation (INDOT) to install a street light at a railroad grade crossing that does not have automatic train activated warning signals if: (1) the city, town, or county that has jurisdiction of the road or street intersecting the railroad crossing requests installation of a street light; and (2) automatic train activated warning signals will not be installed at the crossing within one year after the Department receives the request for installation of a street light. The bill requires the INDOT to pay for the cost of installing the street light and obtaining any easements if the costs will not be paid for by a person, utility, municipal utility, or any other legal entity. It requires the city, town, or county to maintain and pay the costs of operating the street light.

Effective Date: July 1, 2000.

Explanation of State Expenditures: The INDOT reports that there are approximately 3,500 railroad grade crossings that do not have automatic train activated warning signals. It is not known how many grade crossings would meet the two criteria set forth in the bill.

The bill provides that the INDOT shall pay the cost of installing a street light and shall pay the cost of acquiring any easements for installing the street light that are not paid by a person, utility, municipal utility, or any other legal entity. The specific impact will depend upon the number of such crossings which meet the criteria set forth in the bill, the value of the land needed for an easement, and whether or not the INDOT will be required to pay the costs of installing a street light.

Various Cost Options: The cost for the installation of a street light, based on INDOT specifications, amounts to \$3,750. The cost consists of the following items:

Material Needed	Estimated Cost
400 Watt Luminaire (light bulb)	\$ 250
40 ft. aluminum light pole	\$1,500
Foundation	\$ 500
Service Point	\$1,000
4 #4 copper conductors	\$ 500
Total	\$3,750

American Electric Power (AEP) has provided cost data indicating that the total cost for a street light would range between \$300 and \$400. The cost differences include the following: 175 watt light bulb- \$50; 35 foot wood light pole- \$125; 16 inch brackets- \$100; miscellaneous- \$50: Total \$325.

Cinergy/PSI Corporation has developed a street lighting program. Customers seeking service for a Cinergy/PSI owned lighting systems are required to enter into a contract with PSI Energy, Inc. for an initial term of ten years, and successive terms of five years. If the customer terminates service under this rate schedule prior to the expiration of the initial term of the contract, the customer shall pay PSI the original installation cost of the area lighting system, less accumulated depreciation, plus removal cost less any salvage value.

The street lighting system will be billed to the customer on a monthly basis and subject to the current rates. The street lighting service is available to any Cinergy/PSI customer for use on public streets or areas that are owned or controlled by municipalities, governmental agencies or county jurisdictions. A private entity must furnish Cinergy/PSI with a letter of consent from a government entity.

PSI/Cinergy has estimated the monthly cost for the street lighting program to range between \$11.53 and \$27.77 per month. The cost differential is based on the type of light pole used. Steel and aluminum poles would command a \$27.77 per month charge, while wood poles would be \$11.53 per month. There may be additional charges, depending upon extra work required because of any location peculiarities.

The cost for an easement may vary greatly, depending upon the value (per acre) of the land. The more expensive the land, the more expensive the easement. The INDOT reports that fee title is maintained by the fee owner, however, the acquiring agency has the right to use the right of way for the intended purpose. Compensation for these acquisitions is calculated at 95% of the fee simple value. Below is illustration of how this works with the estimated value of the land at \$2,000 per acre and 0.92 acres (estimated area 20' x 200' needed) for the street light:

$$\$2,000 \times .092 \text{ acre} = \$184.00 \times .95 = \$174.80.$$

Explanation of State Revenues:

Explanation of Local Expenditures: The city, town, or county that holds the jurisdiction over the road or street shall pay the costs of maintaining and operating the street light. This cost will vary depending upon the provider of electrical power. For example, American Electric Power (AEP), has estimated the monthly cost for a street light to be approximately \$13.

Explanation of Local Revenues:

State Agencies Affected: Department of Transportation.

Local Agencies Affected: City, town, or counties.

Information Sources: Brian Krenzke, Manager INDOT Appraisal Section, Land Acquisition Division, 232-5030; Gary Mroczka, INDOT Design Division, 232-5226; Jeff Drozda, Manager of Governmental Affairs for AEP, 636-6033; Dan McMains, Customer Project Coordinator Cinergy/PSI, 745-1004.