

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

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FISCAL IMPACT STATEMENT

LS 7338

BILL NUMBER: HB 1417

NOTE PREPARED: Mar 18, 2009

BILL AMENDED:

SUBJECT: Intrastate Motor Carriers.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR: Sen. Stutzman

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill exempts certain intrastate private carriers of persons or property, or both, from the requirement of certain markings on the motor vehicle. It repeals and relocates language concerning regulation of certain motor carriers and private carriers of property. The bill makes corresponding changes. It removes outdated language.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) Exempting certain intrastate private carriers of persons or property, or both, from the requirement of certain markings on the motor vehicle puts Indiana at variance with various federal motor carrier regulations which specify that Indiana's laws cannot be less stringent than the federal law. As a result, the state would be in jeopardy of losing 10% of its federal highway funds and the entire federal Motor Carrier Safety Assistance Program (MCSAP) funds. The Indiana Department of Transportation (INDOT) expects to receive approximately \$950 M in FY 2010 and FY 2011. This includes the 25% which is distributed to local units. Losing 10% would amount to \$95 M per year. In addition, Indiana has received on average over the last four fiscal years approximately \$4.9 M annually of federal MCSAP funds. The State Police administer the MCSAP funds. Consequently, the total amount of federal funds potentially in jeopardy amount to \$99.9 M annually.

Background Information: The applicable federal cites which allow the withholding of the MCSAP funds and federal highway funds are available in the Office of Fiscal and Management Analysis.

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Revenues*.

State Agencies Affected: INDOT.

Local Agencies Affected: Recipients of federal transportation funds.

Information Sources: Chris Kiefer, Legislative Liaison, INDOT, 317233-3601; Capt. Sherry Beck, Indiana State Police, 317-234-4217.

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