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## SENATE BILL No. 523

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-8-35; IC 8-3-1.5-20.5.

**Synopsis:** Commuter rail service fund. Provides that a commuter transportation district may use money deposited in the commuter rail fund 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 transit capital grants.

**Effective:** July 1, 2011.

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## Charbonneau

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January 18, 2011, read first time and referred to Committee on Appropriations.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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**SENATE BILL No. 523**



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 6-1.1-8-35 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 35. (a) Each year the  
3 department of local government finance shall tax:  
4 (1) the indefinite-situs distributable property of railroad car  
5 companies; and  
6 (2) the distributable property of a railroad company that provides  
7 service within a commuter transportation district established  
8 under IC 8-5-15 and utilizes electricity to power substantially all  
9 of its railroad passenger cars.

10 The department of local government finance shall compute the tax on  
11 a railroad car company's indefinite-situs distributable property based  
12 upon the average property tax rate in this state. The average property  
13 tax rate in this state for a year equals (A) the total of the property taxes  
14 in this state that will come due during that year divided by (B) the total  
15 net assessed valuation of property in this state for the preceding year's  
16 assessment. The department of local government finance shall base its  
17 computation of the average property tax rate for a year upon



1 information which is available to the department as of December 31 of  
 2 the preceding year. The department of local government finance shall  
 3 compute the tax on a railroad company's distributable property based  
 4 upon the average property tax rate that is imposed by taxing districts  
 5 that are located in any county in which a railroad company, that is  
 6 taxed under this section, provides railroad services. The average  
 7 property tax rate of taxing districts that are located in any county in  
 8 which a railroad company that is taxed under this section equals (i) the  
 9 total of the property taxes in those taxing districts that will come due  
 10 during that year divided by (ii) the total net assessed valuation of  
 11 property in those districts for the preceding year's assessment. The  
 12 department of local government finance shall base its computation on  
 13 the average property tax rate for a year upon information which is  
 14 available to the board as of December 31 of the preceding year.

15 (b) The department of local government finance shall certify the tax  
 16 it imposes on indefinite-situs distributable property of railroad car  
 17 companies and a railroad company's distributable property taxed under  
 18 this section to the department of state revenue. Each of those  
 19 companies shall pay the tax to the department of state revenue on or  
 20 before December 31 of the year the assessment is made. If one (1) of  
 21 those companies does not pay the tax when it is due, the company shall  
 22 pay a penalty, in addition to the tax, equal to twenty-five percent (25%)  
 23 of the delinquent tax. When the tax imposed on indefinite-situs  
 24 distributable property of railroad car companies by this chapter  
 25 becomes delinquent, the department of state revenue shall proceed with  
 26 the collection of the delinquent tax and penalty in accordance with the  
 27 provisions of IC 6-8.1-8.

28 (c) The department of state revenue shall promptly deposit all  
 29 amounts collected under this section that are derived from  
 30 indefinite-situs distributable property of railroad car companies in the  
 31 state treasury for credit to the commuter rail service fund established  
 32 by IC 8-3-1.5-20.5 to be used ~~exclusively for debt financing of the~~  
 33 ~~commuter transportation district's long term capital needs; as provided~~  
 34 **in IC 8-3-1.5-20.5(c).**

35 (d) The department of state revenue shall promptly deposit all  
 36 amounts collected under this section from a railroad company in the  
 37 state treasury for credit to the electric rail service fund established by  
 38 IC 8-3-1.5-20.6.

39 SECTION 2. IC 8-3-1.5-20.5 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 20.5. (a) A special fund  
 41 to be known as the "commuter rail service fund" is established. Any  
 42 amount earned on money deposited in the fund is part of the fund, and

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1 the money in the fund at the end of any fiscal year does not revert to  
2 any other fund. However, if the money in the fund at the end of any  
3 fiscal year exceeds the total amount deposited in the fund during that  
4 fiscal year and the immediately preceding fiscal year, the amount of the  
5 excess shall be transferred to the state general fund.

6 (b) The money in the commuter rail service fund is appropriated for  
7 distribution to commuter transportation districts. However, before  
8 money is distributed to a district under this section, the governor must  
9 approve the distribution.

10 (c) A district that receives money under this section may use the  
11 money only for the maintenance, improvement, and operation of  
12 commuter rail service. **Money that is deposited in the fund under  
13 IC 6-1.1-8-35(c) must be used:**

- 14 (1) to satisfy any annual debt service and required debt  
15 service reserves; and
- 16 (2) if funds remain after all payments under subdivision (1)  
17 are made, and subject to the terms of any debt service  
18 agreement entered into by the district, to provide state  
19 matching funds for federal transit capital grants.

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