

Transportation-Related Funds and Entities

A Statutory Overview

Overview

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- Mass Transportation–Related Funds
- Highway and Road Funds

Other Funding Sources

Transportation–Related Entities

Transportation Funds– Related to Mass Transportation

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- ▶ Electric Rail Service Fund
- ▶ Industrial Rail Service Fund
- ▶ Public Mass Transportation Fund
- ▶ High Speed Rail Development Fund
- ▶ Cumulative Transportation Fund
- ▶ Improvement Reserve Fund
- ▶ Chicago, South Shore, and South Bend Railways
Capital Improvements Fund
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Transportation Funds – Related to Highways and Roads

- ▶ Motor Vehicle Highway Account
- ▶ Highway, Road, and Street Fund
 - Primary Highway System Special Account
 - Local Road and Street Account
- ▶ State Highway Road Construction and Improvement Fund
- ▶ Major Moves Construction Fund
- ▶ State Highway Fund
- ▶ Alternative Transportation Construction Fund

Transportation Funds– Related to Mass Transportation

Commuter Rail Service Fund

- ▶ Statutory Authority: IC 8-3-1.5-20.5

- ▶ Distributions to commuter transportation districts – NICTD
 - Maintenance, improvement, and operation of commuter rail service

- ▶ FY 2008 Revenue to NICTD \$13M
 - 0.123% of sales tax collections \$ 7.9M
 - Portion of rail car property tax \$ 5.1M
 - Total \$13.0M

Electric Rail Service Fund

- ▶ Statutory Authority: IC 8-3-1.5-20.6
- ▶ Distributions to Northern Indiana Commuter Transportation District (NICTD) in which substantially all transportation is performed by electrically powered railroads
- ▶ Funding Source: Portion of rail car property tax
- ▶ FY 2008 Revenue: \$187,588

Industrial Rail Service Fund

- ▶ Statutory Authority: IC 8-3-1.7
- ▶ Funding Sources
 - 0.029% of sales tax collections
 - Proceeds from the sale of certain rail properties
 - Repayment of IRSF loans
- ▶ FY 2008 Revenue: \$1.87M
- ▶ Money in the fund may be transferred to the High Speed Rail Development Fund

IRSF (continued)

- ▶ Grants to Class II and III railroads or port authorities
 - Upgrading track conditions to maintain and increase existing business shipping levels
 - Assist in funding needed track infrastructure improvement related to new development
 - Award may not exceed 75% of total project cost
 - Maximum award
 - Railroad \$350,000
 - Port authority \$184,000

Public Mass Transportation Fund

- ▶ Statutory Authority: IC 8-23-3-8
- ▶ Purpose
 - Promote and develop public mass transportation
- ▶ Administered by INDOT
 - 12.34% set aside to NICTD
 - Performance-based allocation to bus systems
 - Large fixed route
 - Small fixed route
 - Urban demand response
 - Rural demand response

PMTF (continued)

- ▶ **Funding Source**
 - 0.67% of sales tax collections
- ▶ **FY 2008 Revenue: \$43M**
- ▶ **PMTF is used for federal matching grant program at the local level**

High Speed Rail Development Fund

- ▶ Statutory Authority: IC 8-23-25
- ▶ Promote and develop high speed rail travel
- ▶ Administered by INDOT
- ▶ Funding Sources: Transfers from Industrial Rail Service Fund
- ▶ Permissible Uses
 - Disbursements to Interstate Rail Passenger Advisory Council – *See* IC 8-3-19, Interstate High Speed Rail Compact
- ▶ FY 2008 Revenue: \$103,292

Cumulative Transportation Fund

- ▶ Statutory Authority: IC 36-9-4-48
- ▶ Creation
 - Follow procedures in IC 6-1.1-41 concerning cumulative fund tax levies
 - Municipal legislative body or board of directors of a public transportation corporation
- ▶ Purpose
 - Implement IC 36-9-4 concerning urban mass transportation systems and public transportation corporations
- ▶ This is a local fund.

Improvement Reserve Fund

- ▶ Statutory Authority: IC 36-9-4-57
- ▶ Created by board of directors of a public transportation corporation
- ▶ Permissible Uses
 - Purchase specific real property or major equipment (buses)
 - Make improvements to specific real property
- ▶ This is a local fund.

Chicago, South Shore, and South Bend Railways Capital Improvements Fund

- ▶ NICTD reports that this fund is no longer operational
- ▶ Statutory Authority: IC 8-3-1.5-21
- ▶ Funding Source
 - \$3.6 million one-time appropriation (1975)
- ▶ Permissible Uses
 - Distributions to NICTD
 - Contingent on \$1 million expenditure by Illinois

Local Infrastructure Revolving Fund

- ▶ Statutory Authority: IC 4-10-19
- ▶ Provide grants or loans to local governments
 - Highways, roads, and streets
 - Public mass transportation systems
- ▶ Grant or loan limited to lesser of
 - \$5 million
 - 10% of total project cost
- ▶ The State Budget Agency reports that no funds have ever been appropriated for these purposes and that the Local Infrastructure Revolving Fund is now obsolete.

Transportation Funds – Related to Highways and Roads

Motor Vehicle Highway Account

- ▶ Statutory Authority: IC 8-14-1

- ▶ FY 2008 Total Revenue: **\$726.5 M**
 - Off the Top Expenses
 - Indiana State Police (net) \$86.5M
 - Other Expenses \$77.8M
 - BMV \$50.0M
 - Department of Revenue \$11.4M
 - Other (inc. traffic safety) \$16.4M

- ▶ FY 2008 Revenue Available for Distribution: **\$589.3M**
 - INDOT \$297.9 M
 - Counties \$198.2 M
 - Cities & Towns \$ 93.2 M
 - Total \$589.3M

MVHA, continued

► Funding Sources:

- Vehicle registration, title, and other BMV fees
- Gasoline and special fuel taxes (less refunds)
- Motor carrier surtax, highway user fee, and trip permit fee
- Motor carrier fund surplus
- Share of abandoned vehicle fund
- Share of odometer fund
- Share of state court costs
- Miscellaneous receipts (State Police, traffic safety)

► Permissible Uses:

- Construction, reconstruction, improvement, maintenance, and policing of state highways. *Id.*
- Maintenance of covered bridges. IC 8-14-1-10
- County engineers. IC 8-17-5

Highway, Road, and Street Fund

- ▶ Statutory Authority: IC 8-14-2-2.1

- ▶ Funding Sources
 - Gasoline and Special Fuel Taxes dedicated under IC 6-6-1.1-802 and IC 6-6-2.5

 - Certain motor vehicle fees (1969 increase)
 - Certificates of title
 - Motor vehicle registration and plates
 - Licenses and permits
 - Accident reports

- ▶ FY 2008 Revenue: \$174.7M

Primary Highway System Special Account

- ▶ Statutory Authority: IC 8-14-2
- ▶ Funding Sources
 - 55% of money in the Highway, Road, and Street Fund
- ▶ Permissible Uses
 - Engineering
 - Land acquisition
 - Construction, resurfacing, restoration, and rehabilitation of highway facilities
- ▶ FY 2008 Distribution: \$96.1M

Local Road and Street Account

- ▶ Statutory Authority: IC 8-14-2-4
- ▶ Funding Sources
 - 45% of money in the Highway, Road, and Street Fund
- ▶ Permissible Uses
 - Engineering
 - Land acquisition
 - Construction, resurfacing, restoration, and rehabilitation of local and arterial roads and streets
 - Debt reduction on road or street projects
 - Highway equipment
- ▶ FY 2008 Distribution: \$78.6M

Major Moves Construction Fund

- ▶ Statutory Authority: IC 8-14-14-5
- ▶ Distributions:
 - \$150M to MVHA
 - \$120M to NIRDA
 - \$240M to certain counties for deposit in their local major moves construction funds
 - \$179M to State Highway Fund
 - Preliminary engineering, purchases of rights-of-way, or construction of highways, roads, and bridges

Major Moves Construction Fund (continued)

▶ Funding Sources

- Toll road fund distributions IC 8-15.5-11
- Next Generation Trust Fund distributions IC 8-14-15
- Designated toll revenues

▶ FY 2008 Balance: \$2.47B

Alternative Transportation Construction Fund

- ▶ Statutory Authority: IC 8-14-17
- ▶ Purpose
 - Funding projects under IC 8-15.7 for passenger and freight railroad systems
- ▶ Trust fund administered by INDOT
- ▶ Funding Source:
 - Payments made from operators under IC 8-15.7 concerning passenger and freight railroad systems
 - The State Budget Agency reports that this fund was never created.

State Highway Fund

- ▶ Statutory Authority: IC 8-23-9-54

- ▶ Funding Sources
 - Gasoline and motor carrier fuel taxes
 - Motor carrier fuel surcharges and trip permit fees
 - Commercial motor vehicle carrier permit fee
 - Deposits from MVHA and HRSF
 - Federal aid

- ▶ FY 2008 Revenue: \$679.9 M

State Highway Fund (continued)

- ▶ Permissible Uses
 - Operation of INDOT
 - Construction, reconstruction, operation, maintenance, and control of state highways and tollways for which INDOT is responsible
- ▶ May not be used to provide operating subsidies to support a public transportation system or commuter transportation system

State Highway Road Construction and Improvement Fund

- ▶ Statutory Authority: IC 8-14-10
- ▶ Funding Sources
 - 1/9 of gasoline taxes collected under IC 6-6-1.1
- ▶ Permissible Uses
 - Construction and reconstruction of highways
 - Engineering and legal expenses
 - Feasibility studies
- ▶ May not be used to subsidize a public or commuter transportation system
- ▶ FY 2008 Revenue: \$61.5 M

Other Revenue Sources

- ▶ Lake County Employment Tax IC 6-3.5-2
 - Lake County does not currently impose a tax
 - \$0.50 per employee per month deposited in the Lake County Mass Transportation Fund

- ▶ Federal Transportation Funds
 - Administered by INDOT *See* IC 8-23-3
 - Highway Trust Fund (23. U.S.C.)
 - Aviation Trust Fund (49 U.S.C.)
 - Federal Transit Administration (40 U.S.C. 1602 et seq.)
 - FY 2009 apportionment \$930M

- ▶ Bonding Authority

Bonding Authority

- ▶ Commuter Transportation District
 - IC 8-5-15-5(a)(14); IC 8-5-15-5.4
- ▶ Automated Transit District
 - IC 8-9.5-7; no ATDs exist
- ▶ Northwest Indiana Regional Development Authority
 - IC 36-7.5-4
- ▶ Regional Development Authorities
 - IC 36-7.6-4-3
- ▶ Lake County Regional Transportation Authority – Regional Bus Authority
 - IC 36-9-3-31
- ▶ Public Transportation Corporations (or municipalities)
 - IC 36-9-4-42(a)(1); IC 36-9-4-43; IC 36-9-4-44

Transportation–Related Entities

- ▶ Commuter Transportation Districts
- ▶ Northwest Indiana Regional Development Authority
- ▶ Regional Development Authorities
- ▶ Regional Transportation Authorities
- ▶ Public Transportation Corporations
 - Urban Mass Transportation Systems
- ▶ Automated Transit Districts
- ▶ Interurban Railroads

Commuter Transportation District

- ▶ **Statutory Authority: IC 8-5-15**
 - A commuter passenger railroad that serves passengers in more than one county
- ▶ **CTD is a municipal corporation: IC 8-5-15-2**
- ▶ **Powers**
 - Issue bonds
 - Eminent domain
- ▶ **Funding Sources**
 - Commuter Rail Service Fund
 - Electric Rail Service Fund
 - Public Mass Transportation Fund

CTD (continued)

- ▶ **Board of Trustees: IC 8-5-15-3**
 - 4 members, 1 from each member county, appointed by the county's board of county commissioners
 - 4 members, 1 from each member county who is the president of the county council (or designee)
 - 3 members appointed by governor
 - 1 statewide member
 - 1 passenger member
 - 1 member who is an employee of the CTD

Northwest Indiana Regional Development Authority

- ▶ Statutory Authority: IC 36–7.5
- ▶ Separate body corporate and politic
 - Commuter transportation district
 - Regional bus authority
 - Regional transportation authority
- ▶ Duties and Powers
 - Coordinate regional transportation and economic development efforts
 - Fund bus services and related projects
 - Make loans and grants
 - Issue bonds (to date, the Authority has not issued any bonds)

NIRDA (continued)

- Fund projects:
 - Airport Authority Project (Gary/Chicago International)
 - Commuter Transportation District Project (NICTD)
 - Economic Development Project
 - Regional Bus Authority Project (Northwestern Indiana Regional Bus Authority)
 - Regional Transportation Authority Project
 - Shoreline Development Commission Project (Marquette Greenway)

NIRDA (continued)

- ▶ **Development Board: IC 36-7.5-2-3**
 - 2 members appointed by governor
 - 1 member appointed jointly by county executive and county fiscal body of Porter County
 - 4 members from Lake County
 - 1 member appointed by mayor of Gary
 - 1 member appointed by mayor of Hammond
 - 1 member appointed by mayor of East Chicago
 - 1 member appointed jointly by county executive and county fiscal body and who does not live in Gary, Hammond, or East Chicago

NIRDA (continued)

► Funding Sources

- \$3.5M annual contribution from Gary, Hammond, East Chicago, Lake County, and Porter County = \$17.5M annually
 - Casino revenue
 - EDIT revenue
- \$40M in FY 2007 from Major Moves. \$20M of this one-time contribution was used for expenses related to the Gary–Chicago International Airport expansion, such as land acquisition and moving a gasoline tank and burying power lines in the expanded runway area.
- \$10M annually from Major Moves for FY 2008 through FY 2015

Regional Development Authorities

- ▶ Statutory Authority: IC 36–7.6
- ▶ Separate body corporate and politic
- ▶ Powers
 - Make loans and grants
 - Issue bonds
- ▶ Development Board: IC 36–7.6–2–7
 - 1 member appointed by executive of each member county
 - 1 member appointed by executive of each member second class city
 - 1 or more members appointed by governor
 - If RDA receives state funding

Regional Transportation Authorities

- ▶ Statutory Authority: IC 36-9-3
- ▶ Creation
 - County or municipal fiscal body may adopt ordinance
- ▶ Purpose
 - Supports public transportation system that operates within boundaries of a transportation planning district designated by INDOT
- ▶ Local legislative body may shift power from existing PTC to RTA

RTA (continued)

- ▶ **Board: IC 36-9-3-5**
 - 2 members appointed by executive of each member county
 - 1 member appointed by executive of largest municipality in each member county
 - 1 member appointed by executive of each second class city in each member county
 - 1 member from any other political subdivision with transportation responsibilities in a member county

- ▶ **Marion County and Lake County boards have special memberships**

Public Transportation Corporations

Urban Mass Transportation Systems

- ▶ **Statutory Authority: IC 36-9-4**
- ▶ **Creation: IC 36-9-4-10**
 - Municipal legislative body adopts ordinance
 - Ordinance may also establish taxing district
- ▶ **Board of Directors: IC 36-9-4-14(a)**
 - 5 or 7 members
 - Director must reside in taxing district

PTC/UMTS (continued)

- ▶ **Funding Sources for UMTS**
 - Bonds
 - Loans
 - Grants or contributions

- ▶ **Powers of PTC board**
 - Levy tax under IC 36-9-4-49
 - Use COIT revenue
 - In Marion County, use part of certified distribution received under IC 6-3.5-6-17

Automated Transit District

- ▶ Statutory Authority: IC 8-9.5-7
- ▶ There are none in existence today.
- ▶ City legislative body adopts ordinance
 - Indianapolis and South Bend
- ▶ Powers
 - Make loans and issue bonds
 - Eminent domain
- ▶ Commission: IC 8-9.5-7-4
 - 2 members appointed by the city executive
 - 2 members appointed by the city legislative body
 - 1 member who is the head of the city's department of public works or department of transportation

Interurban Railroads

- ▶ Statutory Authority: IC 8-5-1
- ▶ High speed electric trolleys carrying passengers between cities
- ▶ No longer in existence