

IC 8-3-1.7

Chapter 1.7. Industrial Rail Service Fund

IC 8-3-1.7-1

"Railroad" defined

Sec. 1. Except as provided in section 2(a)(6) of this chapter, for purposes of this chapter, the term "railroad" does not include a Class I or a Class II railroad as established by the Interstate Commerce Commission, or wholly owned subsidiaries of those railroads. A railroad or railroad company includes a port authority that exercises its right to operate as a railroad under IC 8-10-5-8.1.

As added by Acts 1982, P.L.51, SEC.2. Amended by P.L.87-1997, SEC.1.

IC 8-3-1.7-2

Creation of fund; use

Sec. 2. (a) There is created a fund known as the industrial rail service fund. The fund shall consist of money distributed to the fund by IC 6-2.5-10-1 and IC 8-3-1.5-20. Amounts held in the fund may only be used to do the following:

- (1) Provide loans to railroads that will be used to purchase or rehabilitate real or personal property that will be used by the railroad in providing railroad transportation services.
- (2) Pay operating expenses of the Indiana department of transportation, subject to appropriation by the general assembly.
- (3) Provide fifty thousand dollars (\$50,000) annually to the Indiana department of transportation for rail planning activities. Money distributed under this subdivision does not revert back to the state general fund at the end of a state fiscal year.
- (4) Provide money for the high speed rail development fund under IC 8-23-25.
- (5) Provide grants to a railroad owned or operated by a port authority established under IC 8-10-5.
- (6) Make grants to a Class II or a Class III railroad for the rehabilitation of railroad infrastructure or railroad construction.

(b) A grant made under subsection (a)(5) may not exceed twenty percent (20%) of the gross sales and use tax receipts deposited in the fund under IC 6-2.5-10-1 during the fiscal year preceding the fiscal year in which the grant is made.

(c) A grant program under subsection (a)(6) must:

- (1) provide a grant to a recipient of not more than seventy-five percent (75%) of the cost of the project; and
- (2) require a grant recipient to pay for not more than twenty-five percent (25%) of the cost of a project.

As added by Acts 1982, P.L.51, SEC.2. Amended by P.L.96-1985, SEC.1; P.L.95-1987, SEC.4; P.L.84-1988, SEC.2; P.L.18-1990, SEC.37; P.L.83-1991, SEC.1; P.L.100-1993, SEC.1; P.L.87-1997, SEC.2; P.L.121-2001, SEC.1.

IC 8-3-1.7-3

Control of fund; responsibility for administration

Sec. 3. The administrative control of the industrial rail service fund and the responsibility for the administration of this chapter are vested in the Indiana department of transportation.

As added by Acts 1982, P.L.51, SEC.2. Amended by P.L.84-1988, SEC.3; P.L.18-1990, SEC.38.

IC 8-3-1.7-4

Application; approval; criteria; service of loan

Sec. 4. Any railroad may apply for a loan from the industrial rail service fund for the purpose of providing railroad transportation service in Indiana. The application shall be submitted to the Indiana department of transportation. The department shall make the final decision as to whether or not to approve an application. In determining if a loan should be made to a railroad, the department shall consider the following criteria:

- (1) The importance of the railroad transportation services that the loan would affect, in the broad perspective of Indiana's overall transportation network.
- (2) The impact of a decision to not provide a loan on economic activity and employment in Indiana.
- (3) The long term viability of the proposed project as demonstrated by the following:
 - (A) The long term prospect for the affected industries.
 - (B) The soundness of the proposed business plan including an analysis of the economic impact of the proposed fee structure on affected rail users.
 - (C) The management of the proposed rail line.
 - (D) The active involvement of affected rail users in the development of the proposed business plan.

Once an application is approved, the auditor of state shall service the loan.

As added by Acts 1982, P.L.51, SEC.2. Amended by P.L.84-1988, SEC.4; P.L.18-1990, SEC.39.

IC 8-3-1.7-5

Terms and interest rates for loans

Sec. 5. The Indiana department of transportation shall set the terms and interest rates for loans made from the industrial rail service fund.

As added by Acts 1982, P.L.51, SEC.2. Amended by P.L.84-1988, SEC.5; P.L.18-1990, SEC.40.

IC 8-3-1.7-6

Redeposit of repayments; investments by department of transportation

Sec. 6. (a) Money held in the industrial rail service fund does not revert to the general fund at the end of a state fiscal year. Money loaned from the fund shall, when repaid, be redeposited in the industrial rail service fund.

(b) The Indiana department of transportation may invest money in the industrial rail service fund in the manner provided by law for investing money in the state general fund.

As added by Acts 1982, P.L.51, SEC.2. Amended by P.L.84-1988, SEC.6; P.L.18-1990, SEC.41.