

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

LS 6637
BILL NUMBER: SB 160

NOTE PREPARED: Dec 16, 2024
BILL AMENDED:

SUBJECT: Lane Reductions on Local Roads and Streets.

FIRST AUTHOR: Sen. Freeman
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill prohibits, in a city with a population of at least 50,000, a governmental entity or private contractor from engaging in a project that would result in the permanent restriction or reduction of one or more travel lanes within the city as the result of the project. It provides that if a governmental entity or private contractor violates the prohibition, the Comptroller of State shall withhold 10% of the total amount of the distribution from the Local Road and Street Account (LRS) that would have otherwise been distributed to the city during the calendar year following the calendar year in which the travel lanes became restricted or reduced. The bill also provides that any distribution amount withheld by the Comptroller of State reverts to the state General Fund. The bill exempts existing rapid transit lines and lists other exceptions to the prohibition

Effective Date: Upon passage.

Explanation of State Expenditures: The bill would increase the workload of the State Comptroller to withhold LRS revenue from cities that violate the bill's provisions. Increases in workload are within the routine administrative function of the agency and are expected to be performed within existing resource and funding levels.

[The bill is silent on a method of reporting possible violations as well as investigatory responsibility for road projects to inform the State Comptroller to withhold local funds.]

Explanation of State Revenues: This bill could increase revenue to the General Fund to the extent a city elects to complete a project that has a permanent restriction of travel lanes or reduces the number of travel lanes. The bill specifies that 10% of the city's LRS distribution would be withheld the year following the completion of a road project that violates the bill's provisions. Depending on whether cities elect to complete a project that would trigger a withholding, the General Fund could receive between \$91,400 and \$776,300, up to \$4.03 M (if all cities with populations greater than 50,000 restrict or remove travel lanes in a single year) in additional funds. The earliest the General Fund would receive revenue from an LRS withholding would be FY 2027.

[For FY 2024, all local units of government received a total of \$157.3 M in distributions from the Local Road and Street Account, of which approximately \$40.3 M was distributed to cities with populations of 50,000 residents or more.]

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill would impact LRS distributions to 21 cities in the state that meet population requirements. Table 1 shows the cities that meet the population requirements as well as the FY 2024 LRS distribution amounts each unit received. Under the bill, the State Comptroller would withhold 10% of these distributions if a local unit restricts or removes existing travel lanes.

Table 1: Local Road and Street Account (LRS) by City, FY 2024

City	FY 2024 LRS Distribution
Fort Wayne	\$5,371,328.45
Columbus	\$930,837.80
Jeffersonville	\$981,863.12
Muncie	\$1,014,309.60
Elkhart	\$1,041,415.75
Carmel	\$2,776,100.79
Fishers	\$2,537,714.66
Noblesville	\$1,826,012.19
Westfield	\$1,240,421.21
Kokomo	\$1,078,551.03
Greenwood	\$1,255,713.25
Gary	\$1,624,952.97
Hammond	\$1,464,774.57
Anderson	\$973,366.20
Indianapolis	\$7,762,968.39
Bloomington	\$1,108,640.52
Mishawaka	\$918,121.16
South Bend	\$1,996,106.76
Lafayette	\$1,142,141.83
Evansville	\$2,304,866.24
Terre Haute	\$913,908.07
Total	\$40,264,114.54

State Agencies Affected: State Comptroller.

Local Agencies Affected: Cities of Anderson, Bloomington, Carmel, Columbus, Elkhart, Evansville, Fishers, Fort Wayne, Gary, Greenwood, Hammond, Indianapolis, Jeffersonville, Kokomo, Lafayette, Mishawaka, Muncie, Noblesville, South Bend, Terre Haute, Westfield.

Information Sources: Legislative Services Agency. *Indiana Handbook of Taxes, Revenue, and Appropriations*, FY 2018 - FY 2024; US Energy Information Administration, Energy Consumption by Section and Source; Indiana Auditor of State distribution factors; IHS Markit data; US Bureau of Labor and Statistics.

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