

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

**LS 6974**  
**BILL NUMBER: SB 476**

**NOTE PREPARED:** Dec 29, 2024  
**BILL AMENDED:**

**SUBJECT:** Microtransit Pilot Program.

**FIRST AUTHOR:** Sen. Jackson L  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the Microtransit Pilot Program for the purpose of providing microtransit services to residents of eligible counties.

**Effective Date:** July 1, 2025.

**Explanation of State Expenditures:** *Summary* - This bill will increase General Fund expenditures during FY 2026 to appropriate \$4.5 M to the Indiana Department of Transportation (INDOT) to administer the Microtransit Pilot Program through FY 2028. The increase in workload to administer the pilot program and produce the annually required report in the bill are expected to be accomplished within the General Fund appropriation.

*Additional Information* - It is assumed each county eligible for pilot program participation can receive a single state grant of at most \$250,000 per year. The bill's \$4.5 M appropriation, number of counties that are eligible to participate in the pilot program, as well as the duration of the pilot program would yield a maximum number of 15 state grants to counties in the three years the program is to operate.

If the maximum state grant is administered to each participant, INDOT would still have at least \$750,000 of the appropriation remaining for pilot program administration. This amount could be greater to the extent counties do not receive the maximum state award in any year. Additionally, the bill is silent as to if unexpended funds revert to the General Fund when the pilot program expires at the end of FY 2028.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** To the extent a county participates in the pilot program, the bill would increase county expenditures. The following counties are eligible to participate based on population requirements; Allen, Hamilton, Lake, Marion, and St. Joseph.

Counties are eligible for a maximum state award of \$250,000 per year of program participation. The maximum local expenditure to draw down a state award would be \$50,000 per year, or \$150,000 for the

duration of the program. Participating counties would have an annual reporting requirement and this requirement is expected to be accomplished within the resources provided through state awards.

**Explanation of Local Revenues:** Counties that participate in the pilot program are eligible to receive a maximum annual grant of \$250,000 to administer microtransit services. It is assumed that each county is eligible for only a single state award per year with a maximum pilot program duration of three years. Each county that participates in the pilot program would be eligible for a maximum state grant of \$750,000 over the three year period the pilot program is in effect. Increases in local revenue would depend on the decision of county officials to apply for pilot program participation.

**State Agencies Affected:** INDOT.

**Local Agencies Affected:** Allen, Hamilton, Lake, Marion, and St. Joseph counties.

**Information Sources:** US Census Bureau.

**Fiscal Analyst:** Bill Brumbach, 317-232-9559.