



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** Sub. S.B. 116 of the 128th G.A.

**Date:** June 3, 2010

**Status:** As Reported by House Public Utilities

**Sponsor:** Sen. Buehrer

**Local Impact Statement Procedure Required:** No — Offsetting savings

**Contents:** To authorize the Public Utilities Commission to hear complaints regarding a railroad's failure to properly sustain certain areas near its tracks and to authorize forfeiture for noncompliance

### State Fiscal Highlights

STATE FUND	FY 2010	FY 2011	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	Potential gain	Potential gain	Potential gain
Expenditures	- 0 -	- 0 -	- 0 -
<b>Grade Crossing Protection Fund (Fund 4A30)</b>			
Revenues	Potential gain	Potential gain	Potential gain
Expenditures	- 0 -	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- Authorizes local governments to file a complaint with the Public Utilities Commission of Ohio (PUCO) against a railroad for failure to maintain railroad highway crossings and authorizes PUCO to order compliance.
- The bill provides that each \$2,500 forfeiture collected or recovered due to violations pertaining to railroad crossings, obstructive vegetation at crossings, and railroad crossings at grade must be credited to the Grade Crossing Protection Fund (Fund 4A30).
- The bill provides that each \$10,000 forfeiture collected or recovered due to violations pertaining to railroad crossings at a state highway or extension thereof must be credited to the General Revenue Fund (GRF).

### Local Fiscal Highlights

- Potential decrease in costs to local jurisdictions of maintaining railroad highway crossings, removing obstructive vegetation at crossings, and maintaining and improving railway crossings at grade if railroad companies fail to do so on a timely basis. Potential loss of revenue of a corresponding amount.

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## Detailed Fiscal Analysis

Authorizes local governments to file a complaint with the Public Utilities Commission of Ohio (PUCO) against a railroad for failure to maintain railroad highway crossings, remove obstructive vegetation at crossings, and maintain and improve railroad crossings at grade and authorizes PUCO to order compliance.

Repeals the option giving local governments authority to maintain railroad highway crossings, remove obstructive vegetation at crossings, and maintain and improve railroad crossings at grade on behalf of railroads, to recover costs of doing so, and in the case of maintaining railroad highway crossings, to seek damages for the railroad's failure to comply with the requirements.

Authorizes the assessment of forfeitures by PUCO, and their recovery, in the amount of \$2,500 or \$10,000 per day depending on the violation. Forfeitures may be assessed for violating the requirements imposed on railroads for maintaining railroad highway crossings, removing obstructive vegetation at crossings, and maintaining and improving railroad crossings at grade and provides for the distribution of such moneys.

### **Fiscal effect**

Under current law, certain forfeitures assessed on railroads and moneys recovered in actions to recover forfeitures must be credited to the GRF in the state treasury. The bill provides that certain \$2,500 forfeitures collected or recovered due to violations pertaining to railroad crossings, obstructive vegetation at crossings, and railroad crossings at grade must be credited to the Grade Crossing Protection Fund. If the forfeiture is collected or recovered for a violation of the requirements pertaining to a railroad crossing at grade at a state highway or extension thereof, a \$10,000 forfeiture is assessed and the entire amount must be credited to the GRF.

The amount of revenue to the Grade Crossing Protection Fund and the GRF is dependent on railroad compliance with these laws, and thus the amount of forfeitures authorized by PUCO.

PUCO will evaluate the level of rail complaints and workloads during the next budget cycle to determine whether the bill's provision will affect the Commission's funding needs. If there were an increase in PUCO expenditures, they would be paid from the Public Utilities Fund (Fund 5F60). Initially, PUCO officials report that they do not anticipate that the bill's requirements will necessitate additional funding.