The Construction Advancement Foundation of Northwest Indiana

2017 INDIANA GENERAL ASSEMBLY LEGISLATIVE REPORT
MAY 2017
I think it is fair to say that the just completed 2017 session of the Indiana General Assembly was a good session for contractors across the state and contractors in Northwest Indiana in particular. Here are a few of the highlights:

**HOUSE BILL 1144 – SOUTH SHORE TRANSIT**

House Bill 1144, authored by State Representative Hal Slager (R) - Schererville, establishes a rail transit corridor in Northwest Indiana and provides financing mechanisms that are expected to generate over $3 billion of public and private capital investment in the region over the next 20 years. The financing portions of the bill represent major departures from long standing state tax collection and use policies.

The bill creates a complex set of institutional and tax policy changes to state law to put in place a new South Shore commuter line running south from near the existing Hammond station to the border between Munster and Dyer. The bill will also finance three new stations, one in south Hammond and two in Munster. The existing Hammond station will be moved slightly and will be expanded to accommodate rail traffic on the existing east/west line as well as the new north/south line.

The bill will also help fund a project to double track the entire length of the existing east/west line to greatly shorten the commute to and from Chicago. Currently, long sections are services by a single line. Shorter commute times are expected to increase ridership and result in more disposable income brought to Northwest Indiana from local residents working at relatively higher paying jobs in Chicago.

To fund these projects the bill allows the Northwest Indiana Regional Development (RDA) Authority to create “Transit Development Districts” around the new stations as well as the existing stations. Within these districts, which cannot exceed one half square mile, the RDA has the authority to capture new tax revenues resulting from private investments. As is common in transit development districts around the county substantial commercial and residential development is expected to occur within the districts. The RDA and the affected communities along the existing and proposed new transit line are already preparing to attract large scale private investments to the districts. The RDA will capture increased local property taxes, state income tax, state sales tax and local income taxes. The use of tax revenues for local development purposes that would normally go to the state is a major departure from long established state policy. The State was persuaded to utilize tax proceeds for the local projects in this instance because the development projects expected to result from the transit line extension and double trading projects are projected to return a four to one payback to the state over time.

For more detailed information about this bill click here to read the Legislative Services Agency’s fiscal analysis of the bill.
HOUSE BILL 1002 – TRANSPORTATION INFRASTRUCTURE FUNDING

This largest ever transportation infrastructure funding bill, authored by State Representative Edmund Soliday, (R) – Valparaiso is expected to generate $413 million for transportation infrastructure improvements and maintenance in 2018. The figure increases to $733 million annually in 2021. The increased funding is the result of a variety of tax increases including a one time $.10 increase in the gas tax. The bill also provides for an annual rate increase in fuel tax rates based on an annual index factor. The bill also establishes a $15 vehicle registration transportation infrastructure fee.

The bill takes gasoline use tax revenue that would have otherwise been deposited in the state general fund and transfers this revenue to the state highway and special transportation flexibility fund starting in 2020.

A substantial portion of the new revenues raised from H.B. 1002 will be sent to local governments for local road projects. The remainder will finance state highway projects.

For more detailed information about this bill click here to read the Legislative Services Agency’s fiscal analysis of the bill.

PURDUE UNIVERSITY NORTHWEST BIOSCIENCE INNOVATION BUILDING

The Indiana General Assembly approved $35.1 million to fund the construction of a new Bioscience Innovation Building on the Hammond campus. The Bioscience building will be over 68,000-square-feet and will house the College of Nursing and Department of Biological Sciences. Purdue has announced that it will build the new facility using Indiana’s newest project delivery system known as Construction Manager at Risk. The university is in the process of selecting a construction management firm. The design effort should be completed by the fall 2017 / winter of 2018 and construction should begin next summer. The building is expected to be completed by the winter of 2019 and in use for the spring semester of 2020.
SENATE BILL 463 - WORKER MISCLASSIFICATION ISSUES

Senate Bill 463, Authored by Karen Tallian (D) – Portage, was a bill that would have addressed worker misclassification issues on Indiana construction projects. Senate Bill 463 died in committee and was therefore defeated. The legislation would have established a payroll taskforce, consisting of the commissioners of the DOL, DWD, and DOR, and the chair of the WCB, or their designees, to investigate suspected instances of payroll fraud, employee misclassification, and violations of other state labor and employment statutes occurring on commercial and industrial construction projects.