



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

May, 2019

Joint Committee on Finance

Paper #724

Railroad Crossing and Repair (Transportation -- Local Transportation Assistance)

[LFB 2019-21 Budget Summary: Page 418, #6]

CURRENT LAW

Under current law, any railroad company that receives notice from the Department of Transportation (DOT) to repair an at-grade crossing surface may file a claim for reimbursement with DOT for up to 85% of the eligible costs. The administration indicates that the recommendation would assist in addressing a backlog of projects eligible for funding through this program.

GOVERNOR

Increase funding by \$465,300 SEG annually to fund railroad crossing and repair reimbursement claims. Along with base level funding of \$234,700, this funding would provide a total \$700,000 annually for rail crossing and repair reimbursement claims.

DISCUSSION POINTS

1. There are 291 at-grade crossings on U.S. highways and state highways in Wisconsin. The Department indicates that the expected useful life of at-grade crossing is 10 to 15 years. As a result, over time, an average of 20 to 30 crossings will need to be rebuilt each year.
2. In addition, there are about 3,700 railroad crossings under local jurisdiction for which no state funding is provided. On these crossings, the company owning the line is entirely responsible for the crossing-related maintenance costs.

3. Railroad companies have submitted 11 crossing projects for the 2019-20 and 2020-21 program application cycle (Attachment). Given the program's \$234,700 annual funding level, DOT indicates that it has sufficient funding to cover one or two of these projects at the 85% of cost funding level. No projects have been submitted yet for 2020-21.

4. Rough or deficient railroad crossings can pose a serious safety and vehicle maintenance concern for drivers. Providing the recommended funding level would provide some additional assistance to railroad companies for improving the conditions on railroad crossings on the state's U.S. and state highway systems. [Alternative 1]

5. Although the recommendation would be used to improve road conditions for the driving public, some may contend that it is the responsibility of railroad companies to ensure the safety of the rail system's interface with highway facilities. Proponents of this position, and of maintaining the current program funding level, may observe that railroad companies are entirely responsible for maintaining crossings of roads under local jurisdiction. [Alternative 2]

6. Conversely, others may believe that providing some state assistance to railroad companies for this purpose provides an incentive for these companies to assess the conditions of these crossings more actively and to collaborate with DOT in their repair. Further, freight railroad companies currently pay an ad valorem (property) tax to the state, which is deposited in the transportation fund. For the 2019-21 biennium, revenues from this tax are estimated at \$97.6 million. Total appropriations for freight rail-related programs in the biennium, including debt service on FRPP bonds, are estimated at \$39.6 million. Therefore, taken as a whole, the freight rail industry pays more in taxes than the related state programs spend.

ALTERNATIVES

1. Increase funding by \$465,300 SEG annually to fund railroad crossing and repair reimbursement claims. Along with base level funding of \$234,700 SEG, this funding would provide a total \$700,000 annually for rail crossing and repair reimbursement claims.

ALT 1	Change to	
	Base	Bill
SEG	\$930,600	\$0

2. Take no action.

ALT 2	Change to	
	Base	Bill
SEG	\$0	- \$930,600

Prepared by: John Wilson-Tepeli
Attachment

ATTACHMENT

Identified Railroad Crossing Repair and Replacement Projects

<u>Location</u>	<u>County</u>	<u>Estimated Cost</u>	<u>Maximum State Match</u>
STH 11 – Crossing #392 473J length 72 ft.	Green	\$150,000	\$127,500
STH 113 – Crossing #178076A length 64 ft.	Dane	140,000	119,000
STH 54 – Crossing #392710T length 65 ft.	Wood	90,000	76,500
STH 54 – Crossing # 693765M length 147 ft.	Portage	190,000	161,500
STH 73 – Crossing #392709Y 2 tracks length 50 ft.	Juneau	130,000	110,500
STH 73 – Crossing #392709Y 2 tracks length 50 ft.	Wood	130,000	110,500
STH 11 – Crossing #388003U, length 4 tracks length 63 ft.	Racine	350,000	297,500
STH 44 – Crossing #387487G, length 45 ft.	Fond du Lac	85,000	72,250
STH 80 – Crossing #391867V, 2 tracks, length 73 ft.	Grant	230,000	195,500
STH 78 – Crossing #391783A, 80 ft.	Dane	160,000	136,000
STH 26 – Crossing #387632D, 72 ft.	Dodge	150,000	127,500
STH 26 – Crossing #387053U, length 58 ft.	Dodge	140,000	119,000
STH 11 – Crossing 917706J, 54 ft.	Rock	<u>130,000</u>	<u>110,500</u>
Total		\$2,075,000	\$1,763,750