The Greenways Foundation of Indiana is a charitable trust working to promote the growth, enhancement and use of Indiana greenways. To accomplish that, we solicit donations and make grants in support of greenway development, enhancement and operation.

**Our primary activities include:**
- Assisting in forming effective local trails organizations
- Building initial community support for trails
- Providing startup grants to help local trails organizations build capacity and local support
- Acting as a source of trails information and consultation to local Indiana governments
- Promoting best practices in the planning, marketing, design, development, and management of linear parks

For more information about us, please visit [www.greenwaysfoundation.org](http://www.greenwaysfoundation.org).

The Greenways Foundation supports the following legislative initiatives to promote the development, enhancement and use of our state’s trails and greenways:

**I. PRIORITY**

**Recreational Trail Maintenance Fund (RTMF) Appropriation**

In 2014, Governor Pence signed Public Law 219 (IC 14-19-10.3) establishing the RTMF. However, to date there has not been a source of funding created for this fund. Today approximately 3,800 miles of trail are open to the public in Indiana, but most of these routes need regular maintenance from advocate groups and volunteers. In addition, more miles will be added within the next four years in large measure to Gov. Holcomb’s $90 million infusion of Next Level Trails funding. The cost to maintain a trail averages between $3,500 to $6,500 per mile per year.

The GF supports a $2 million per year appropriation to the RTMF to begin adequately addressing this need.

**The Need for Funding**

The RTMF was established at a state level to be able to maintain the growing number of off-road, multiple use trails in Indiana. Public funds need to be assembled to assist in maintaining these trails. Currently the demand for funding maintenance far exceeds the supply available for trails, and the demand is likely to increase as more trails are constructed across the state.

The burgeoning interest in trail development is clear, but perpetual maintenance of our trail network in Indiana remains inconsistent. Currently a patchwork of municipalities, trail advocacy organizations and volunteers help maintain the vast majority of trails in Indiana. Costs to maintain one mile of trail average between $3,500 and $6,500 annually, depending on the type of trail and its location. This represents a substantial and necessary investment to maintain trails for long-term use and enjoyment.
Major elements of trail maintenance include, but are not limited to the following:

- **Upkeep of trail signs & pavement markings**
- **Patching, grading and sealing of trail surfaces**
- **Repair caused by flooding and major storm events**
- **Cleaning and sweeping of trail of leaves, storm debris, ice and snow**
- **Litter and trash pick-up**
- **Mowing of trail shoulders**
- **Repair and replacement of trail amenities (lights, benches, etc.)**

Local trail organizations are often able to raise the funds necessary to cover day-to-day maintenance expenses such as mowing and litter removal. The Greenways Foundation makes small grants available annually to local trails organizations to assist them with major maintenance requirements. But the statewide need far exceeds the fundraising capacity of the Greenways Foundation, therefore another source of state revenue is required.

**Funding Options**

On August 8th, the Funding Subcommittee of the Indiana Bicycle Trails Task Force (Task Force) met in Indianapolis to vote on a number of innovative funding strategies to advance trail development in the state. The Task Force was created in 2017 by an act of the Indiana General Assembly to study these measures, as well as safety and route connections.

The following represents their conclusions on these funding mechanisms, which includes the final vote indicating their preferences to present before the state legislature. These can be readily applied to the RTMF.

**Public-Private Partnerships**
Options are tax write-offs and/or credits, naming rights, marketing, and other forms of visibility.

**Sporting Goods Sales Tax**
A sporting goods sales tax would not be a new tax, but rather a diversion of a percentage existing sales tax revenue. This funding method would allow recreationists, such as cyclists, to pay for their infrastructure, like trails. This is already being done for some items on a federal level as well as in states like Texas. An estimated 348,000 bikes are sold in Indiana each year, with an average price of $100 for $2.34 million in sales taxes annually. This may add a further complication to the existing tax structure or would require another level of administration approval.
**State Gas Tax**
Two potential funding sources could be derived from the existing state gas tax. Option A would estimate of gasoline usage by off-road vehicles (ORVs) and snowmobiles and take a percentage of the state gas tax revenue that would be diverted to the construction and maintenance of trails. Such a program could mirror or be very similar to the Federal RTP program or states that already do this, which funds both motorized and non-motorized trails. Using the same formula the RTP program uses, it was estimated that an additional $812,000 would be available for trails annually. Option B is a small percentage (1% or 2%) or set amount of state gas tax funds could be dedicated for bicycle and pedestrian projects, such as trails. Currently, this is being done in states like Tennessee and Pennsylvania respectively. It is estimated this would set aside in between $2-$4 million towards bicycle and pedestrian projects in Indiana annually. INDOT’s support for such a policy would be necessary, which in turn might be dependent on high levels of public support.

**Real Estate Transfer Tax**
Indiana was one of eleven states that did not currently have a real estate transfer tax. She noted most states typically involve the collection of $1-$3 tax per $1,000 in real estate transactions. Over ten states are currently using these funds for recreation as a key part quality of place and life initiatives. Since this would be a new tax, the implementation of such a program would require legislative action and would likely encounter opposition from anti-tax groups as well as the Realtors Association. Task Force members ultimately felt that the implementation of such a tax would be an ‘uphill battle’, but remained interested in the idea due to the consistent and substantial funds that it would produce. This tax could also be used like a TIF district on a local level so that nearby landowners could help pay for trails development projects with a transfer tax since they would be the one most benefited by it.

**Sin Tax**
Sin taxes, in which revenue from the taxation of sports betting, cigarettes, and other ‘vices’ could be used to fund trails. One such tax is a sports betting tax. Sports betting has not yet been legalized, but is likely to go to the State Legislature in the spring of 2019. Other advocacy groups are also looking closely at this possibility, and could be worked with, but alternatively might become a source of competition. The amount of revenue that would be produced is uncertain, but it would likely be substantial.

**General Appropriations**
The funds resulting from general appropriations could be substantial and allow for the completion of major projects. In Indiana, this occurred in 2006 when Governor Daniels allocated $20 million for the State Trails Program. This action benefited 28 trail projects, allowed for the construction of 104 miles of trail as well acquisition of land for future trails. In New York, $200 million was allocated by their legislature for the Empire State Trail in 2018. This type of funding source can be transformative and highly beneficial to the development of trails, but is more sporadic, harder to plan for, and may only occur once over the course of many years.
Utility Easements
These involve utility companies leasing easements on trails for the development of phone, water, sewer, fiber optic, and cell tower infrastructure. In these scenarios, utility companies would pay substantial sums of money to local or state governments for an easement or lease on land for their infrastructure. For example, AT&T pays $7,000 per mile to run fiber optic cable on a trail in Northern Virginia. Similarly, some cell phone towers can pay as much as $150,000 per year to local or state governments. These figures do not necessarily represent the amounts that would be paid here in Indiana, however they do provide a range to understand this amount of money would mostly likely only pay for operation, maintenance, and limited development. Since infrastructure needs are determined on a local scale, it’s best for this type of funding to be the decision of the local trail manager.

Waste Tire Fee
There is currently a $0.25 fee on each tire purchased in the State of Indiana. The resulting funds are administered by Indiana Department of Environmental Management (IDEM), who uses them to manage waste tires through clean ups and recycling programs. In 2011, the fee brought in $1.3 million, and appears to bring in between roughly $1.3 to $2.3 million per year. The last known grant for a cleanup occurred in 2009. Grants have practically dropped in recent years due to all major sites being cleaned up. Also, the fee of $0.25 is quite low and the possibility of the fee being raised to $0.50 per tire would be manageable for most people. These funds would require involvement from the legislature as well as support from IDEM.

Tipping Fee/Environmental Penalties
Tipping fees in Indiana are currently at $0.60 per ton of waste. This amount is quite low compared to other states, and a modest increase to $1.00 would put it more in line with neighboring states. An increase in the fee would encourage more recycling as well as discourage other states from dumping in Indiana. Additionally, the extra monies could fund both recycling programs and trail development - a zero-emission infrastructure.

Cigarette Tax
An increase could further fund healthy living initiatives such as trails. The tax currently stands at $1 per pack (plus regular sales tax), but could be increased to $1.50 - $2 if recently introduced legislation passes. Funds from the cigarette tax going to trails have a clear link due to the connection between public health, increased trail usage, and lower smoking rates. There might be competition from other groups wanting the funding, such as more traditional health related initiatives.

User Fees
These are fees users of the trails would pay for some additional services, like premier parking. This would be a difficult option to enforce, and might be unpopular with some users. Additionally, it seems more suited for maintenance rather than development in
terms of amount user fees would raise. However, a program similar to a ‘Friends of the Trail’ or a Trail Town Program could be implemented. This was something that would have to be implemented be each individual trail manager.

State Examples

To date, our neighboring states employ similar mechanisms, of which include the following examples:

**Minnesota Parks and Trails Fund** is a state-established fund receiving 14.25 percent of the sales tax revenue resulting from the Clean Water, Land and Legacy amendment. Those funds may only be spent to support parks and trails of regional or statewide significance. In 2009, the Legislature appropriated $65.1 million from the Parks and Trails Fund for projects beginning during the next two fiscal years (July 1, 2009 - July 1, 2011). [www.legacy.leg.mn/funds/parks-trails-fund](http://www.legacy.leg.mn/funds/parks-trails-fund)

**The Illinois Bicycle Path Grant Program** provides up to a maximum of 50% funding assistance on land acquisition, development and rehabilitation of trails. Funding for the program is derived from revenue generated from fees collected pursuant to Section 3-821(f) of the Illinois Vehicle Code. [dnr.state.il.us/ocd/newbike2.htm](http://dnr.state.il.us/ocd/newbike2.htm)

**Michigan Recreation Improvement Fund Grants** fund the operation, maintenance and development of trails; the restoration of land damaged by off-road vehicles; and inland lake cleanup. The source is a 2% distribution of all state-imposed taxes collected on the sale of gasoline after deducting collection costs and refunds. Authority: Part 711, PA 451 of 1994, as amended. [www.michigan.gov/dnr](http://www.michigan.gov/dnr)

**Iowa State Recreational Trails Program** funds the acquisition, construction, or improvement of trails open for public use. Appropriation is from the Iowa Legislature. [tinyurl.com/lq22sah](http://tinyurl.com/lq22sah)

**The Wisconsin State Trail Pass** is required for all people age 16 or older biking, in-line skating, horseback riding, cross-country skiing or off-highway motorcycling on certain trails. The pass is not required for walking or hiking. The State Trail Pass is issued to the person, not the bike, horse, motorcycle, etc. It is non-transferable, meaning the pass cannot be passed from person to person or shared with others. A vehicle admission sticker is required on all motor vehicles stopping in state parks and recreation areas. Some state forest and trail parking areas also require a vehicle admission sticker. In 2013, Wisconsin collected a total of $1.26 million in State Trail Pass fees that went directly to maintaining the state trail system. A similar pass system could be employed in Indiana – but for all major recreational trails (over three miles). [dnr.wi.gov/topic/parks/trailpass.html](http://dnr.wi.gov/topic/parks/trailpass.html)
The *Michigan Beverage Container Act* offers a system for reclamation of beer, soft drinks, carbonated/mineral water and wine coolers in any airtight metal, glass, paper or plastic container (also any combination of these materials under 1 gallon) in retail stores. These beverages require a $0.10 deposit and any unredeemed deposits are used as follows: 25% to the retailers and 75% to the state for environmental programs which include the building and maintaining of Greenways. More details and other states examples can be found at [www.bottlebill.org](http://www.bottlebill.org).

**Adoption of Three-Tiered Electric Bike and Scooter Laws**
The Greenways Foundation is pleased with the recent advancement of both House Bills 1236 and 1649 to the Senate for their approval. We strongly support both bills.

**II. RECOMMENDATION**

**Adoption of State Complete Streets Policy at Legislative Level**
The GF supports Complete Streets (CS) Policies to aid in safe travel for pedestrians and bicyclists. INDOT adopted a CS Policy in 2014, but it lacks sufficient legal strength. To date 21 state legislatures have adopted CS Policies, and the GF supports similar action by the Indiana General Assembly.

**Establish New Trails Grant Fund**
The Greenways Foundation thanks Gov. Holcomb for his recent $90 million commitment for trails from the Next Level Connections Program. Although substantial, it will only develop a fraction of the proposed 1,000 miles of State Visionary Trails (as of 2018, just over 41% have been completed). Thus, an annual state fund is needed to distribute to both municipalities and trail nonprofits to advance the development of local and regional trails. This would be in-line with many neighboring states who have developed similar programs. The GF requests such a fund be administered by the Dept. of Natural Resources as part of the Next Level Trails legacy.

For funding options, please see those categorized under the RTMF request above.

Please contact Board President Mitch Barloga at mbarloga@nirpc.org, or 219-741-3283 if you have any further questions or require additional clarifications on these policy matters.