

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 344** HLS 17RS 984

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 21, 2017 2:20 PM	Author: DAVIS
Dept./Agy.: Transportation and Development	Analyst: Alan M. Boxberger
Subject: Creates annual permits for ready-mix concrete trucks	

TRANSPORTATION OR INCREASE SD RV See Note
Creates annual permits for ready-mix concrete trucks

Proposed law requires the secretary of DOTD to issue annual special permits authorizing the operation of ready-mixed concrete trucks on state-maintained highways and frontage roads adjacent to federal interstate highways; provides that the permit will authorize operation of such truck with a gross vehicle weight (GVW) not to exceed 69,000 pounds if a rear tandem-axle mixer truck, a GVW not to exceed 75,000 pounds if a rear tri-axle mixer truck, and a GVW not to exceed 84,000 pounds if a rear quad-axle mixer truck; requires the permit be specific to the vehicle listed in the application; requires a fee of \$1,500 for rear tandem-axle ready-mixed trucks and \$1,000 for both rear tri-axle and rear quad-axle ready-mixed trucks; provides that the permit is valid for one year and shall be carried in the vehicle for which it is issued; requires DOTD to issue a sticker for placement on the front windshield and provides for placement and expiration date; provides an exemption from fines for permitted trucks operating over existing limits; clarifies definitions; and provides for exemptions from application of present law with regard to permissible overages of 10% or less set to expire on 7/31/18.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$50,000	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$50,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$50,000					\$50,000

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in a one-time cost for DOTD to upgrade the permit software system and to create and produce a permit and window sticker. Such cost is estimated at approximately \$50,000. Ongoing operating expenses and production of replacement window stickers is estimated to be nominal and can be absorbed within DOTD's existing base budget.

Present law does not provide overweight permits for ready-mixed concrete trucks but does allow for a 10% overage variance on legal weight limits. Proposed law will allow acquisition of an annual special permit to operate ready-mixed concrete trucks on state-maintained highways and frontage roads adjacent to federal interstate highways (but not interstate highways) that have a gross vehicle weight in excess of existing limits and without regard to the existing 10% overage variance.

NOTE: Heavier loads increase deterioration of bridge and highway structures and substructures. Overweight loads carried on short-wheel bases such as concrete trucks increase the rate of deterioration beyond that caused by long-wheel bases because the load is applied in a more concentrated focal area. To the degree that ready-mixed concrete trucks increase average load weights as a result of permitting as allowed in proposed law, the maintenance schedule required to keep those roads within allowable safety parameters will increase and eventual replacement of the road and substructure will realize an accelerated timetable.

REVENUE EXPLANATION

Proposed law will likely result in a significant increase of revenues deposited into the constitutionally dedicated Transportation Trust Fund (TTF). Proposed law establishes a \$1,000 permit fee for rear tri-axle and quad-axle ready-mixed concrete trucks and a \$1,500 permit fee for rear tandem-axle trucks. These fees will be deposited into the TTF. Presently, DOTD and OMV do not track the number of ready-mix concrete trucks operating in Louisiana. For informational purposes, data reported by the National Ready Mix Concrete Association indicates the state likely has an excess of 2,850 ready-mix concrete trucks currently in operation. The number of trucks that would apply for special permits is unknown so the potential increase in revenues is indeterminable. However, if one half of these vehicles were permitted at the lowest fee level the TTF would realize a revenue increase of approximately \$1.4 M. The LFO assumes the adoption rate of purchasing permits will be high among eligible trucks as the permit will allow for an increase in gross vehicle weight of between 68% for quad-axle trucks up to 103% for tandem axle above existing limits.

Proposed law may result in an indeterminable decrease in the amount of overweight fines deposited into the TTF. Such fines imposed on concrete vendors and transporters may decrease to the extent that prior overweight loads may operate legally with permit subsequent to adoption of proposed law. The current number of overweight fines issued to concrete trucks is unknown.

Proposed law will result in an increase of revenues associated with permit fees while resulting in a reduction of revenues associated with penalties for operating overweight concrete trucks. Because gross revenues from both sources cannot be estimated, the net impact to the TTF is indeterminable, but the LFO believes the increase in permit fees will exceed any loss of fines by a significant amount.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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