

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1058** HLS 16RS 1528

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 3, 2016 12:57 PM	Author: THIBAUT
Dept./Agy.: Transportation & Development	Analyst: Zachary Rau
Subject: Permits for Ready-Mix Concrete Trucks	

TRANSPORTATION EG INCREASE SD EX See Note
Creates annual permits for ready-mix concrete trucks

Proposed law allows the Dept. of Transportation & Development to issue special permits for the operation of ready-mix concrete trucks on state-maintained highways and frontage roads. Proposed law applies to ready-mix concrete trucks with two axles and a gross weight not exceeding 69,000 lbs., three axles and a gross weight not exceeding 75,000 lbs., and four axles and a gross weight not exceeding 80,000 lbs. Proposed law establishes a \$1,500 permit fee. Proposed law directs the Dept. of Transportation & Development to develop a sticker to be placed in the front windshield of the vehicle above the inspection certificate. Proposed law defines "ready-mix concrete truck."

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will increase expenditures for the Dept. of Transportation & Development (DOTD) by an indeterminable amount. The expenditures would be funded via the constitutionally dedicated Transportation Trust Fund. DOTD reports that allowing ready-mix concrete trucks to travel on existing transportation infrastructure would likely result in damage requiring repairs with associated expenses totaling an amount beyond revenues raised from the permit fees outlined in proposed law. The department reports that the smaller dimensions of the ready-mix concrete trucks relative to the higher weight restrictions outlined in the proposed legislation put greater weights on smaller areas of infrastructure, increasing the incidence of potential damage. Because the amount of damage that may result from ready-mix concrete trucks traveling on transportation infrastructure is unknown, the expenditure increase associated with infrastructure repair is indeterminable. However, a portion of the expenditures would be offset via revenues raised from \$1,500 permit fee included in proposed law. Furthermore, damage to infrastructure maintained by local governing authorities would not be eligible for repairs using funds from the TTF. To the extent damage occurs to locally-maintained infrastructure, repairs would require funding from another source.

DOTD also reports that provisions in proposed law stating that the department must generate permits and decals associated with ready-mix concrete trucks will increase expenditures by an indeterminable, but marginal amount. The expenditure increase is associated with updating DOTD's computer systems to reflect the ready-mix concrete truck permit fee schedule and generating permit decals for the trucks. The department reports that it will be able to fund these expenses utilizing existing resources and budget authority.

REVENUE EXPLANATION

Proposed law will have an indeterminable net impact on revenues for the constitutionally dedicated Transportation Trust Fund due to an increase of revenues associated with permit fees and a reduction in revenues associated with fewer penalties being levied on overweight concrete trucks. Because the gross revenues from both sources are currently unknown, the net impact on the TTF is indeterminable.

The proposed legislation assesses an annual \$1,500 permit fee for ready-mix concrete trucks that would be deposited in the TTF. Presently the DOTD and the Office of Motor Vehicles do not track the number of ready-mix concrete trucks in Louisiana, so the potential amount of revenue generated by the \$1,500 permit fee is currently indeterminable. For reference, a 2014 survey conducted by the National Ready Mix Concrete Association (NRMCA) reports that the six states which comprise the association's South Central Region of the United States, of which Louisiana is a member, has a total of 2,866 ready-mix concrete trucks. The per-state regional average number of ready-mix concrete trucks is 478 (2,866 trucks total in the region / 6 states). To the extent Louisiana meets the regional average cited in the NRMCA survey, the department would realize an increase of approximately \$717,000 in revenue. However, because the number of trucks which may apply for the new permit is unknown, the exact revenue increase is indeterminable.

Proposed law may result in an indeterminable decrease in the amount of overweight fines deposited in the TTF imposed on concrete vendors and transporters, as the allowances for additional weight could potentially reduce the number of violation tickets issued and revenues collected. The number of trucks falling into the category exempted by proposed law is unknown.

<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}	

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