

Fiscal Estimate Narratives
DOT 2/10/2004

LRB Number 03-4161/1	Introduction Number SB-423	Estimate Type Original
Subject Overweight permits for vehicles transporting forest products near Michigan-Wisconsin border		

Assumptions Used in Arriving at Fiscal Estimate

The bill specifically directs the Department not to prepare a report under ss. 13.096 covering a review of the vehicle weight limit exception. It is assumed that the additional weight will have an increased impact on the highway system, but that impact is not quantified. This estimate assumes that the department will study the route identified to reach conclusions as to the impacts of the exception and the specific axle weights resulting from the configurations allowed under Michigan provisions. No estimate of additional costs to preserve and maintain the infrastructure, or to improve the road are included in this fiscal estimate.

This bill adds about 27 miles of USH 2 to the existing highways where Michigan configured vehicles are allowed to operate (those highways within 11 miles of the Michigan border) under permit. It is assumed that the number of Michigan Border permits issued would increase by about 10% based on this expansion. That would add 17 permits at an annual fee of \$205, or \$3,485.

The department would conduct field evaluations and technical analysis to establish the impacts of this provision on the specified route. This information would be used as a foundation for understanding the interrelationships of the infrastructure impacts and the economic rationales for serving the needs of this industry, the region of the state, and perhaps more broadly related to state wide regulatory issues. It is assumed that this evaluation will require 160 hours of staff effort. The effort would be accomplished in house with existing resources. The cost is estimated at \$75 per hour, covering an estimate of wages, benefits, and other costs for travel and report preparation, or a total of \$12,000.

Impacts on local governments are permissive. Locals will need to consider impacts of those loads on local system prior to authorizing those loads on their system.

Long-Range Fiscal Implications

Contingent on the findings of the evaluation. Based on current knowledge, would expect increased weights to require some degree of greater maintenance and improvement costs for highway infrastructure. Presuming those added costs are confirmed by the evaluation, would require establishing a method to assess and recover those costs if the economics support some longer term change in weight allowances and permit fees

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Overweight permits for vehicles transporting forest products near Michigan-Wisconsin border			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One time evaluation effort estimated to cost \$12,000, to be absorbed within existing resources.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S	3,485	
	TOTAL State Revenues	\$3,485	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$3,485	\$
Agency/Prepared By		Authorized Signature	Date
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