

Fiscal Estimate Narratives

DOT 6/19/2007

LRB Number	07-2854/1	Introduction Number	AB-0414	Estimate Type	Updated
Description Annual or consecutive month permits for vehicles or combinations of vehicles transporting loads near the Wisconsin-Michigan border					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department to prepare a detailed report on the proposed vehicle weight limit exception. The statutes grant the Department up to six weeks to prepare the report, which must be printed as an appendix to the bill. The statutes require the report to be distributed before any vote is taken on the bill by either house of the legislature if the bill is not referred to a standing committee, or before any public hearing is held before any standing committee or, if no public hearing is held, before any vote is taken by the committee. This bill was introduced on June 14, 2007, and noticed for hearing on June 19, 2007. The Department has not yet completed the report required under s. 13.096 of the statutes.

Under current law, trucks transporting loads within 11 miles of the Michigan-Wisconsin border are eligible for a permit to allow loads exceeding the statutory 80,000 pound load limit. To obtain a permit the truck must be configured to comply with certain axle weight and axle spacing specifications found in Michigan law and operate only within 11 miles of the border. This border permit is also available for transport beyond 11 miles from the border only on US Highway 2 in Iron or Ashland County and exclusively for peeled or unpeeled forest products cut crosswise. These border permits are available to allow transport of these products at gross vehicle weight limits up to 154,000 pounds. In addition, trucks transporting raw forest products, which by definition includes wood chips, on highways not covered by the border permit are eligible for permits to allow gross vehicle weights up to 90,000 pounds, or, when the truck is configured with six or more axles and subject to certain other restrictions, at gross weights up to 98,000 pounds. Permits under these provisions are not valid on the Interstate highway system, with some limited exceptions. Permits are also subject to suspension to protect against damage to the highway, and this is usually done seasonally as roadways thaw. Under current law, permits are not available to allow transport of forestry biomass except to the extent that forestry biomass may meet the definitions for scrap under s. 348.27 (9r) or refuse under 348.27 (12), or, when it is transported within the basic 11 mile border area, where loads are not restricted to specific commodities.

This bill raises the gross weight limitation for certain loads that may be permitted in Bayfield County on most of Highway 2, by as much as 74,000 pounds or 92.5% for the worst case, or by 56,000 pounds (57% increase) for loads that now may be permitted at up to 98,000 pounds. In addition, the bill expands the products that may be transported on Highway 2 in Iron and Ashland beyond the 11 mile limit to include woodchips or forestry biomass.

The increased vehicle weight limits will increase wear on the highways and bridges traveled. The Department can quantify this additional wear only by gathering information in order to estimate and quantify the changes and impacts based on the number of loads and expected weights under these new provisions. The additional weight will have an increased impact on the highway system, but that impact is not yet 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 estimates of additional costs to preserve and maintain the infrastructure, or to improve the road are included in this fiscal estimate.

For purposes of this initial estimate, it is assumed that the number of Michigan Border permits issued would increase by about 3 twelve-month permits. Therefore, this would add 3 permits at an annual fee of \$425 each, or \$1275 total.

The Department would solicit input from affected parties, conduct field evaluations and technical analysis to identify the impacts of this provision on the specified route. This information would be used as a foundation for understanding the interrelationships of the public costs of infrastructure impacts and the economic benefits for serving the needs of this industry, the region of the state, and perhaps more broadly related to state wide regulatory issues. The Department believes this evaluation will require 160 hours of staff effort. The effort would be accomplished in house with existing resources. The cost is estimated at \$95 per hour,

covering an estimate of wages, benefits, and other costs for travel and report preparation, or a total of \$15,200.

Impacts on local governments are permissive. Local governments will need to consider impacts of those increased loads on their local systems prior to authorizing those loads on their systems.

This bill also enlarges by more than 22 miles the distance over USH 2 that trucks weighing 154,000 pounds (the maximum weight permissible under Michigan law) transporting forest products, wood chips or forestry biomass may travel. Under current law, 154,000-pound trucks transporting forest products may travel on USH 2 only through Iron County and Ashland County and, except within 11 miles of the border, may only transport peeled or unpeeled forest products cut crosswise (logs). The additional distance will cross four bridges. Two of the bridges have a maximum weight rating of 250,000 pounds; two have maximum weight ratings of 240,000 pounds. Raising the weight limit from 98,000 pounds to up to 154,000 pounds will speed deterioration of this portion of USH 2 and the four affected bridges, as these weights accelerate fatigue which is part of the failure mechanism. Reliably estimating the cost of that increased wear requires substantial time and information about the type, number and weight of the vehicles that would be allowed under the change in law.

Long-Range Fiscal Implications

Long-range fiscal implications are contingent on the findings of the evaluation. Based on current knowledge, the Department expects increased vehicle weights will 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. Additionally, there are implications for the future design, construction and operation of the highways specifically impacted, as well as the increased potential for additional future expansions of routes subject to higher weight loads, either through geographic expansions for these loads or further inclusion of other product loads.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Annual or consecutive month permits for vehicles or combinations of vehicles transporting loads near the Wisconsin-Michigan 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 \$15,200, 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	\$15,200		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$15,200		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	15,200		
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	1,275		
TOTAL State Revenues	\$1,275		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$15,200		\$
NET CHANGE IN REVENUE	\$1,275		\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Richard Moss (608) 267-7830		Julie Johnson (608) 267-3703	6/19/2007