

Fiscal Estimate Narratives

DOT 6/13/2007

LRB Number	07-2802/2	Introduction Number	SB-209	Estimate Type	Original
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 11, 2007, and noticed for hearing on June 12, 2007. The Department has not completed the report required under s. 13.096 of the statutes.

Under current law, trucks transporting wood chips or forestry biomass are subject to an overall maximum gross vehicle weight limitation of 98,000 pounds. This bill raises the gross weight limitation by 63%, to 154,000 pounds. The increased vehicle weight limits will increase wear on the highways traveled, but the Department cannot quantify this additional wear. 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.

It is assumed that the number of Michigan Border permits issued would increase by about 67 twelve month permits. Therefore, this would add 67 permits at an annual fee of \$425 each, or \$28,475 total.

The Department would 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. 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, although the Department cannot readily estimate the cost of this increased wear.

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.

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	28,475	
	TOTAL State Revenues	\$28,475	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$15,200	\$
	NET CHANGE IN REVENUE	\$28,475	\$
Agency/Prepared By		Authorized Signature	Date
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