

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number HB1519

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|------------------------|--|--|---|
| House of Origin | <input type="checkbox"/> Introduced | <input checked="" type="checkbox"/> Substitute | <input checked="" type="checkbox"/> Engrossed |
| Second House | <input checked="" type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron Knight

3. Committee Transportation

4. Title: Overweight permits for hauling Virginia-grown farm produce; validity throughout the Commonwealth

5. Summary/Purpose: This bill authorizes the Commissioner of the Department of Motor Vehicles to issue overweight permits for vehicles hauling Virginia-grown farm produce that are valid statewide. Under current law, such permits are valid only in Accomack and Northampton Counties.

6. Budget amendment necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal implications: This bill would make permits issued pursuant to § 46.2-1148 for Virginia-grown farm produce valid throughout the Commonwealth, but limits their validity to those loads being moved from the produce's point of origin to its first destination and prohibits their validity on certain bridges and on the Interstate. Such permits are currently valid only in Accomack and Northampton counties, where there are no Interstates. There is no restriction under current law limiting the permits' validity to loads being moved from the produce's first point of origin to its first destination.

Vehicles carrying Virginia-grown farm produce in other parts of Virginia may currently purchase permits pursuant to §§ 46.2-1128 and 1129. The permit issued pursuant to § 46.2-1128 allows a vehicle to carry any load up to 5 percent over the relevant weight limit; the permit issued pursuant to § 46.2-1129 allows an additional 5 percent extension for Virginia-grown farm products, but the maximum gross weight of the vehicle cannot exceed 84,000 lbs.

This bill may affect revenue for the Highway Maintenance and Operating Fund (HMOF). Currently, vehicles purchasing permits pursuant to §§ 46.2-1128 pay \$250, with \$245 going to the HMOF and \$5 going to the Department of Motor Vehicles (DMV). Permits issued pursuant to § 46.2-1129 are free. Permits issued pursuant to § 46.2-1148 cost \$45, with \$40 going to the HMOF and \$5 going to DMV. For each vehicle that purchases the \$45 permit instead of the \$250 permit, the HMOF would lose \$205. Nevertheless, a vehicle owner may decide to purchase both permits: the permit in § 46.2-1148 for when he carries Virginia-grown farm products and the permit in § 46.2-1128 for when he carries other products. In that case, the HMOF and DMV would receive additional revenue. It is impossible to predict

the exact amount of revenue that DMV would gain, or that HMOF would gain or lose, from the expansion of the validity of this permit.

In addition, if more trucks are on the road with increased size and weights, the increased weights could negatively impact highway infrastructure if the numbers of such trucks increases significantly. If increased loading results, it will decrease the service life of the pavement by accelerating pavement damage, resulting in more frequent heavy repair needs. Such repairs, in turn, could increase the cost of maintenance, create more work zones, and congestion. The Virginia Department of Transportation (VDOT) currently spends approximately \$500 million annually for pavement maintenance.

9. Specific agency or political subdivisions affected: Department of Motor Vehicles, Virginia Department of Transportation.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/16/2017

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cc: Secretary of Transportation