

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number HB1519

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input 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. Fiscal Impact Estimates: Preliminary. See Item #8.

7. Budget amendment necessary: No.

8. Fiscal implications: This bill would make permits issued pursuant to § 46.2-1148 for Virginia-grown farm produce valid throughout the Commonwealth; currently, they are valid only in Accomack and Northampton counties. 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 five percent over the relevant weight limit; the permit issued pursuant to § 46.2-1129 allows an additional five 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 this legislation.

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.

Additionally, unlike most other overweight permit statutes, this bill does not contain language stating that the permit is not valid on the interstate highway system. Such language is necessary because of federal law prohibiting states from allowing vehicles weighing more than 80,000 lbs. on the interstate except in limited circumstances. This restriction is not necessary under current law because there are no interstate highways in Accomack and Northampton counties; but, if the permit were to be valid statewide then there appears to be nothing restricting the validity of this permit on an interstate highway. Should this bill pass, Virginia would be in violation of 23 U.S.C. § 127, and may lose federal highway funding.

According to 23 C.F.R. 657.13, each state shall certify to the Federal Highway Administration before January 1 of each year, that it is enforcing all State laws respecting maximum vehicle size and weight permitted on the Interstate System, in accordance with 23 U.S.C. § 127. According to 23 C.F.R. 657.19, if a state fails to certify, or if the U.S. Secretary of Transportation determines that a state is not adequately enforcing all State laws respecting maximum vehicle sizes and weights on the Interstate System, the Federal-aid funds for the National Highway System apportioned to the state for the next fiscal year shall be reduced by an amount equal to 10 percent of the amount which would otherwise be apportioned to the state.

Virginia's FY 2017 Federal-Aid Highway Program Apportionment for the National Highway Performance Program (which includes the state's funding for the National Highway System) is \$593,424,944; ten percent of which is approximately \$59,342,494. This is approximately the amount of federal-aid funds that would be withheld from Virginia in FY 2017 for failure to certify or enforce all state laws respecting maximum vehicle sizes and weights on the Interstate System.

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: 1/17/2017

Document: Janet Vogelgesang G:\16-18\FIS 2017\HB1519.docx

cc: Secretary of Transportation