

HF620 - 0 - "Overweight Vehicles Permits"

Chief Author: **Denny Mcnamara**
 Committee: **Transportation Policy and Finance**
 Date Completed: **02/23/2015**
 Lead Agency: **Transportation Dept**
 Other Agencies:
 Public Safety Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Transportation Dept						
Restrict Misc. Special Revenue	-	(835)	(835)	(835)	(835)	(835)
Trunk Highway	-	194	63	63	63	63
State Total						
Restrict Misc. Special Revenue	-	(835)	(835)	(835)	(835)	(835)
Trunk Highway	-	194	63	63	63	63
Total	-	(641)	(772)	(772)	(772)	(772)
Biennial Total			(1,413)			(1,544)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Transportation Dept					
Restrict Misc. Special Revenue	-	-	-	-	-
Trunk Highway	-	1	1	1	1
Total	-	1	1	1	1

Lead Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Britta Reitan Date: 02/23/2015
 Phone: 651 201-8028 Email britta.reitan@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
Transportation Dept						
Restrict Misc. Special Revenue	-	(835)	(835)	(835)	(835)	(835)
Trunk Highway	-	194	63	63	63	63
Total	-	(641)	(772)	(772)	(772)	(772)
Biennial Total			(1,413)			(1,544)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Transportation Dept						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Trunk Highway	-	194	63	63	63	63
Total	-	194	63	63	63	63
Biennial Total			257			126
2 - Revenues, Transfers In*						
Transportation Dept						
Restrict Misc. Special Revenue	-	835	835	835	835	835
Trunk Highway	-	-	-	-	-	-
Total	-	835	835	835	835	835
Biennial Total			1,670			1,670

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State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Keith Bogut Date: 2/21/2015 11:56:59 AM
 Phone: 651 201-8034 Email keith.bogut@state.mn.us

State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

A bill establishing annual permits for overweight vehicles.

Assumptions

No fiscal impact for the Department of Public Safety.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Pat McCormack 651-201-7580

Agency Fiscal Note Coordinator Signature: Larry Freund

Phone: 651 201-7050

Date: 2/13/2015 10:49:56 AM

Email: Larry.Freund@state.mn.us

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 Agency: **Transportation Dept**

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Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		
	X	

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Biennial Total			(1,413)			(1,544)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Restrict Misc. Special Revenue	-	-	-	-	-
Trunk Highway	-	1	1	1	1
Total	-	1	1	1	1

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Britta Reitan Date: 2/23/2015 12:05:34 PM
 Phone: 651 201-8028 Email: britta.reitan@state.mn.us

State Cost (Savings) Calculation Details

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Biennial Total			1,670		1,670

Bill Description

House File 620 would expand the authority to issue annual permits for overweight vehicles to all freight. Currently, only overweight vehicles hauling raw or unprocessed agricultural products may be issued annual overweight permits by MnDOT.

Assumptions

Under current law, overweight vehicles hauling raw or unprocessed agricultural products pay for an annual overweight permit to haul these goods on paved streets and highways other than interstate highways. The permit costs \$300 for six-axle vehicles weighing up to 90,000 pounds (99,000 pounds during seasonal increases) and \$500 for seven-axle vehicles weighing up to 97,000 pounds (99,000 pounds during seasonal increases). This bill would expand these permits to overweight vehicles hauling any kind of freight.

While impossible to know, MnDOT estimates that the number of permits issued could roughly double from those issued under current law, if permits were available for all commodities. Based on FY 2014s permit issuances, this would be an additional 1,200 permits for six-axle vehicles costing \$300, and an additional 950 permits for seven-axle vehicles costing \$500 being issued each year, beginning in fiscal year 2016.

The revenue from these permits is deposited in the bridge inspection and signing account in the Special Revenue Fund.

The expenditure assumptions to process the additional permits are:

1 transportation generalist at \$20 per hour X 50% additional for overhead (fringe benefits, misc. supplies, etc.).

\$41,600 X 1.5

More full time employees will not be needed, as most permits will be issued online.

One-time costs for the new employee include:

Computer: \$1,100

VOIP: \$300

Label printer: \$100

Total: \$1,500

Ongoing call center VOIP costs are \$780 per year

3 temporary employees for 6 months at \$12.50 per hour to deal with the initial volume, many questions, etc.

Programming changes to the permitting system: \$10,000 of outside contractor costs (based on previous change costs), as well as deployment work by IT Services for the change, including System Administration, Database, Production Release and Testing that MN.IT Development

estimates at \$5000. Total IT charges: 15,000.

Additional load ratings will need to be performed for approximately 20 bridges that have not yet been load rated for the type & weight of vehicle that would be allowed for all freight: This will cost between \$3,000 to \$4,000 for each bridge, based on prior ratings contracts. We estimate \$75,000 total (\$3,750 per bridge).

The 2006 Truck Size and Weight Project final report concludes that decreasing axle weights and reducing the number of trucks traveling would, on a net basis, reduce impact on pavements. Any benefit to MnDOT would be used to fill other trunk highway maintenance needs, and wont be estimated for this fiscal note.

Expenditure and/or Revenue Formula

Additional revenues from overweight permits:

1,200 permits @ \$300 = \$360,000
950 permits @ \$500 = \$475,000
Total annual revenue = \$360,000 + \$475,000 = \$835,000

These revenues would be deposited in the bridge inspection and signing account in the Special Revenue Fund.

Additional expenditures to the Trunk Highway Fund:

Ongoing costs:

New employee \$41,600 + 50% overhead = \$62,400 + ongoing VOIP \$780 = \$63,180 per year

One-time costs:

New employee costs: \$1,500
Temporary employees: 3 X 12.50 X 1040 hours = \$39,000
Load ratings: \$75,000
Total one-time costs: \$130,500
Total FY2016 Costs - \$193,680; FY2017-2019 = \$63,180

Long-Term Fiscal Considerations

These additional revenues and expenditures would continue in future years

Local Fiscal Impact

The additional permit revenue would be used for the local government needs from the bridge inspection and signing account, and local bridges may also need additional load ratings.

References/Sources

MnDOT Office of BridgesMnDOT Office of Freight and Commercial Vehicle Operations (OFCVO)

Agency Contact:

Agency Fiscal Note Coordinator Signature: Lynn Poirier

Phone: 651 366-4869

Date: 2/23/2015 11:26:03 AM

Email: Lynn.Poirier@state.mn.us