

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 26, 2007

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2093 by Hill (Relating to the issuance and enforcement of motor carrier overweight or oversize vehicle permits and motor carrier registrations; providing administrative penalties.),
Conference Committee Report

Estimated Two-year Net Impact to General Revenue Related Funds for HB2093, Conference Committee Report: a negative impact of (\$81,560) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2008 | (\$38,645) |
| 2009 | (\$42,915) |
| 2010 | (\$47,290) |
| 2011 | (\$51,665) |
| 2012 | (\$57,145) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain from <i>GENERAL REVENUE FUND</i> 1 | Probable Revenue Gain from <i>STATE HIGHWAY FUND</i> 6 |
|-------------|--|--|
| 2008 | (\$38,645) | \$51,132,398 |
| 2009 | (\$42,915) | \$55,114,778 |
| 2010 | (\$47,290) | \$59,443,978 |
| 2011 | (\$51,665) | \$64,135,430 |
| 2012 | (\$57,145) | \$69,238,885 |

Fiscal Analysis

The bill would amend provisions Transportation Code related to the issuance of motor carrier overweight or oversize vehicle permits and motor carrier registrations. The bill would dedicate the permit fees collected for an excess weight permit to the counties designated on an application for a permit. The bill would increase the variable fees (dependent upon the number of counties a vehicle would be operated in) required for a permit for excess axle or gross weight. The bill would double the cost of a single-trip permit to \$60 from \$30 and double the costs on the multiple-day permit schedule and specify that half of the fee would be deposited to the General Revenue Fund and half to the State Highway Fund (Fund 6). The bill would increase the annual permit to move an implement of husbandry by a dealer or other equipment as part of an agricultural operation to \$270 from \$135. The bill would increase the statutory cap on a permit fee for an annual permit to move super-heavy or oversize equipment to an amount not exceed \$7,000 from the current \$3,500. The bill would triple the

maintenance fee schedule based on vehicle weight and assessed on a permit for heavy equipment. The bill would increase permit fees for transporting manufactured and industrialized housing to \$40 from \$20 and specify that \$19.70 of each fee is to be deposited to the General Revenue Fund and the remainder to Fund 6; and the bill would increase annual permits to move manufactured homes to an amount not to exceed \$3,000 from \$1,500 and remove the requirement that two percent of the fee be deposited to Fund 6. The bill would increase the fee for a permit to move a portable building unit to \$15 from \$7.50, and require half of the fee to be deposited to General Revenue and half to Fund 6. The bill would increase the fee for an annual permit to move unladen lift equipment to \$100 from \$50, and require half of the fee to be deposited to General Revenue and half to Fund 6. The bill would amend the Transportation Code to provide that the Texas Department of Transportation (TxDOT) may investigate and impose administrative penalties and revocations for oversize/overweight permit violations of statute, rule, order, or for providing false information on required forms. The bill would provide that administrative penalties may be imposed under the process currently in effect in the Transportation Code. The bill would authorize TxDOT to deny or revoke a motor carrier registration or permit for violations and for failure to pay administrative penalties. The bill would provide for injunctive relief by the Office of the Attorney General (OAG) at the request of TxDOT and authorize OAG and TxDOT to recover reasonable expenses incurred in obtaining injunctive relief. The bill would establish the procedures to be followed for an administrative hearing at the State Office of Administrative Hearings (SOAH) and would specify that a contested hearing will be held only when the alleged violator requests a hearing.

The bill would take effect on September 1, 2007.

Methodology

TxDOT provided estimates for the number of permits issued by number of counties designated, vehicle weight, and category for each permit and fee affected by the provisions of the bill. Based on the information and analysis provided by TxDOT and the Comptroller, it is assumed the following Sections of the bill would result in the following fiscal impacts to the General Revenue Fund (GR) and the State Highway Fund (Fund 6):

SECTION 4, relating to weight tolerance permit fees variable by number of counties, would result in a revenue gain of approximately \$4.0 million to Fund 6 and an estimated revenue loss of \$39,305 to GR beginning in fiscal year 2008. The revenue and cost implications would increase based on an estimated 10 percent annual increase in permits issued. NOTE: The Comptroller indicates the dedication of excess weight permit fees to the counties under SECTION 2 of the bill appears to conflict with the dedication of permit fees to GR and Fund 6 under SECTION 3.

SECTION 5, relating to permit fees for certain heavy equipment, would result in a revenue gain to Fund 6 of approximately \$24.5 million beginning in fiscal year 2008. The revenue impacts would increase based on an estimated 5 to 10 percent annual increase in permits issued, depending on the permit category.

SECTION 6, relating to highway maintenance fees for certain permits, would result in a revenue gain to Fund 6 of approximately \$20.5 million beginning in fiscal year 2008. The revenue impacts would increase based on an estimated 5 percent annual increase in permits issued.

SECTION 7, relating to manufactured housing single trip and annual permit fees, would result in a revenue gain to Fund 6 of approximately \$1.9 million beginning in fiscal year 2008. The bill would remove the requirement that two percent of the annual permit fee adopted by TxDOT be deposited to Fund 6, which would result in a small revenue loss (\$30 per permit) to Fund 6 and a revenue gain to GR in an equivalent amount, estimated to be \$660 in 2008. The revenue impacts would increase based on an estimated 5 percent annual increase in single trip permits issued and a slight increase in annual permits issued each year.

SECTION 8, relating to permits to transport portable buildings, would result in a revenue gain to Fund 6 of \$144,983 beginning in fiscal year 2008. The revenue impacts would increase based on an estimated 3 percent annual increase in permits issued.

SECTION 11, relating to annual permits for unladen lift equipment motor vehicles, would result in a revenue gain to Fund 6 of \$13,800 beginning in fiscal year 2008. The revenue impacts would increase based on an estimated 5 percent annual increase in permits issued.

The Comptroller indicates that the bill would create revenue dedications that would be subject to funds consolidation review by the current Legislature.

Based on the analysis of TxDOT, the Office of the Attorney General, and the State Office of Administrative Hearings, it is assumed any costs associated with implementing provisions for enforcement of oversize/overweight permit laws and administrative actions could be absorbed within existing state resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation, 302 Office of the Attorney General, 360 State Office of Administrative Hearings

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