

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 449

(Senator Edwards)

Judicial Proceedings

Environmental Matters

Allegany County and Garrett County - Exceptional Hauling Permits for Forestry Products - Sunset Repeal

This bill repeals the May 31, 2010 termination date of Chapter 409 of 2006. Thus, the bill makes permanent the authorization, under Chapter 409, for the State Highway Administration (SHA) to issue exceptional hauling permits to forest product-carrying vehicles of a certain size and configuration for use in Allegany and Garrett counties.

Fiscal Summary

State Effect: General fund revenues may decrease minimally beginning in FY 2010 due to the collection of fewer fines for overweight hauling vehicles. Transportation Trust Fund (TTF) revenues may increase minimally in FY 2010 due to the collection of additional permit fees; TTF revenues may increase to a greater extent in future years if more hauling companies seek to obtain permits authorized by the bill. TTF and federal fund expenditures may increase minimally for inspections and permit enforcement.

Local Effect: Potential decrease in local government road maintenance expenditures to the extent that the permitting system authorized by the bill prevents additional deterioration of road surfaces in Allegany and Garrett counties.

Small Business Effect: Potential meaningful benefit to small business hauling companies operating in the forest products industry within Allegany and Garrett counties.

Analysis

Current Law: SHA is authorized, until May 31, 2010, to issue an exceptional hauling permit, valid in Allegany and Garrett counties for a combination of vehicles that (1) carry only forest products loaded in fields or other off-highway locations; (2) have an axle configuration of six axles or more and a front-to-rear centerline axle spacing of at least 50 feet; and (3) are no more than 20,000 pounds gross weight per axle, 87,000 pounds total, and otherwise compliant with the maximum weight for any consecutive axle configuration of two or more, as specified by law. Such a combination of vehicles must meet other specified conditions, including passing a semi-annual inspection.

Specified records may be requested by the State Highway Administrator or the administrator's designee from the holder of a permit or a facility that receives forest products delivered under a permit. Failure to provide the records may result in suspension of the permit or prohibition of a facility from receiving forest products delivered by permit holders.

An operator of a combination of vehicles with an exceptional hauling permit may not, while operating the vehicles (1) violate specified highway and other restrictions; (2) operate on the interstate highway system; or (3) fail to comply with the terms and conditions of the permit. The fee for an exceptional hauling permit is \$500 for a new permit or for the annual renewal of a permit, payable to SHA. In addition, the permit fee increases if it is for the reinstatement of a permit after it has been revoked as follows: \$1,000 for the first violation; and \$5,000 for a second or subsequent violation within the prior 24 months.

SHA may stop issuing and renewing permits if the administrator determines that their use is detrimental to the State highway system. However, any such decision must be promptly reported to the General Assembly. Otherwise, the maximum weight load for a vehicle or combination of vehicles is 80,000 pounds gross weight, and a vehicle or combination of vehicles must have at least five axles to carry 80,000 pounds. A vehicle carrying forest products that have been loaded in fields or other off-highway locations traveling on noninterstate highways is permitted to exceed the axle load weight limit by a specified percentage that increases from June through September 30.

Background: Chapter 409 of 2006 was enacted in response to concerns that trucks bearing forest products were allowed to carry loads of up to 88,000 pounds in West Virginia and Pennsylvania but a lower weight limit was in place in Maryland. Chapter 409 allowed heavier loads to be hauled in the two Western Maryland counties, but only with a sixth axle to help redistribute the load and an appropriate permit.

In accordance with the requirements of Chapter 409 of 2006, SHA submitted a report to the General Assembly in December 2008 on the use and enforcement of the recently authorized exceptional hauling permits. SHA, in consultation with the Department of State Police (DSP), discussed the partial success in bringing hauling companies into compliance with the new permitting system. Compliance is necessary in order to (1) reduce the deterioration of road surfaces from overweight hauling vehicles; (2) increase highway safety; and (3) determine to what extent economic benefits accrued to those compliant companies. However, it was noted that a significant level of illegal hauling continued, largely due to a lack of capital available to finance the vehicle retrofits required for compliance with the permits. Nevertheless, SHA recommended repealing the termination provision to allow the current pilot project to continue as a permanent program. Additionally, SHA recommended that discussion begin with federal transportation authorities to give the permits application on interstate highways, thereby attracting additional compliance.

State Fiscal Effect: The bill maintains current law relating to the issuance of exceptional hauling permits in Allegany and Garrett counties. Therefore, the minimal increase in collection of permit fees continues under the bill. If the program is successful in bringing more hauling firms into compliance, then permit fee collection increases in future years, with a resulting increase in TTF revenues. However, to the extent that more hauling firms begin to operate under the permit system each year, general fund revenues decrease due to the resulting loss in collection of overweight hauling vehicle penalties. For example, according to the December 2008 report submitted by SHA to the General Assembly, in a one-day enforcement initiative in September 2008, DSP assessed fines totaling \$6,736 to 16 vehicle owners. By contrast, TTF permit revenues generated by the pilot program have totaled only \$3,000 since its inception.

SHA advises that the programming of the Automated Hauling Permit System and other facets of the pilot program's implementation are complete and that enforcement of the issued permits can continue with existing resources.

Small Business Effect: Forest-product hauling firms are one of the primary beneficiaries of the pilot program established by Chapter 409 of 2006. SHA stated in its report to the General Assembly that each truck with a permit can gross an additional \$20,000 or more annually due to the additional payload per trip, increased number of trips, and lack of overweight fines assessed. To date, however, only six firms have been granted a permit under Chapter 409.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Allegany County, Garrett County, Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2009
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