

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Revised

Senate Bill 509

(Senator Stoltzfus)

Judicial Proceedings

Environmental Matters

Vehicle Laws - Exceptional Hauling Permits - Validity in Select Eastern Shore Counties

This bill authorizes the State Highway Administration (SHA) to issue exceptional hauling permits to forest product-carrying vehicles of a certain size and configuration for use in Dorchester, Somerset, Talbot, Wicomico, and Worcester counties.

Fiscal Summary

State Effect: General fund revenues may decrease minimally beginning in FY 2011 due to the collection of fewer fines for overweight hauling vehicles. Transportation Trust Fund (TTF) revenues may increase minimally in FY 2011 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 Dorchester, Somerset, Talbot, Wicomico, and Worcester counties.

Small Business Effect: Potential meaningful benefit to small business hauling companies operating in the forest products industry within Dorchester, Somerset, Talbot, Wicomico, and Worcester counties.

Analysis

Bill Summary: SHA is authorized to issue an exceptional hauling permit, valid in Dorchester, Somerset, Talbot, Wicomico, and Worcester 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.

The bill codifies an existing provision allowing SHA to stop issuing or renewing permits if the administrator determines that their use is adversely affecting any part of the State highway system. However, any such decision must be promptly reported to the General Assembly.

Current Law: Chapter 409 of 2006 authorized SHA to issue, until May 31, 2010, exceptional hauling permits to forest product-carrying vehicles of a certain size and configuration for use only in Allegany and Garrett counties. Chapter 263 of 2009 repealed the May 31, 2010 termination date of Chapter 409 of 2006, thus making the authorization permanent.

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 authorizes the issuance of exceptional hauling permits in five additional counties. Therefore, the collection of permit fees likely increases under the bill, resulting in a minimal 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 minimally due to the resulting loss in collection of overweight vehicle hauling penalties. For example, according to the December 2008 report submitted in accordance with Chapter 409 of 2006, 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 had totaled only \$3,000 on the issuance of six permits.

Due to the new Automated Hauling Permit System, SHA can handle enforcement of the permits issued under the bill with existing resources.

Local Fiscal Effect: While the bill may generally result in a decrease in local government expenditures for road maintenance activities, Worcester County cautions that road maintenance expenditures may increase to the extent that damage is caused by loads that exceed the carrying capacity of county bridges equipped to transport vehicles of up to only 80,000 pounds. Legislative Services presumes, however, that permit conditions and other regulatory restrictions apply that will prevent improper passage of overweight loads on such bridges and road surfaces.

Small Business Effect: Forest-product hauling firms are one of the primary beneficiaries of exceptional hauling permits. 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.

Additional Information

Prior Introductions: None.

Cross File: HB 667 (Delegate Elmore, *et al.*) - Environmental Matters.

Information Source(s): Somerset, Wicomico, and Worcester counties; Maryland Department of Transportation; Department of Legislative Services

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Analysis by: Evan M. Isaacson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510