

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 558

(Senator Norman, *et al.*)

Judicial Proceedings

Environment and Transportation

Motor Vehicles - Seasonal Exceptional Milk Hauling Permit

This emergency bill authorizes the State Highway Administration (SHA) to issue a seasonal exceptional milk hauling permit for a combination of vehicles with five axles, at least 28 feet between the last axle on the tractor and the first axle on the semitrailer, and 88,000 pounds gross combination weight – from March 1 until June 30 each year. Thus, the bill reestablishes and makes permanent the authorization for a permit on a seasonal basis for one that had been authorized in 2015 and 2016 only.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures are not likely materially affected as the automated hauling permit system already is configured for this purpose. It is unclear to what extent reestablishing the authorization for a seasonal permit results in greater highway system preservation and maintenance expenditures as higher weight limits are already established, albeit for six-axle vehicles, for exceptional milk hauling permits on a year-round basis. Beginning in FY 2017, TTF revenues increase, likely minimally, from the collection by SHA of hauling permit fees for the seasonal permit; general fund revenues decrease from fewer fines imposed for exceeding permitted weight tolerances.

Local Effect: As at the State level, the impact on local government highway maintenance expenditures is unclear. Revenues are not affected.

Small Business Effect: Meaningful.

Analysis

Current Law: The maximum load for a vehicle or combination of vehicles is generally 80,000 pounds gross weight, if equipped with at least five axles. Lower limits apply to vehicles or combinations of vehicles with fewer axles.

Exceptional Hauling Permits

Chapter 415 of 2011 repealed, effective June 1, 2011, the exceptional hauling permits for milk and forestry products available for certain vehicles in specified counties and replaced them with a statewide exceptional permit for all “farm products” under essentially the same parameters. Such a permit is subject to a maximum of 87,000 pounds gross combination weight and the combination of vehicles must have at least six axles. “Farm product” is defined as any agricultural, horticultural, vegetable, or fruit product of the soil, including livestock, meats, marine food products, poultry, eggs, dairy products, wool, hides, feathers, nuts, honey, and every product of farm, forest, orchard, garden, or water, but it does not include canned, frozen, dried, or pickled products.

Chapter 450 of 2014 established two separate exceptional hauling permits for the transport of raw milk (and removed the authorization for an exceptional farm hauling permit to carry milk). The seasonal permit (for transport from March 1 until June 30) had a weight limit of 88,000 pounds for vehicle combinations with at least five axles (and that met other configurations). That permit was only available in 2015 and 2016 (the authorization for it terminated September 30, 2016). A permanent authorization was established for year-round hauling, but only for a combination of vehicles with at least six axles and a front-to-rear centerline axle spacing of at least 50 feet; that weight limit is 95,000 pounds.

Other weight limits apply to a combination of vehicles operating under the authority of an exceptional hauling permit (whether for farm products or raw liquid milk).

Failure to comply with the terms and conditions of the exceptional hauling permit voids the permit.

An applicant for an exceptional hauling permit must pay SHA \$250 for a new or renewal annual permit and \$30 for issuance of a 30-day permit. Fees are substantially higher to reinstate a permit that was revoked (\$1,000 for a first violation and \$5,000 for a second or subsequent violation within the prior 24 months).

Background: According to the Maryland Department of Agriculture (MDA), the bill is a result of a 2016 report of the Governor’s Dairy Advisory Council. MDA advises that reinstating the higher limit for five-axle vehicles would continue to allow the dairy industry in Maryland to be competitive with surrounding states. According to the department,

Pennsylvania has a 95,000-pound gross vehicle weight limit on its roads, and Virginia is in the process of creating a 94,000-pound permit for milk haulers on its roads.

State Expenditures: TTF expenditures may increase beginning in fiscal 2017 for additional highway system maintenance and preservation expenditures. Because an authorization already exists, at a higher weight and for six-axle vehicles, it is unclear to what extent reestablishing this authorization results in such costs, especially since it is limited to four months each year. For context, SHA has advised for previous legislation that roadway damage increases by about 67% with a 10,000 pound increase in vehicle weight (and no change in the number of axles), and roadway damage increases by about 111% with a 2,000 pound increase in vehicle weight and a reduction from six axles to five axles. SHA has also advised for similar legislation that, assuming 125 trucks obtain an exceptional hauling permit, and that each truck travels 100,000 miles on State highways annually, the value of infrastructure damage to the highway system is about \$1.9 million annually.

State Revenues: SHA did not provide information on the number of seasonal permits issued in 2015 or 2016; the bill likely results in a similar number being issued. *For illustrative purposes*, if permits are issued for 125 vehicles at \$250 each, TTF revenues increase by about \$31,250 annually beginning in fiscal 2017. Actual revenues vary depending on the number of vehicles that obtain a seasonal exceptional hauling permit.

General fund revenues likely decrease due to fewer fines imposed for carrying excess weight.

Small Business Effect: Small business milk haulers, particularly those that had relied on the previous authorization for a seasonal exceptional milk hauling permit, are able to continue to carry heavier loads. They realize a meaningful savings due to fewer fines paid for violating vehicle weight limits and more efficient operations. Also, to the extent that they take advantage of the authorization, fewer milk haulers are likely forced to offload illegally transported milk.

Additional Information

Prior Introductions: None.

Cross File: HB 1035 (Delegate Jacobs, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of Agriculture; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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