



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4644 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Representative Triston Cole
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

CONTENT

The bill would amend the Michigan Vehicle Code to do the following:

- Require the Michigan Department of Transportation, beginning within two years after the bill's effective date, to allow an applicant to obtain an annual permit for the movement of construction equipment to exceed the size, load, or size and load maximums specified in the Code for a power unit, without requiring a separate permit for each individual piece of equipment carried by that unit.
- Prescribe a \$264 fee for an annual permit, including a permit for an intrastate or out-of-State vehicle or combination of vehicles that exceeded the maximum size but not the maximum weight or load or otherwise not in conformity with the Code.
- Specify that an annual permit could not restrict daily operating hours, and could not require travel of more than 10 miles per hour below the posted speed limit.
- Allow an annual permit holder to store and present it using a mobile device.

MCL 257.725

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have an indeterminate, likely negative, fiscal impact on State Trunkline Fund revenue. The bill would provide for the issuance of an additional annual permit for the movement of *construction equipment* that exceeded Michigan Vehicle Code size and/or load maximums. The new permit would cost \$264, significantly more than the annual oversize permit, which is currently \$30, and the overweight and oversize/overweight annual permits, which are \$100.

For certain types of transport permits, the Department currently requires separate permits for the truck (*pulling unit*), trailer, and each load (e.g., piece of equipment) that will cause a vehicle combination to exceed Code size, weight, or load maximums.

Under the bill, only the new annual permit would be required for the power hauling unit; additional permits would not be required for each additional piece of equipment that caused the vehicle combination to exceed the Code's size and/or load maximums. These provisions would apply only to the movement of *construction equipment*. (The bill does not define the term "construction equipment". In addition, the bill is silent with respect to the treatment of trailers in the vehicle combination.)

Requiring the Department to allow applicants to obtain a single annual permit for the power unit in the movement of construction equipment would reduce the number of permits issued,

compared to the current practice of requiring separate permits for each load carried by the power unit.

According to monthly permit reports obtained from the Michigan Department of Transportation, 15,877 annual oversize/overweight transport permits were issued in FY 2016-17 for the movement of construction equipment. It is not known how many of those permits were issued for an oversize load (\$30) or for an overweight load (\$100); however, the reports do show that of those nearly 16,000 annual permits issued, 2,986 were issued for the hauling unit. Reports from fiscal years 2014-15 and 2015-16 also show that about 13.5% of all annual construction permits issued were for oversize loads.

Table 1 demonstrates how revenue would be affected under the bill, assuming the new annual permits would replace the old annual permits for oversize/overweight construction hauling. It compares projected revenue for the new permits as a substitute for the actual revenue generated from annual permits for FY 2016-17.

Table 1

	FY 2016-17 Actual		FY 2016-17 under HB 4644 (S-3)	
Construction - Truck	2,986	\$327,497	2,986	\$788,304
Construction - Trailer	2,519	\$216,411	2,519	\$ -
Construction - Load	10,372	\$735,511	10,372	\$ -
Total:	15,877	\$1,279,419	15,877	\$788,304

The bill would have no impact on local road agency transport permitting or related permit fees assessed by local road agencies.

Date Completed: 1-23-18

Fiscal Analyst: Michael Siracuse