

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

F I S C A L I M P A C T R E P O R T

SPONSOR	Burt	ORIGINAL DATE	2/24/15	LAST UPDATED	3/15/15	HB	
SHORT TITLE	Multiple-Trip Permit for Some Vehicles	SB	622/aSPAC				
		ANALYST	Jorgensen				

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY15	FY16	FY17		
NFI	Unknown	Unknown	Recurring	State Road Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	Unknown	Unknown	Unknown	Recurring	DOT Operating Budget

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Transportation (DOT)
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of SPAC amendment

The Senate Public Affairs Committee amendment to Senate Bill 622 removes a notwithstanding provision for Section 66-7-413 NMSA 1978 that provides a procedure for issuance of oversize load permits. The removal of this language addresses concerns of TRD in *Technical Issues* below.

Additionally, the SPAC amendment removes the \$270 cap on the fee for noncompliance and replaces it with a “reasonable fee”.

Synopsis of Original Bill

Senate Bill 622 provides a definition and exemption for a certain class of vehicles called

Specialized Haul Vehicles (SHVs) from the weight limitations specified in Section 66-7-410 NMSA 1978 and establishes an independent set of weight limits for this vehicle class. SB 622 provides for yearly “multi-trip” permits to be issued for the use of SHVs on the state and national highway systems.

FISCAL IMPLICATIONS

SB 270 allows the imposition of a fee of up to \$270 to be charged for a 1 year “multi-trip” permit for SHVs. This fee will most likely generate a small amount of net new revenue, but much of the revenue from the new fee may displace other revenues; loads accommodated by the new SHVs may displace a portion of loads that were being transported by overweight vehicles paying New Mexico’s current overweight fee or may be consolidating multiple standard axel configuration (less than 80,000 pounds) vehicles paying standard registration and fuel taxes. The net revenue collected is unknown as reflected in the revenue table above.

SHVs will impose higher loads and stresses on some bridges which will, in turn, accelerate bridge degradation. This will impact bridge repair/replacement expenditures and it is likely that bridges experiencing SHV traffic will require more extensive repairs, more frequent repair intervals and/or total bridge replacement sooner than anticipated, as compared to bridges that are not subjected to significant SHV traffic. The cost of these repairs is unknown as shown in the estimated additional operating budget impact table above.

SIGNIFICANT ISSUES

National studies by the American Association of State Highway and Transportation Officials (AASHTO) and others have concluded that SHVs produce significantly higher bridge stresses on certain bridge types. There is a direct correlation between repeated overstressing of bridge members and increased rates of deterioration and degradation. Those bridges subjected to repeated SHV loadings will degrade at a faster rate, and there will be resulting fiscal and performance consequences.

New Mexico’s bridge inventory includes a variety of bridge types, sizes (span lengths) and ages. A significant portion of the bridges in the inventory cannot safely carry SHV loads due to bridge age, condition, span length, and/or design loading. SB 622’s permit mechanism in subsection E will give the state a degree of control over the bridges that will be subjected to SHV traffic. The State will be able to control access by restricting SHVs to those routes and bridges that can safely carry the higher loads and avoid unlimited unrestricted use, which would have significantly more negative consequences to the state.

TECHNICAL ISSUES

The TRD and DOT note that the provisions of the pertaining to oversize and overweight vehicles as listed in Section 44-7-410 through 44-7-413 should be mirrored in SB 622.

TRD notes that SB 622 states “notwithstanding the provisions of 66-7-413”, but Section 66-7-413 NMSA 1978 is the only statute that provides a procedure for issuance of oversize load permits. TRD states that without clarification that the permitting procedure of Section 66-7-413 NMSA 1978 continues to control the issuance of oversize/overweight permits, the bill seems flawed in that its provisions will provide a permitting loophole or be otherwise incapable of being administered.

OTHER SUBSTANTIVE ISSUES

Bulk materials (sand, gravel, etc.) transporters have been limited to existing state legal weight limits because the loads are “reducible” and can be reduced in weight without causing damage to the transported materials. SHVs were developed to more efficiently transport bulk materials, and they have gained acceptance in other states. However, these trucks carry significantly heavier loads, up to 20 percent higher loads compared to current limits.

CJ/je/aml/bb