

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 812 – SB 1352

March 26, 2017

**SUMMARY OF ORIGINAL BILL:** Authorizes an overweight or over-dimensional motor vehicle that has obtained an annual permit to obtain a supplement to that annual permit for additional width, height, or length or any additional weight covered by the annual permit.

Exempts overweight or over-dimensional motor vehicles not requiring an escort from the current prohibitions regarding travel times in counties exceeding 250,000 in population.

Eliminates the 150-mile radius restriction and penalty for motor vehicles that are operated by a farmer or nursery worker that are not common carriers and are used to transport agricultural products, farm machinery, or farm supplies. Classifies fluid milk products as nondivisible loads for transportation purposes.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – Net Impact - \$6,545,500/Highway Fund

Increase State Expenditure – Exceeds \$18,800/Highway Fund

**SUMMARY OF AMENDMENT (006136):** Deletes all language after the enacting clause. Establishes that the vehicle weight limitations do not apply to covered heavy-duty tow and recovery vehicles, or emergency fire suppression vehicles that operate on the interstate highway system and within reasonable access to terminals and facilities for food, fuel, repairs, and rest. Defines heavy-duty tow and recovery vehicles and emergency fire suppression vehicles and establishes weight limitations on such vehicles for the purposes of the abovementioned exemption. Authorizes an overweight or over-dimensional motor vehicle to supplement an annual permit by obtaining a single trip permit to allow for moving a load with excessive, width, height, or length.

Prohibits TDOT from issuing special permits for vehicles exceeding 12 feet 6 inches in width, 15 feet in height, or 90 feet in length, rather than for all overweight or over-dimensional vehicles, on the interstate system between seven o'clock a.m. and nine o'clock a.m. and four o'clock p.m. and six o'clock p.m. from Monday through Friday in counties having a population exceeding 250,000.

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Establishes that the combination of a towing and towed vehicle shall be considered a non-divisible load. Authorizes TDOT to issue a special permit, a single trip permit, or an annual permit for each towing vehicle that by itself in combination with a towed vehicle exceeding the maximum vehicle and axle weights allowed with such vehicles being subject to certain conditions. Establishes fees for such permits.

Authorizes a towing vehicle with a valid permit to undertake an emergency towing movement if TDOT, the Department of Safety, or a local traffic law enforcement agency requests such towing assistance to move a wrecked, disabled, or abandoned vehicle from the highway. Authorizes TDOT to impose route restrictions based on the conditions of the roadways and bridges.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

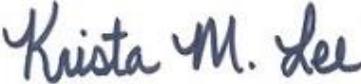
### **Increase State Revenue – Net Impact - \$73,000/Highway Fund**

Assumptions for the bill as amended:

- Based on information provided by TDOT, it is estimated that there will be approximately 400 tow trucks that will require a \$500 annual permit due to their weight as a result of this legislation.
- The recurring increase in state revenue to the Highway Fund is estimated to be \$200,000 (400 x \$500).
- According to TDOT, approximately 800 supplements will be issued at a cost of \$156 to tow truck operators for trucks exceeding 165,000 pounds in weight. The recurring increase in state revenue to the Highway Fund is estimated to be \$124,800 (800 supplements x \$156).
- The total recurring increase in state revenue to the Highway Fund is estimated to be \$324,800 (\$200,000 + 124,800).
- The proposed legislation as amended authorizes annual permit holders of any class to supplement for additional dimensions not covered by the annual permit. Dimensions only represent 15 to 18 percent of the total cost of a permit, with the remainder of the cost being dependent on weight and mileage.
- The average supplemented dimension fee was \$12.36 in 2016.
- Based on the information provided by TDOT, there were 20,369 supplements issued in 2016. Assuming this number would remain constant in subsequent years under current law, the recurring decrease in state revenue to the Highway Fund is estimated to be \$251,761 (20,369 x \$12.36).
- The net recurring increase in state revenue to the Highway Fund is estimated to be \$73,039 (\$324,800 - \$251,761).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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