



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1527

PRINTERS NO. 2037

PRIME SPONSOR: Evankovich

### COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
Motor License Fund	\$0	\$0

**SUMMARY:** Amends Title 62 (Procurement Code) to require PennDOT to develop uniform standards for the use of slag in highway and road construction and maintenance. This legislation would take effect in 60 days.

**ANALYSIS:** This legislation requires PennDOT to develop and promulgate uniform standards for the use of slag by government agencies for road construction and maintenance. The slag standards are to be published as a statement of policy and incorporated into PennDOT's highway construction manual and other publications. PennDOT is also required to review and approve supplies and suppliers of slag for use in road construction and maintenance based on the developed standards and uniform testing procedures.

PennDOT may prohibit or restrict the use of any type, grade, or source of supply of slag which complies with the uniform standards if it is shown that a type, grade, or source of supply of slag will not perform in a satisfactory manner. However, the prohibition or restriction must be based on objective, quantifiable, and reliable engineering criteria and multisite comparisons between the slag and other materials. Prior to the adoption of the restriction or prohibition, a public notice shall be published in the PA Bulletin and a 30-day public comment period shall be provided. A notice of a decision shall be provided to any person who submitted a comment. A final action to impose restrictions or prohibitions is subject to review in the manner provided for in Title 2 Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action).

Contractors and subcontractors engaged in the construction of highways and roads on behalf of any government agency may use slag according to the uniform standards and the approved list of supplies and suppliers of slag developed by PennDOT. Plan notes, job specifications, invitations for bids, or other contract terms and conditions established by or on behalf of a government agency may not impose additional restrictions or prohibitions on the use of slag in highway or road construction beyond what is authorized by the uniform standards developed by PennDOT or the imposed restrictions that have met the aforementioned public comment and objective data requirements.

**FISCAL IMPACT:** The legislation would provide PennDOT with another sub-base option that could reduce construction costs. According to PennDOT, their agency has spent about \$1 million annually over the past 10 years correcting premature failures which were attributed to slag use as a sub-base. However, in subsection 3765(a) of the legislation, PennDOT has the ability to prohibit or restrict the use of slag if the agency can provide objective, quantifiable, and reliable engineering criteria and multisite comparisons that can demonstrate that slag aggregate will not perform in a satisfactory manner, therefore, this legislation would have no adverse fiscal impact on Commonwealth funds.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** September 30, 2013

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*