



HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 1787

PRINTER'S NO: 2670

PRIME SPONSOR: Markosek

FISCAL IMPACT SUMMARY	FY 2009/10	FY 2010/11
Estimated Expenditure Increase/(Decrease):		
Motor License Fund	\$0	negligible
Estimated Revenue Increase/(Decrease):		
Motor License Fund	\$0	An indeterminate but relatively small revenue increase*

*See analysis for explanation.

OVERVIEW:

This bill amends Title 75 (Vehicles), Pa.C.S., with regard to hauling permits for bulk refined oil and nonhazardous liquid glue. Specifically, the bill extends the allowable distance for transporting bulk refined oil from 50 miles to 125 miles but charges double the \$800 annual permit fee for distances over 50 miles. The bill also creates a new annual permit for hauling nonhazardous liquid glue for distances not to exceed 75 miles for a fee of \$800.

The Department of Transportation (PennDOT) is charged with issuing permits pursuant to Title 75. The Department was created by Act 120 of 1970, which amended the Administrative Code, charging the department to develop and maintain comprehensive and efficient transportation systems. In addition to highways and bridges, its responsibilities include public transportation, rail, aviation, ports, and waterways.

The effective date is sixty days.

ANALYSIS:

Hauling permit applications are filed with the permit supervisor at one of the eleven Engineering Districts. The permit is reviewed for compliance and route feasibility, i.e., making sure the route has no road restrictions, such as clearances and bridge weight limitations. In its permitting process, PennDOT utilizes the Automated Permit Routing Analysis System (APRAS).

The expansion of the distances to haul bulk refined oil and the addition of hauling permits for nonhazardous liquid glue will not likely increase the workload for the permit approval process in any significant way. Also, because each Engineering District has available resources, including APRAS, now engaged in approving hauling permits, the administrative cost to implement this bill is negligible.

This bill, however, has the potential to increase revenue whereby applicants for permits to haul bulk refined oil will be charged \$1,600 for distances over 50 miles and up to 125 miles, and applicants will now be permitted to haul nonhazardous liquid glue for a fee of \$800.

Estimating new revenue, however, is difficult given there is no historical data available to use as a basis to forecast additional permits. The number of refined oil permits now issued under law for the shorter distances is known: 362 permits in the last two years. Of these permits, the highest mileage was 37 miles. The majority of permits issued were for only 14 miles, and some were as low as 2 miles. This gives us an indication that the number of permits for bulk refined oil over fifty miles is not likely to be a large number and will likely be well under 100 per annum. The unlikely scenario of 100 new bulk refined oil permits would bring in \$160,000. The House Committee on Transportation received information expressing interest on eleven potential routes, which, if applied for under this bill, would yield \$17,600 in revenue. It is not known, however, how many other business firms might have a similar interest.

There is no data at all for hauling nonhazardous liquid glue so it is not possible to forecast a reliable revenue estimate. The House Committee on Transportation received information expressing interest on two potential routes, which, if applied for under this bill, would yield \$1,600 in revenue. It is unknown how many other business firms might have a similar interest.

In conclusion, whatever the revenue for these two proposed permits turns out to be, no matter how insignificant, the revenue will exceed the negligible implementation costs to PennDOT.

The Department of Transportation and the House Committee on Transportation were consulted in preparation of this fiscal note.

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DATE: April 28, 2010

General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*