



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 736

PRINTERS NO. 1858 PRIME SPONSOR: Langerholc
AS AMENDED BY: A05577

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
Motor License Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: This legislation, as amended by A05577, allows drivers of vehicles bearing a farm vehicle license plate to deliver agricultural related commodities directly to a person's residence and allows passenger cars used exclusively for agricultural purposes to be considered a farm vehicle and consolidates the Combustible and Flammable Liquids Act into Title 75. This legislation would take effect in 60 days.

ANALYSIS: This legislation amends Title 75 (Vehicles) allowing for farm registered vehicles to transport milk and other agricultural products to a place of residence and allows passenger cars used exclusively for agricultural purposes to be considered a farm vehicle.

Provisions Related to Farm Vehicle Home Delivery: This legislation amends section 1344 (relating to use of farm vehicle plate) of Title 75 to allow a truck or truck tractor bearing farm vehicle registration plates to be used on highways between a farm or farms and place of residence for the purpose of buying or selling agricultural commodities or supplies, regardless of whether the vehicle is operated by the registrant of the vehicle or an employee of the registrant of the vehicle.

Provisions Related to Passenger Vehicles as Farm Vehicles: This legislation amends section 102 (related to definitions) of Title 75 to add passenger cars used exclusively for agricultural purposes to the definition of farm vehicle. To be considered a farm vehicle, the owners of these passenger vehicles would have to apply to PennDOT for a farm vehicle plate.

Combustible and Flammable Liquids Act: The legislation also consolidates the Combustible and Flammable Liquids Act (Act 15 of 1998) into Title 75 and repeals the original act. This legislation also increases the allowable maximum distance from the master control emergency shut-off device to the farthest fuel-dispensing device to no more than 350 feet from the existing 200 feet under current law.

FISCAL IMPACT: According to information provided by PennDOT, this legislation would result in a reduction in revenue to the Motor License Fund as additional vehicles would receive a reduced registration fee under this legislation. According to vehicle registration data provided, there are approximately 9,600 farm trucks or truck tractors utilizing farm vehicle registration plates, categorized into 25 separate weight classes.

The registration fees for most weight classes increase as vehicle weight increases, and the cost difference between a regular registration plate and a farm vehicle registration plate escalates accordingly. The total one-year cost difference between regular registration plates and farm vehicle registration plates for the approximately 9,600 farm vehicles currently registered is nearly \$2.4 million. Therefore, the average cost difference between a regular registration plate and a farm registration plate is \$250 annually. For every 100 vehicles used to buy or sell agricultural commodities at a place of residence for which the legislation authorizes the use of farm registration plates instead of regular registration plates, the Motor License Fund would realize \$25,000 less revenue, on average.

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House Appropriations Committee (R)

DATE: September 21, 2022

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