

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2340 - SB 2700

March 3, 2018

SUMMARY OF BILL: Authorizes permits issued by the Department of Transportation (TDOT) for overweight or over-dimensional loads to cover the operation of multiple vehicles transporting such loads, instead of a single permit covering each specific vehicle transporting such loads.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$1,136,400/Highway Fund

Assumptions:

- Based on information provided by TDOT, TDOT issued 3,833 annual overweight or over-dimensional load permits that generated a total of \$4,545,785 in state revenue to TDOT in FY16-17. These numbers are assumed to remain constant into perpetuity under current law.
- The cost of each permit varies based on weight and dimensions of the vehicle.
- Passage of this legislation will result in fewer permits being issued by TDOT. However, it is unknown the extent to which permit revenue to the Highway Fund will decline.
- Given that only one vehicle may operate under a permit at any given time under the provisions of this legislation, it is assumed that most businesses with larger fleets will continue to acquire multiple permits in order to maximize profitability.
- Seventy-five percent (75%) of permits issued under current law will continue to be issued under the provisions of this legislation.
- Twenty-five percent (25%) of permits issued under current law will no longer be issued under the provisions of this legislation.
- The recurring decrease in state revenue to the Highway Fund estimated to be \$1,136,446 (\$4,545,785 x 25%).

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CERTIFICATION:

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

Handwritten signature of Krista M. Lee in black ink.

Krista M. Lee, Executive Director

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