

Senate Bill 613 (Substitute H-1)
First Analysis (5-27-98)

Sponsor: Senator Bill Bullard, Jr.
House Committee: Appropriations
Senate Committee: Transportation and Tourism

THE APPARENT PROBLEM:

In July 1997, the legislature passed Senate Bill 581 (Public Act 80 of 1997) which required that owners of overweight and oversized trucks buy trip permits from the Department of Transportation. The rationale offered for the permits justified the permit fees as a way to offset the costly road damage done by overweight and oversized trucks. The specific fee for a multiple trip permit was set at \$100; the fee for a single trip permit at \$50. Since the fees were enacted, both truckers and regulators have noted that *oversized* trucks are not necessarily *overweight* trucks. An oversized truck may well present particular safety hazards on state and county roads, but if it is not overweight, the oversized truck does not inflict extraordinary road surface damage. Consequently, some have argued that permit fees for oversized trucks and those for overweight trucks be separated and treated differently. They argue that the fees for oversized (but not overweight) trucks should be reduced, and also that local permit fees for overweight trucks should be capped so that local fees cannot exceed those charged by the state.

In another matter, currently, many who own or finance vehicles for lease do not file with the secretary of state the names and addresses of those to whom they lease. Without this kind of information on record, law enforcement officials have been unable to locate violators of various laws in order to assess fines or prosecute crimes. There have been reports, for example, of lessees failing to pay for gas at the pump, accumulating many parking violations, or abandoning faulty vehicles on the roadside. When registration information is unavailable from the secretary of state, law enforcement efforts are slowed, or thwarted altogether. Some have argued for changes in the law that would require the owners of leased vehicles to provide the secretary of state with the names and addresses of the lessee(s) to whom the vehicle is registered.

In yet another unrelated matter, there has been some confusion as to whether certain vehicles (including funeral coaches, hearses, and public transit vehicles) have the authority to possess and use flashing, oscillating, or rotating lights during their operations. Historically, lights of this kind have been reserved for emergency and public safety vehicles. Some argue that additional vehicles should be equipped with these lights, and that these lights should vary in color depending on the kind of vehicle. For example, especially slow moving funeral vehicles in procession might be uniquely marked by purple and amber flashing lights, and public transit vehicles that operate when weather conditions are inclement and visibility is restricted might be marked with white flashing lights atop the vehicles.

Finally, the vehicle code contains general language authorizing people who hold a special permit to transport oversized loads. In addition, there is specific language authorizing particular kinds of oversize loads: telephone, telegraph, and electric poles; and, concrete pipe. Some have argued that the specific references to particular kinds of oversize loads are redundant and unnecessary and that the language should be eliminated from the code.

THE CONTENT OF THE BILL:

Senate Bill 613 would amend the Michigan Vehicle Code (MCL 257.217, 257.698, and 257.725) to revise provisions related to oversized and overweight truck permit fees, the registration of leased vehicles, the legal authority to equip vehicles with flashing, oscillating, or rotating lights, and the elimination of certain permits to transport oversized loads.

The bill would set new and reduced fees for *oversized* vehicles. Specifically, it provides that the Department of Transportation would charge \$15 for a single trip

and \$30 for a multiple trip permit for oversized, but non-overweight trucks, and that future increases would be tied to the rate of inflation. Currently the fees are \$50 and \$100, respectively. This subsection would take effect October 1, 1998. The bill also would cap the fees charged by local authorities for oversized but not overweight loads at a level that would cover the administrative costs of issuing the permit.

The bill also would amend current law for *overweight* vehicles by providing a fee of not more than \$100 and not more than \$50, respectively, for multiple trip and single trip special permit fees. Current law provides for \$100 and \$50 fees. Further, under the bill the permit fees charged for overweight vehicles by local jurisdictions would be rolled back to the level charged as of September 30, 1997. Local authorities would be allowed to increase their fees up to the maximum levels subject to a public meeting on the fee increase. The bill also would allow an exception to the cap by allowing local authorities already charging fees greater than the \$100 and \$50 maximum levels as of September 30, 1997 to maintain these fees, although further increases would be prohibited. The bill also would allow a jurisdictional authority to issue a special permit for a vehicle of a size or weight otherwise prohibited that is hauling farm machinery.

In addition, the bill would, beginning October 1, 1999, establish new reporting requirements for applicants registering a leased vehicle. Under the bill, applicants would be required to provide the lessee's name, the lessee's bona fide residence, and either of the following: if the lessee is an individual, the lessee's driver's license number or, if the lessee has no license, the lessee's permanent mailing address; if the lessee is a firm, association, or corporation, the lessee's business address.

Senate Bill 613 also would clarify that hearses, funeral coaches, and other vehicles in funeral processions have the legal authority to possess and use flashing, oscillating, or rotating purple or amber lights during funeral processions. It would allow a public transit vehicle to be equipped with a white light on the roof for use 1) at night during inclement weather when passengers are boarding or leaving the vehicle; and 2) when conditions hinder the visibility of the vehicle.

Finally, the bill would eliminate two subsections that authorize particular oversized and overweight loads when the transporters hold special use permits: one for oversized telephone, telegraph, and electric poles; and, another for oversized concrete pipes. The

permits are authorized elsewhere in the general provisions section of the statute.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, it is expected that the bill would decrease state revenues by about \$3.5 million per fiscal year by reducing the permit fees charged to oversized trucks from \$100 for extended annual permits and \$50 for single trip permits, to \$30 for extended annual permits and \$15 for single trip permits. Local revenue would also be decreased by an indeterminate amount due to the administrative cost cap imposed on local jurisdictional authorities for oversized loads.

The fiscal agency notes that the caps on overweight vehicle permit fees could decrease state and/or local revenues if the Department of Transportation and/or local units of government set actual fees at a level below the \$100 or \$50 levels prescribed in current law.

The fiscal agency notes that with regard to the new reporting requirements for leased vehicles, the new data collection and storage requirements could increase administrative costs.

Finally, with regard to the provisions that authorize flashing lights on certain slow-moving vehicles, and that eliminate the specific authorizations for certain oversized loads, the fiscal agency notes that these provisions would have no fiscal impact on the state or local units of government. (5-22-98)

ARGUMENTS:

For:

The fee increase for oversized trucks was too high, and has resulted in annual fee increases of more than \$20,000 for some general contractors, according to committee testimony. Although the costs of fees are usually passed on by the contractors to their clients, it has not been possible for construction contractors to recover all of their permit fees from their clients since the fee increases were imposed after some of the contractors' written contracts had been finalized.

For:

This bill distinguishes overweight loads from oversized loads, and would charge drivers more for the overweight vehicle permit than the oversized vehicle permit. Indeed, the bill reduces the oversize

load permit by more than half. This is a sensible distinction to draw, and the substantial reduction in the oversized vehicle permit fee is apt. The reduction in fees acknowledges that oversized loads do not damage road surfaces, and should not bear a special assessment for their repair.

Against:

This bill will cost the taxpayers \$3.5 million. When the legislature passed the transportation package, increasing both the gas tax and certain selected fees in July 1997, the members were fully aware that the fee increases for oversize and overweight trucks were substantial. The fees are also necessary. The fee revenue gives state taxpayers millions of dollars to maintain and construct roads, and it is fully in keeping with the state's policy of assessing user fees against vehicles that add damage to or provoke congestion on the highways. Not only is the revenue needed, the fees are fair and they should not be reduced.

For:

The bill would require the owners of leased vehicles to send the names and addresses of their lessees to the secretary of state who would keep the information in a computer file. The ready availability of this information will help law enforcement officials to identify (and perhaps to find) the drivers of leased vehicles more quickly.

For:

The provision of the bill that would allow for purple or amber oscillating lights on vehicles in funeral processions will help drivers to see slow-moving funeral processions and to reduce their speed and adjust their route. The provision that allows for a flashing or rotating white light on the roof near the rear of a public transit vehicle which passengers are entering or debarking will warn drivers to stop in poor visibility weather conditions, thereby better ensuring the safety of pedestrians and driver.

Response:

The vehicle code already allows for hearses or funeral coaches to have flashing, rotating, or oscillating amber lights. For safety purposes, authorizing purple lights is unnecessary.

For:

This bill would eliminate two superfluous sections of law. It would remove the provisions authorizing special oversize load permits for haulers of electric, telephone, and telegraph poles; and, for haulers of

concrete pipe. Both authorizations are allowed in the general provisions section of the vehicle code.

POSITIONS:

Michigan Department of Transportation does not oppose the bill. (5-20-98)

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.