

Legislative Analysis



MICHIGAN VEHICLE CODE: OVERWEIGHT VEHICLE PERMIT FEES

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House Bill 5452

Sponsor: Rep. Michael D. McCready

Committee: Transportation and Infrastructure

Complete to 4-28-14

A SUMMARY OF HOUSE BILL 5452 AS INTRODUCED 4-17-14

House Bill 5452 would amend Section 725 of the Michigan Vehicle Code to increase oversize/overweight vehicle permit fees. Generally, the bill would double oversize/overweight permit fees charged by the Michigan Department of Transportation.

CONTENT OF THE BILL:

A number of sections of the Michigan Vehicle Code, primarily Section 719 (MCL 257.716) through Section 726 (MCL 257.726) deal with vehicle size, weight, and load limitations. Section 725 authorizes the Michigan Department of Transportation with respect to state trunkline highways, and local road agencies with respect to roads under their jurisdiction, to issue permits allowing vehicles to exceed normal size, weight, or load restrictions under certain circumstances. The section also establishes and limits the related permit fees. House Bill 5452 would change these permit fees. Permit fees under current law and as proposed in House Bill 5452 are as shown below:

Oversize/Overweight Permit Fees; Section 725, Michigan Vehicle Code		
Dept. of Transportation (1)	Current Law	House Bill 5452
Oversize/Overweight (2)		
Single Trip	\$50.00	\$100.00
Multiple/Annual	\$100.00	\$200.00
Oversize Only		
Single Trip	\$15.00	\$30.00
Multiple/Annual	\$30.00	\$60.00
Local Jurisdictions (3)		
Oversize/Overweight (2)		
Single Trip	\$50.00	\$100.00
Multiple/Annual	\$100.00	\$200.00
Oversize Only		
Single Trip	Limited to administrative cost	No change
Multiple/Annual	(4)	
Notes:		
(1) For permits issued by the Michigan Department of Transportation, Section 725 prescribes the permit fee amounts: "The fee charged ... shall be...." Section 725 allows the department to increase permit fees once a year, by no more than the percentage increase in the urban consumer price index.		
(2). Vehicles that are Overweight or both Oversize and Overweight.		
(3) For permits issued by local road agencies, Section 725 establishes permit fee		

maximums: *“the fee charged ... shall be not more than....”* Section 725 does not provide for fee increases by local road agencies.
(4) Fees for permits related to movement of farm machinery are also limited to administrative cost.

FISCAL IMPACT:

In FY 2012-13, the Michigan Department of Transportation (MDOT) issued 105,244 oversize/overweight permits; total revenue associated with these permits totaled \$4.4 million. These figures are roughly the same as the three-year average for FY's 2010-11, 2011-12, and 2012-13 of 104,000 total permits and \$4.3 million in permit revenue. Revenue associated with permits issued by the Michigan Department of Transportation is credited to the State Trunkline Fund (STF).

House Bill 5452 would double MDOT oversize/overweight permit fees. We assume that doubling permit fees would effectively double STF permit fee revenue. Based on FY 2012-13 revenue, fee revenue would increase by \$4.4 million – from \$4.4 million to \$8.8 million total permit fee revenue.

We do not know the amount of permit fee revenue currently collected by local road agencies. House Bill 5452 would double maximum allowable local road agency permit fees for overweight vehicle permits and for permits for vehicles that are both oversize and overweight. The bill would not change the fees authorized for permits issued by local road agencies for vehicles that are oversized only; those fees are currently limited to administrative costs.

ADDITIONAL BACKGROUND INFORMATION:

The Michigan Department of Transportation and local road agencies have specific criteria for determining whether or not to issue a permit for a vehicle exceeding normal size, weight, or load limitations. Overweight permits are generally issued only when a load is not divisible into smaller loads, and when there is no other method of transport, such as rail or ship.

Permits establish conditions for the vehicle movement, such as the specific routes to be taken, speed limits, maximum permitted axle weights, and maximum load per square inch of tire. Overweight permits are not issued when seasonal weight restrictions are in force.

Note that a person applying for a permit to move a vehicle that exceeds normal size, weight, or load limitations must obtain a permit from each jurisdiction through which the vehicle will travel. A vehicle originating in another state with a destination in Michigan would also have to obtain necessary permits from the state of origin.

Section 725 was a part of the Michigan Vehicle Code as originally enacted in 1949. The section authorized the state highway department, county road commissions, and local authorities with respect to roads under their respective jurisdictions to issue permits for vehicles exceeding normal size, weight, and load limitations. The section authorized *"a reasonable inspection fee and such other security as may be deemed necessary to compensate for any damages caused by such [vehicle] movement."*

The language quoted above is largely retained in current law. However, 1997 PA 80 amended this section to establish specific statutory permit fees - \$50.00 for single trips and \$100.00 for multiple trips. Public Act 80 of 1997 was part of the 1997 transportation funding package that increased truck registration taxes as well as the motor fuel tax on gasoline.

Section 725 was again amended in 1998 by 1998 PA 247 which created separate (lower) permit fees for vehicles that were oversize only – as compared to vehicles that were overweight or both oversize and overweight. Public Act 247 also provided for different fees for permits issued by local jurisdictions as compared to permits issued by MDOT. Public Act 247 also provided a process for MDOT to increase permit fees without additional legislative authorization: fees could be increased once a year not to exceed the percentage increase of the urban consumer price index. The department has not increased permit fees since enactment of this 1998 amendment.

A March 2011 Audit of the Michigan Department of Transportation’s Real Estate Division by the Office of Auditor General, Audit Report 591-0172-10, recommended that the department review its fee structure for issuing transport permits to help ensure that fee revenues are sufficient to cover all related costs – including costs related to damage to roads and bridges caused by overweight vehicles.

All states have normal vehicle size, weight, and load limits. And all states provide for vehicles to operate in excess of those normal size weight limits through a permitting process. Michigan’s oversize/overweight permit fees appear to be lower than those of neighboring states.

Permits Issued by Michigan Department of Transportation

	FY 2012-13		
	Single trip	Annual	Total
Overweight	3,248	2,744	5,992
Oversized	56,547	2,252	58,799
Both Oversize/Weight	28,502	11,951	40,453
Total	88,297	16,947	105,244
Revenue			\$ 4,404,453
Average revenue			\$ 41.85

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■ 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.