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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/2007

SPONSOR Taylor LAST UPDATED 3/13/2007 HB 91/aHTRC

SHORT TITLE Oilfield Equipment Vehicle Permits SB _____

ANALYST Schuss

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Responses Received From

Energy, Mineral and Natural Resources Department (EMNRD)
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HTRC Amendment

The amendment adds that an oilfield equipment vehicle that obtains a multiple trip special permit will do so *pursuant to Section 66-7-413 NMSA 1978*. This section allows for the collection of fees for the special permits as well as escorts. The amendment provides that escorts will be private. Also, Subsection D has been eliminated which made the owner of a transport vehicle in excess of 140,000 pounds liable for any damages to a highway, street, road or bridge. Owners will now be subject to Sections 66-7-401 through 66-7-416 NMSA 1978. The provisions in these sections describe liability for damages, unlawful use of highways and penalties.

The amendment removes the provision that a multiple trip special permit will be issued in lieu of any other excessive size or weight permit required by the Motor Vehicle Code.

Synopsis of Original Bill

House Bill 91 amends the Motor Vehicle Code to authorize the issuance of "multiple trip special permits" for oilfield equipment transport vehicles to transport oversized loads up to 22 feet in width, 20 feet in height and 110 feet in length, and up to 140,000 pounds gross weight.

Vehicles operating with permits that the bill authorizes may not be operated on roads where stricter limitations are required by federal law, or on roads identified by the department of

transportation as having deficient bridge structures. The bill also provides that if an oilfield equipment transport vehicle transports a load in excess of 140,000 pounds gross weight, the owner of that vehicle is liable for any resulting damages to roads or bridges.

FISCAL IMPACT

The Taxation and Revenue Department reports that the Motor Transportation Division estimates approximately 1,000 permits are issued to the vehicles described in the bill annually, at a cost of \$250 each. Special Trip Permit revenues are distributed to the Road Fund. Since the bill does not contain any provisions for fees or escort costs, the fees that are currently being collected would be eliminated.

SIGNIFICANT ISSUES

The following provisions are in addition to the specified size requirements:

- any load wider than twenty feet and higher than eighteen feet must have a state police escort and a survey of the route for clearance of any overhead structures and width clearances prior to undertaking the move;
- the gross weight of the loaded vehicle must be less than 140,000 pounds;
- the vehicle must be marked on the front and the rear with “OVERSIZED LOAD”;
- the vehicle must not be operated on highways for which a more strict size or weight limitation is required by federal law;

ADMINISTRATIVE IMPLICATIONS

HB 91 could have an impact on the Department of Public Safety, if there are several multiple trip special permits that require a state police escort.

TECHNICAL ISSUES

According to the Taxation and Revenue Department permitting of oversize vehicles is currently governed by Section 66-7-413 of the Motor Vehicle Code. It appears that the current bill would be better as an amendment to that section. This would insure that the fees and other regulatory requirements of that section would continue to apply to these vehicles.

OTHER SUBSTANTIVE ISSUES

The Taxation and Revenue Department notes that the bill specifically gives the exemption to oil field equipment and discriminates against other industries that transport oversize equipment to a designated location. Sand & gravel plants, asphalt plants and batch concrete plants are frequently moved large equipment that makes multiple trips to a specific destination.