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[HF 2518](#) – Cranes, Annual Permit (LSB5556HV)  
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Fiscal Note Version – New

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**Description**

[House File 2518](#) amends Iowa Code section [321E.7](#) that would allow cranes with a single axle load not exceeding 24,000 pounds to be eligible for any type of permit, including annual permits. Under the Bill, annual permits for cranes cost \$400.

**Background**

Under current law, cranes being temporarily moved on streets, roads, or highways are exempt from the provisions of Iowa Code section chapter [321E](#) (vehicles of excessive size and weight), which generally limits the gross weight on any one axle of a vehicle or combination of vehicles, including such vehicles traveling under any permit issued under Iowa Code chapter 321E, to 20,000 pounds. Each single-trip permit under current law costs \$35, and a single-trip permit must be purchased each time a crane is moved.

Cranes being temporarily moved on streets, roads, or highways are provided with single-trip permits through the Department of Transportation’s (DOT) administrative rules for cranes with a single axle load that does not exceed 24,000 pounds.

To be eligible for the other permits included in Iowa Code section 321E.7, cranes must still conform to the vehicle dimensions and other requirements that are currently set forth in the law for those permits.

**Assumptions**

- The cost-benefit of the annual permit does not apply to those who intend to purchase single-trip permits 11 or fewer times per year. An individual who intends to purchase 12 or more single-trip permits in a year will choose to purchase the annual permit, as it would be less expensive per year.
- In 2019, 167 customers purchased single-trip permits for cranes.
- The Bill will eliminate revenue from annual permits that totals \$134,000. This estimate assumes the following:
  - On average in 2019, 38 of the 167 customers purchased more than 11 single-trip permits for cranes. These 38 customers owned an average of 4 cranes per customer.
  - Of the 38 customers who purchased more than 11 single-trip permits for cranes, 29 customers purchased an average of 20 single-trip permits for cranes.
  - The 9 highest-volume customers purchased an average of 42 single-trip permits for cranes.
  - The highest-volume customer purchased an average of 64 single-trip permits for cranes.
  - If all 38 customers who purchased more than 11 single-trip permits for cranes on average chose to purchase the annual permit for 4 cranes each per year, the total amount of revenue collected would be approximately \$61,000 annually (38 customers times 4 cranes times \$400 per permit).
  - If 29 out of the 38 customers mentioned above purchase an average of 20 single-trip permits for 4 cranes each per year, the total amount of revenue collected would be

approximately \$82,000 annually (29 customers times 4 cranes times 20 permits times \$35 per permit).

- If the 9 highest-volume customers purchase an average of 42 single-trip permits for 4 cranes each per year, the total amount of revenue collected would be approximately \$53,000 annually (9 customers times 4 cranes times 42 permits times \$35 per permit).
- There is also an estimated annual cost of \$2,000 in order to update the embargo map, which displays the weight and travel limits of Iowa's infrastructure.
- There is also an estimated \$40,000 payment to a vendor in order to cover a one-time increase in cost for DOT operations.

### **Fiscal Impact**

House File 2518 is estimated to reduce net revenue to the Road Use Tax Fund (RUTF) by \$73,000 annually. The annual trip permit for cranes will result in \$61,000 in revenue while eliminating single-trip permits will reduce revenue by \$134,000. There is also a one-time cost of \$40,000 and estimated annual cost of \$2,000 for the DOT.

### **Sources**

Department of Transportation, Motor Vehicle Division  
Department of Transportation, Bridges and Structures Bureau  
Iowa Online Permitting System

/s/ Holly M. Lyons

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March 3, 2022

Doc ID 1288033

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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