



[SF 2376](#) – Overweight Vehicle Permits (LSB6202SZ.1)
Staff Contact: Danielle Beavers (515.725.1286) danielle.beavers@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[Senate File 2376](#) amends Iowa Code section [321E.3](#) by creating a second all-systems permit for vehicles of excessive weight. The new permit allows vehicles of legal dimensions with indivisible and divisible loads to have a total gross weight of up to 90,000 pounds.

The Bill establishes a fee of \$500 for the new 90,000-pound all-systems permit. Revenue from the fee will be deposited in the Road Use Tax Fund (RUTF), and 75.0% of revenue from the fee will be credited to the Department of Transportation (DOT). The DOT will distribute the moneys to counties that have jurisdiction over secondary roads on which vehicles issued permits under Iowa Code section [321E.8](#) are authorized to operate. The moneys distributed to the qualifying counties will be used to inspect, maintain, repair, or construct bridges on the counties' secondary roads.

Every county will be required to authorize vehicles permitted under Iowa Code section 321E.8 to operate on certain secondary roads by July 1, 2025. All counties are required to indicate to the DOT in writing, which may include electronic communication, on which secondary roads a permit under Iowa Code section 321E.8 is not valid.

The new permit prohibits interstate travel if already prohibited with a current all-systems permit under Iowa Code section 321E.8. The effective date of the Bill is January 1, 2023.

Background

Under current Iowa Code section [321.463](#), vehicles are allowed a gross maximum weight that is based on the highway on which the vehicle is traveling, the number of axles on the vehicle, and the distance between the axles on the vehicle. The maximum gross weight of vehicles allowed on all highways is generally limited to 80,000 pounds. Commercial motor vehicles that have 6 or 7 axles are allowed a maximum gross weight of 96,000 pounds, limited to only noninterstate highways.

Vehicles may exceed the maximum gross weights under Iowa Code section 321.463 when issued a single-trip, multi-trip, or annual permit for vehicles of excessive size and weight under Iowa Code chapter [321E](#). Permits for excessive weight and size are issued by the DOT for vehicles traveling on primary highways, primary road extensions in cities that conjoin with the rural primary road system, and secondary roads or city streets when requested by a local authority. Permits are also issued by local authorities for streets and highways that are under their jurisdiction.

The fee for an annual all-systems permit is \$160, and the permit may be issued by the DOT for vehicles with a maximum gross weight of 80,000 pounds. The permit is valid for travel on State highways and on streets or highways that have been indicated as valid all-systems permit roads by local authorities.

In addition to the permits that are currently available, the Governor typically issues proclamations during the harvest season that allow agricultural commodities to be transported in excess of maximum weight limits. Senate File 2376 allows trucks to travel at weights up to 90,000 pounds during the harvest season with divisible and indivisible loads, which mirrors previously issued harvest proclamations.

Assumptions

The difference in revenue collected from single-trip permits (\$35 per trip) under current law and annual trip permits (\$500) under proposed law is shown in **Table 1**.

Table 1

	Current Law		Proposed Law		Current vs. Proposed Law
	Permits	Revenue	Permits	Revenue	Revenue Difference
Single-Trip Permits	4,364	\$ 152,740	2,035	\$ 71,225	\$ -81,515
Annual Trip Permit	0	0	3,478	1,738,955	1,738,955
Total	4,364	\$ 152,740	5,513	\$ 1,810,180	\$ 1,657,440

- Customers interested in the new permit under the Bill for indivisible loads will be the customers who currently apply for single-trip permits for loads that are between 80,000 and 90,000 pounds.
- The DOT issued 4,364 single-trip permits for loads between 80,000 and 90,000 pounds in 2021, totaling \$153,000 in revenue.
- The cost of a current single-trip permit is \$35 per trip.
- The cost of the new annual permit under the Bill is \$500.
- The new all-systems permit will only be cost-effective to customers who currently order more than 14 permits in a year for indivisible loads.
- There were 47 customers who ordered 14 or more single-trip permits in 2021. These 47 customers ordered a total of 2,329 single-trip permits.
- The Iowa Automated Permitting System will need to be updated to implement the new all-systems permit, which will require a one-time cost to the vendor.
- Primarily farm trucks will utilize the new all-systems permit for divisible loads, following similar patterns of usage under governors’ harvest proclamations. The DOT issued 14,917 farm special registration permits in calendar year 2021. If the same volume of trucks that utilize the farm special registration permit purchase the new all-systems permit for divisible loads under the Bill, the Bill is estimated to generate \$7.5 million in total revenue, given that all 99 counties in Iowa participate.
- Under current law, 23.0% of Iowa counties fully participate in the all-systems permit. If the participation rate under Senate File 2376 reflects the same rate under current law, estimated revenue from the new all-systems permit will be \$1.7 million to the RUTF, with \$1.3 million (75.0%) credited to the DOT to be distributed to qualifying counties and \$425,000 (25.0%) to the RUTF.
- Counties maintain 19,440 bridges and cities maintain 1,209 bridges.
- The cost to evaluate bridges for increased axle weights is estimated at \$500 per bridge. The DOT assumes that all 99 counties will need to have all of their bridges rerated at a cost of \$500 per bridge. Heavier vehicles cause more damage to roads and bridges, especially in the spring when the pavement is more prone to be wet and more vulnerable to heavier moving traffic.

Fiscal Impact

Senate File 2376 is estimated to increase net revenue to the RUTF by \$425,000 per year and increase revenue to the DOT for the distribution to counties by \$1.3 million per year. The DOT's Motor Vehicle Division (MVD) estimates a one-time cost of \$40,000 to pay the vendor to update the programming of the Iowa Automated Permitting System. There is also a one-time estimated cost of \$8,000 to create a new embargo map for the new permit type under the Bill, and an ongoing yearly cost of \$2,000 to update the map.

The DOT estimates that there would be significant but unknown repair costs to the State highway system, as increased vehicle weights are predicted to accelerate wear on the pavement and bridges. The DOT estimates a one-time expense of \$10.3 million among all 99 counties in order to evaluate bridge infrastructure. Expenses may be incurred over a number of years beginning in FY 2023.

Sources

Department of Transportation, Motor Vehicle Division
Department of Transportation, Construction and Materials Bureau
Department of Transportation, Bridges and Structures Bureau
Department of Transportation, Local Systems Bureau

/s/ Holly M. Lyons

June 24, 2022

Doc ID 1292101

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.

www.legis.iowa.gov