

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 203

(Chair, Judicial Proceedings Committee, *et al.*) (By
Request - Departmental - Transportation)

Judicial Proceedings

Environment and Transportation

Vehicle Laws - Exceptional Hauling Permits for Farm Products

This departmental bill simplifies and modifies the requirements for, and permissions associated with, exceptional hauling permits issued by the State Highway Administration (SHA) to haul farm products.

Fiscal Summary

State Effect: SHA can implement the bill using existing budgeted resources. While highway system preservation and maintenance costs may be affected, as discussed below, any such impact is likely minimal. Transportation Trust Fund (TTF) revenues increase beginning in FY 2026 to the extent the bill results in additional applications for exceptional hauling permits, as discussed below; any such impact is not anticipated to be significant.

Local Effect: Highway preservation and maintenance costs may be affected, as discussed below. Revenues are not affected.

Small Business Effect: The Maryland Department of Transportation (MDOT) has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: Regarding the requirements for and permissions associated with exceptional hauling permits, the bill:

- authorizes vehicles using a permit and carrying fluid milk products to travel on the interstate highway system;

- simplifies and modifies permit eligibility to allow SHA to issue a permit for a combination of vehicles that (1) carry farm products that are loaded in fields, from bulk liquid milk storage tanks at one or more farm locations, or in other off-highway locations; (2) only carry farm products; and (3) have an axle configuration of five or six axles with specified spacing requirements between axles, including tandem axles;
- simplifies and modifies the weight restrictions for permit holders using vehicles with multiple axles to a maximum gross weight of (1) 20,000 pounds on a single axle; (2) 40,000 pounds for any tandem axle; (3) 88,000 pounds for a combination of vehicles with five axles; or (4) 95,000 pounds for a combination of vehicles with at least six axles;
- eliminates load limit tolerances for weight;
- modifies what each person must have in their possession while operating a combination of vehicles under the authority of an exceptional hauling permit to allow an electronic copy of the exceptional hauling permit for a vehicle, requires specified proof of inspection documents in addition to what is required by current law, and applies the current inspection documentation requirement (which is slightly altered under the bill) to permitted vehicles exempt from specified inspections;
- authorizes, instead of requires, SHA to revoke a permit for a violation of the permit weight restrictions;
- makes a series of changes to specify that certain record keeping requirements apply to both a permit holder and a motor carrier that may be hired by the permit holder, instead of facilities that receive farm products; and
- specifies that, if a permit holder or motor carrier fails to comply with the record keeping requirements, SHA may suspend the eligibility of the permit holder or motor carrier to obtain additional permits.

Current Law:

State Highway Administration and Exceptional Hauling

SHA is responsible for more than 5,200 miles or approximately 16,800 lane miles of road, 2,500 bridges, 3,500 small stream crossing structures, and 80 miles of sound/noise barriers in the State. It also has responsibility for planning, designing, constructing, and maintaining these roads and bridges to safety and performance standards while considering sociological, ecological, and economic concerns. SHA must construct, reconstruct, and repair State highways as necessary and maintain them in good condition.

SHA is authorized to issue an exceptional hauling permit for a combination of vehicles that carries farm products, other than milk, that meet specified loading process and axle configuration requirements. “Farm product” means any agricultural, horticultural,

vegetable, or fruit product of the soil, including livestock, meats, marine food products, poultry, eggs, dairy products, wool, hides, feathers, nuts, honey, and every product of farm, forest, orchard, garden or water, but does not include canned, frozen, dried, or pickled products. There are additional requirements for carrying raw liquid milk, including additional specifications for the axle configuration on the vehicles used to transport the product and the time of year during which the permit may be utilized.

An applicant for a permit must pay, to SHA, a nonrefundable fee of (1) \$250 for the issuance of a new annual permit or annual renewal; (2) \$30 for the issuance of a 30-day permit; (3) \$1,000 for the reinstatement of a permit that was revoked as a result of failure to comply with permit weight restrictions for a first violation; or (4) \$5,000 for the reinstatement of a permit that was revoked as a result of failure to comply with permit weight restrictions for a second or subsequent violation within the prior 24 months. Permit fees accrue to TTF.

Exceptional Hauling Permit Restrictions and Requirements

Unless allowed by federal law, an exceptional hauling permit issued by SHA is not valid on the interstate highway system. A combination of vehicles under the authority of a permit must comply with the following weight limits:

- a maximum of 20,000 pounds gross weight on a single axle;
- for any consecutive axle configuration of two or more axles on individual vehicles in the combination, specified maximum weight limits ranging from 34,000 pounds to 80,000 pounds based on the axle configuration; and
- a true maximum of 87,000 pounds, 88,000 pounds, or 95,000 pounds gross weight for specified vehicles based on the number of axles and whether the vehicle is carrying milk or other farm products.

Additionally, vehicles covered by a permit must (1) twice each year, submit to and pass a specified driver/vehicle inspection and (2) be allowed a specified load limit tolerance.

While operating a combination of vehicles under the authority of a permit, a person may not violate a highway restriction issued by a competent authority, operate the combination of vehicles on the interstate highway system, operate the combination of vehicles if specified tire weight rating or tire speed restrictions are exceeded, or fail to comply with the terms and conditions of the exceptional hauling permit.

Required Documents and Record Keeping

While operating a combination of vehicles under the authority of an exceptional hauling permit, a person must possess the original exceptional hauling permit issued for the vehicle

and, for each vehicle in the combination of vehicles, a copy of the required inspection report issued within the preceding 180 days that shows no out-of-service violations.

On request by SHA or the State Highway Administrator's designee, weight and delivery records of the permit holder that are kept in the normal course of business must be provided by either the permit holder or a facility that receives farm products delivered by a vehicle operating under the authority of a permit. If the permit holder or facility does not comply, SHA may suspend the permit and prohibit a vehicle from delivering farm products under the authority of a permit to the noncompliant facility.

Violations

A violation of the statutory or regulatory requirements governing exceptional hauling permits (1) voids the authority granted by the permit; (2) subjects the vehicle to all standard weight requirements and tolerances specified by State law; and (3) subjects the permit to immediate confiscation under specified circumstances.

A person who confiscates a permit must immediately notify SHA. SHA must then review the confiscation, verify the violation of the weight restriction, and, if SHA determines a violation did occur, revoke the permit. The revocation may be appealed, as specified.

Background: MDOT advises that the current administrative requirements for the exceptional hauling permit for farm products are excessively burdensome and, in some cases, difficult to enforce. By simplifying the requirements, MDOT anticipates increased voluntary use of and compliance with the permits within the agricultural industry, allowing better documentation of routes and regional usage for SHA as well as ease of enforcement.

State Revenues: MDOT advises that the simplified and streamlined permitting processes established by the bill may result in an increase in permit applications as some individuals and businesses that avoid the current, more burdensome permitting process begin to voluntarily comply with the law.

Thus, TTF revenues increase to the extent the bill results in additional permit applications as the permit fees are collected. While the magnitude of the impact depends on the increase in applications, which cannot be reliably estimated at this time, the total increase in revenues is not anticipated to be significant. Revenues may also be affected due to the bill's elimination of load limit tolerances for weight and the authorization, rather than requirement, for revocation of a permit.

State/Local Expenditures: According to the [Federal Highway Administration](#), the amount of infrastructure damage to a highway or bridge caused by an overweight vehicle

is geometrically larger than the weight increase; for example, an increase of 2,000 pounds from 18,000 pounds to 20,000 pounds causes 50% more damage to the pavement.

By simplifying and modifying the weight limits and eliminating load tolerances, the bill could either increase or decrease the average weight of vehicles using exceptional hauling permits. Heavier vehicles cause additional wear and tear damage to State and local highways and roadways over time, which could result in additional maintenance and repair required, while lower weight vehicles cause less of that type of damage. Thus, although the bill may affect maintenance costs for highways and roadways, particularly in the long term, the direction and magnitude of the impact, if realized, cannot be reliably estimated and the overall impact is likely minimal.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 225 (Chair, Environment and Transportation Committee)(By Request - Departmental - Transportation) - Environment and Transportation.

Information Source(s): Maryland Department of Transportation; Maryland Department of Agriculture; Department of State Police; Federal Highway Administration; Department of Legislative Services

Fiscal Note History: First Reader - January 13, 2025
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Vehicle Laws - Exceptional Hauling Permits for Farm Products

BILL NUMBER: SB 203

PREPARED BY: Duane Pearce, SHA OOTS, Motor Carrier Division

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

A simplified approach to the administrative requirements will benefit in at least two ways:

- 1) Industry will increase voluntary compliance and apply for more permits instead of avoiding the burdensome mandates and the permit process altogether; and
- 2) Enforcement will find it less challenging to evaluate and determine violations of the statute, encouraging more compliance screening of permittees.

Limited increase of gross weights per commodity loaded will serve to reduce highway trips (fuel consumption, emissions) and heavy truck traffic, especially in the agrarian areas of Maryland. The agricultural industry could experience a beneficial economic impact. SHA would realize an increase of permit applications with a streamlined eligibility process that would result in increased infrastructure and highway forecast data obtained, permit fees collected, and voluntary compliance.