



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

ERIC BOYETTE
SECRETARY

October 1, 2020

Joint Legislative Transportation Oversight Committee Members
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, North Carolina 27601

SUBJECT: Oversize/Overweight Permit Program Revenue Review

In accordance with G.S. 20-119(e):

It is the intent of the General Assembly that the permit fees provided in G.S. 20-119 shall be adjusted periodically to assure that the revenue generated by the fees is equal to the cost to the Department of administering the Oversize/Overweight Permit Unit Program within the Division of Highways. At least every two years, the Department shall review and compare the revenue generated by the permit fees and the cost of administering the program, and shall report to the Joint Legislative Transportation Oversight Committee created in G.S. 120-70.50 its recommendations for adjustments to the permit fees to bring the revenues and the costs into alignment.

Permit fees generated for FY 2018	\$8,563,717
Budget expenditures for OSOW 2018	\$830,728
Permit fees generated for FY 2019	\$8,759,010
Budget expenditures for OSOW 2019	\$922,052
Permit fees generated for FY 2020	\$8,536,377
Budget expenditures for OSOW 2020	\$1,089,228

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	FY2018	FY2019	FY2020
Summary of permit fees for Single Trip permits, by # dimensions			
1 dimension	\$645,024	\$668,724	\$636,216
2 dimension	\$1,290,432	\$1,607,016	\$1,553,304
3 dimension	\$2,021,652	\$1,694,304	\$1,734,660
4 dimension	\$353,952	\$147,360	\$143,136
Summary of permit fees for Annual permits, by load type			
Mobile Home	\$78,400	\$84,000	\$94,200
Other	\$1,671,900	\$1,727,200	\$1,717,200
Summary of permit and application fees for Superload permits			
Permit Fees	\$1,048,871	\$1,208,337	\$1,127,310
Application Fees	\$658,700	\$812,200	\$725,800
Summary of Transmittal Fees by permit type			
Single Trip	\$764,912	\$773,045	\$771,953
Superload	\$29,874	\$36,824	\$32,598
Total Fees for all fee type	\$8,563,717	\$8,759,010	\$8,536,377

Recommendations to the Oversight Committee:

The current fee structure meets the requirements of the G.S. 20-119 and no fee increase is needed at this time to meet the cost of administrating the program.

The North Carolina OSOW Fee structure is very low compared to most states in our region. While we are not recommending a fee increase for the current program, expanding the allowable uses of the fees could provide flexibility in meeting infrastructure needs and a direct benefit to the oversize and overweight transportation industry.

An example of such a use of the oversize and overweight fees would be raising low clearance bridges on Interstate 95 that require larger loads to exit the highway, navigate through smaller less conducive streets, then re-enter the interstate. The cost to raise the bridges has mostly been absorbed as the bridges age out and has taken many decades; however, several low bridges remain on I-95. A program of this type would likely help reduce maintenance costs on the smaller primary and secondary roads by keeping more of larger heavier loads on the main highways. There are other examples across the state where use of these targeted funds would directly correlate with damage caused by and needs of the industry paying the fees. The Transportation Mobility and Safety Division can further explore these opportunities if desired.

The current use of the excess permit fees is for highway and bridge maintenance across the 14 highway divisions. Any changes to the fees or how these fees are used would require changes to G.S. 20-119.1.

Sincerely,

J. Kevin Lacy, PE
State Traffic Engineer
Director, Trans. Mobility & Safety Division

Benjamin T. Hinnant
Director
Oversize/Overweight Permit Unit

JKL:sh

cc: J. Eric Boyette, Secretary of Transportation
Johanna H. Reese, Deputy Secretary for Intergovernmental Affairs
Timothy Little, PE, Chief Engineer