



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0480	Title:	Increase the maximum speed limits, including trucks
Primary Sponsor:	Miller, Mike	Status:	As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$401,908	\$5,574	\$0	\$0
Federal Special Revenue	\$60,663	\$50,168	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 480 increases the maximum speed limit on federal-aid interstate highways from 75 MPH to 80 MPH. Implementation of the bill will require the Montana Department of Transportation (MDT) to collect and analyze safety data or recalibrate existing safety data and update engineering plans for proper placement of curve warning signs only on the interstate highway system and replace existing speed zone signs. There would also be some effect on state and county fine revenues

FISCAL ANALYSIS

Assumptions:

Department of Transportation (MDT)

- MDT's construction engineering staff will recollect and recalibrate safety data for the Butte and Missoula districts for highway curve warning sign placement and make changes to current curve sign locations for projects already designed and constructed.
- Engineering staff working on the highway construction projects in the Great Falls, Glendive, and Billings districts can recalibrate highway project data and incorporate that data into construction engineering plans to ensure curve warning signs are placed in the proper location initially.

3. Highway design manuals will require updating to address the change in speed.
4. Existing advance warning signs, including intersection ahead, speed zone ahead, steep grade signs, etc. would need to be adjusted to the new advance warning distance for the posted speed. This impact is difficult to quantify.
5. MDT has approximately 500 interstate speed limit signs each for passenger vehicles and trucks as well as 1,000 speed limit signs on the other highways.
6. The construction program will incur \$36,562 for engineering personal services costs in FY 2016 and \$30,665 in FY 2017. Operating costs are \$30,841 for FY 2016 and \$25,077 in FY 2017 which includes leasing electronic curve data devices in FY 2016 at \$5,000.
7. The MDT Maintenance Division assumes that the current posts used for the current signs will be reused for the new signs. Both the passenger vehicle and truck interstate speed limit signs will be changed at the same time since they are mounted on the same post.
8. Interstate sign replacements will generally take longer to make and install, as well as require additional equipment due to their size. The total cost of labor, equipment, and material for interstate signs will be approximately \$517.09 per sign.
9. The total cost of labor, equipment, and material will be approximately \$136.62 per sign for all non-interstate speed limit signs.
10. It is assumed that MDT maintenance can make and install all 2,000 signs during FY 2016. The total estimated cost for sign replacement is \$390,168.

Department of Justice

11. There will be some effect on fine revenues due to the increase in the speed limit (e.g. citations issued for traveling between 76 and 80 MPH would no longer be a citation), however the agency is unable to determine the impact. Fine revenue from citations issued by Montana Highway Patrol officers is split 50% to the state general fund and 50% to the county in which the citation was issued.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$36,562	\$30,665	\$0	\$0
Operating Expenses	\$198,833	\$25,077	\$0	\$0
Equipment	\$227,176	\$0	\$0	\$0
TOTAL Expenditures	\$462,571	\$55,742	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$401,908	\$5,574	\$0	\$0
Federal Special Revenue (03)	\$60,663	\$50,168	\$0	\$0
TOTAL Funding of Exp.	\$462,571	\$55,742	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$401,908)	(\$5,574)	\$0	\$0
Federal Special Revenue (03)	(\$60,663)	(\$50,168)	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

1. Will require minimal investment by individual counties for replacing speed signs (materials & labor).
2. There will be some effect on fine revenues due to the increase in the speed limit (e.g. citations issued for traveling between 76 and 80 MPH would no longer be a citation), however the agency is unable to determine the impact. Fine revenue from citations issued by Montana Highway Patrol officers is split 50% to the state general fund and 50% to the county in which the citation was issued.

Sponsor's Initials

Date

Budget Director's Initials

Date