

OFFICE OF FISCAL ANALYSIS

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sHB-5255

AN ACT CONCERNING RECOMMENDATIONS BY THE DEPARTMENT OF TRANSPORTATION.

As Amended by House "A" (LCO 5781)

House Calendar No.: 273

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Revenue Gain	See Below	See Below
Department of Transportation	TF - Cost	See Below	See Below
Treasurer, Debt Serv.	TF - Potential Cost	See Below	See Below
Department of Transportation	Transportation Grants and Restricted Accounts Fund - Revenue Gain/Cost	400,000	400,000
Resources of the Special Transportation Fund	TF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund; TF=Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 23 \$	FY 24 \$
Various Municipalities	Revenue Gain	See Below	See Below

Explanation

Section 1 prohibits parking within 25 feet of any marked crosswalk, expands certain exceptions related to this prohibition and, to the extent additional violations occur, results in a revenue gain to both the municipalities in which these violations occur and to the state. The base

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4/29/22

fine is remitted to municipalities and a surcharge is deposited to the General Fund. In FY 20, 1,455 violations of the current statute resulted in total fine revenue of \$191,196.

Section 2 allows the Department of Transportation (DOT) to change speed limits on limited access highways during a weather event or emergency provided the Department installs electronic signs indicating such speed limit.

The costs of variable speed limit systems (which can include electronic and static signage, roadway sensors, and related infrastructure) varies considerably depending on the number and complexity of the systems. Based on other states' experiences, it is expected that a fully built out site (consisting of approximately 8 signs and related infrastructure) could cost up to \$1.5 million in first year capital and operating costs. Ongoing operating costs would likely be less than \$1 million in this example but would depend on implementation and decisions made by DOT.

To the extent DOT exercises this authority and that the capital costs of the systems are paid for using existing Special Tax Obligation (STO) bonds, future Special Transportation Fund (STF) debt service costs may be incurred sooner under the bill. This is dependent on the degree that the bill causes STO bond funds to be expended, or to be expended more rapidly than they otherwise would have been.

Further, installation of these systems is potentially eligible for federal reimbursement at between 80%-90% but would depend on the specifics of the project and, ultimately, on availability of funds and approval by U.S. DOT.

Sections 5 through 8 make various changes to DOT's contracting procedures and are not expected to have a fiscal impact.

Section 11 increases the fee for an electronically transmitted oversize/overweight permit from \$5 to \$12 and imposes a new engineering analysis fee on vehicles above 200,000 pounds. This section

is expected to result in additional annual fee collections of approximately \$400,000. Collections are deposited into the Transportation Grants and Restricted Account Fund and are used to support costs for the permitting system, resulting in an equal amount of spending.

Section 15 authorizes truck platooning in the state under certain conditions, including approval of a plan by DOT. Violations of this section are subject to a fine of between \$100 and \$150, resulting in a potential minimal revenue gain to the STF (base fine) and to the municipalities in which violations occur (surcharge).

Section 16 increases the fine for encroachment without a permit from \$100 to between \$2,000 to \$5,000 for each day of encroachment and results in potential revenue gain to the General Fund. Encroachment penalties have rarely been imposed under current law.

Section 503 requires DOT to establish a two-year microtransit pilot program and authorizes the Department to enter into agreements with third parties to provide such services. The fiscal impact of this section will depend on the scope of the pilot and whether any federal or local funds are available as a cost share. Based on prior experience in the state, it is expected that a local or regional pilot could cost up to \$200,000 each year.

Section 505 results in a revenue gain to municipalities that choose to adopt ordinances penalizing drivers who violate noise ordinances. Any revenue gain would depend on the number of fines issued and the number of speakers forfeited and sold at auction.

Section 506 freezes, beginning in FY 25, the amount of funding provided to urban-area transit districts by DOT at FY 24 levels and is not expected to have a fiscal impact. This section also requires DOT, beginning in FY 25, to establish a grant program for urban-area transit districts to expand services and promote regionalization. The bill does not provide a funding source or amount for the program. To the extent that funds are made available to the program, there would be a potential

cost to the state and a potential revenue gain to grant recipients beginning in FY 25.

Section 507 requires DOT, on and after October 1, 2023, to develop and maintain a mobile application to integrate real-time information about transit district services and to provide trip planning services. To the extent that DOT does not have the requisite expertise, there will be a one-time cost to develop the application and minimal ongoing costs for maintenance.

Section 508 requires DOT to issue a request for proposal (RFP) for the sale or offer of goods within the highway right-of-way at a location specified in the bill. There is no cost to the state in issuing an RFP, but to the extent a sale is made there is a potential revenue gain from sale proceeds.

The other sections of the bill are technical, make conforming changes, or otherwise do not have a fiscal impact to the state.

House "A" alters the original bill by eliminating the prohibition, and associated fine, on open alcoholic containers in the passenger compartment of most motor vehicles operating on a public road, resulting in a revenue loss to the GF as compared to the original bill. House "A" also adds section 501 through 509 to the original bill; the fiscal impact of those sections is described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of violations, the scope and cost of any variable speed limit systems implemented by DOT, the terms of any bonds issued, and as otherwise described above.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.