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Report Highlights

Truck Permitting Fees in Louisiana and Neighboring States

Department of Transportation and Development (DOTD)

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Why We Conducted This Review

This informational review evaluated Louisiana's truck permitting fees, how these fees compare to neighboring states, and how changes to fees can impact state transportation revenues. Primarily, the purpose of truck permitting fees are to pay for any road and infrastructure damages caused by overweight and oversized trucks. Research shows that heavy-trucks (five or more axles) have a much larger impact on pavement maintenance costs than light trucks or passenger cars.

What We Found

We answered the following questions:

Question 1: *What types of truck permits does DOTD issue, and what are permit fees used for?*

DOTD issues 31 different types of truck permits through the LaGeaux system. These types of permits include permits for overweight and oversized trucks. In fiscal year 2024, DOTD issued 197,217 permits and collected \$33.8 million in revenues. Primarily, the purpose of permit fees is to pay for any road and infrastructure damages caused by overweight and oversized trucks.

Question 2: *How do Louisiana's truck permitting fees compare to neighboring states?*

Of the four most common permit types we evaluated, two—oversize single-trip and overweight annual—were lower than neighboring states, while the other two—overweight single-trip and oversize annual—were comparable. Louisiana's oversize single-trip permit cost is \$10, where Texas' is \$61.61, Arkansas is \$17, and Mississippi's ranges from \$10-\$35. Louisiana's overweight annual permit fee is \$2,500, where Texas' is \$4,090.26, and Mississippi's is \$4,500. Arkansas does not have this permit type.

Question 3: *If truck permitting fees were indexed to certain economic conditions in Louisiana, such as inflation, or were based on the costs resulting from heavy vehicles, would they be more comparable to our neighboring states?*

If overweight and oversize permitting fees were adjusted for certain economic conditions such as inflation, or were based on the costs resulting from heavy vehicles, Louisiana's permit fees would become more comparable to surrounding states over time. For example, if the oversize single-trip permit fee was increased for inflation next fiscal year, the fee would be \$10.29 instead of \$10.

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Department of Transportation and Development

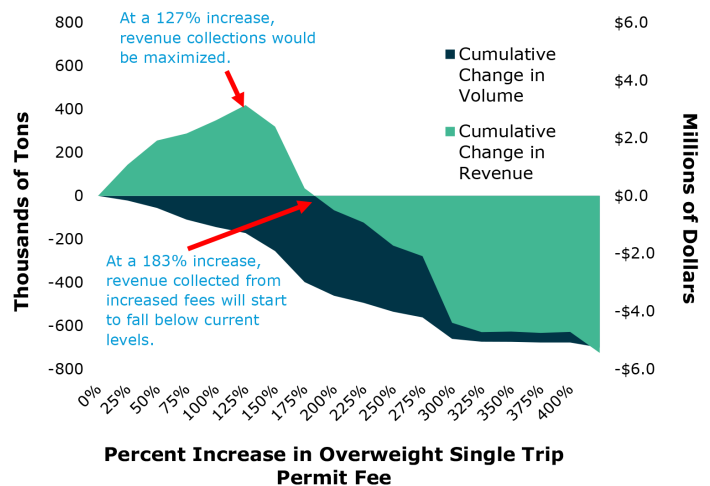
What We Found (Cont.)

However, by year five of adjusting for inflation, the fee would be \$11.56. The oversize annual permit fee would increase from \$500 to \$578.22 after adjusting for five years. The overweight annual permit fee would increase from \$2,500 to \$2,891.08 after five years.

Question 4: *How would an increase in truck permitting fees affect truck permitting revenues from traffic passing through Louisiana?*

Based on our model, we estimate that Louisiana could maximize revenues from truck traffic passing through the state by increasing overweight single-trip permit fees, which are the most-commonly-issued permit type, by approximately 127%, holding all other factors, including the cost of alternative routes that avoid Louisiana, constant. For example, if the overweight single-trip permit fee for a truck weighing 130,000 lbs. and traveling between 51-100 miles were increased by 127%, the new fee would be \$578.85 instead of \$255. However, we estimate that if the overweight single-trip permit fees were raised over 183%, the state would start seeing a decrease in revenues as a result of traffic shifting to less-costly alternative routes. This gives the state significant flexibility in setting overweight single-trip permitting fees because of the lack of cheaper alternative routes.

Estimated Change in Volume of Freight and Revenue from Changes in Single-Trip Overweight Permit Fees Based on FY 2024 Tonnage and Revenue Data



Source: Prepared by legislative auditor's staff using information from DOTD, BTS FAF, and Google Maps.

Question 5: *Would increasing truck permitting fees help address Louisiana's construction backlog?*

Increasing oversize and overweight permit fees could generate additional state revenue to help address the state's estimated \$23.9 billion backlog in transportation infrastructure needs. In fiscal year 2024, Louisiana's transportation expenditures as a percent of total state expenditures were the lowest in the Southeast. For example, Louisiana spent 5.1% of total state spending on transportation, while Mississippi spent 7.3%, Arkansas spent 6.5%, and Texas spent 13.3%. According to a report, *Louisiana Department of Transportation & Development-2024 Assessment*, issued in October 2024 by the Boston Consulting Group, Louisiana should increase fees for direct road usage, such as truck permitting fees.

We made two matters for legislative consideration.