

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3492-01
Bill No.: SB 809
Subject: Transportation Department; Roads and Highways
Type: Original
Date: January 28, 2008

Bill Summary: This proposal imposes various billboard standards to billboards adjacent to Interstate 70 and Interstate 44 during periods of interstate construction.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Federal Funds	(\$50,000,000 to Unknown)	(\$50,000,000 to Unknown)	(\$50,000,000 to Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$50,000,000 to Unknown)	(\$50,000,000 to Unknown)	(\$50,000,000 to Unknown)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0



Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).



Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Transportation (MoDOT)** assume this bill appears to address what it would take for an existing nonconforming sign to become conforming; however it does not address all specific and necessary requirements needed in order to rebuild/relocate billboards and be in compliance with the Highway Beautification Act. Therefore MoDOT could not effectively apply the requirements of this bill in relation to the Federal/State agreement and it would create conflicting statute requirements. If MoDOT would be in non-compliance, the department would be subject to penalties imposed by the Federal Highway Administration (FHWA) that would amount to 10% of the yearly federal-aid highway funds. Currently this amounts to approximately \$50 million dollars annually. MoDOT would incur the 10% penalty yearly until such time FHWA determines MoDOT to be in compliance.

The department has identified three issues that will result in a loss of federal funds. The loss would be 10% of total federal funds which is \$50,000,000 annually. The first is there is no requirement for a new permit or amended permit at the new billboard location would result in a determination of lack of effective control by FHWA (Federal Highway Administration). Second, is in reference to "relocation cost" implies that payment of relocation benefits under the Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act). They payment of relocation benefits to relocate real property is contrary to federal regulations and thus would jeopardize federal aid funding. The fiscal impact is unknown but could jeopardize federal funds above any penalties imposed against the department for lack of effective ODA control. Third, the part that will lead to a loss of federal funds is the payment of "indirect costs" as a relocation benefit is ambiguous and thus payment for such cost would be in conflict with the relocation benefits program of the Uniform Act. The fiscal impact is unknown but could jeopardize federal funds above any penalties imposed against the department for lack of effective ODA control.

Officials at the **City of Kansas City** and the **St. Louis County** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
FEDERAL FUNDS			
<u>Loss - MoDOT</u>			
Federal-Aid highway funds	<u>(\$50,000,000 to Unknown)</u>	<u>(\$50,000,000 to Unknown)</u>	<u>(\$50,000,000 to Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>(\$50,000,000 to Unknown)</u>	<u>(\$50,000,000 to Unknown)</u>	<u>(\$50,000,000 to Unknown)</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that do not already have a sign along I-70 and I-44 will have less opportunity to construct their own outdoor advertising signs due to the temporary moratorium under Section 225.541(8).

FISCAL DESCRIPTION

This act imposes certain outdoor advertising regulations to off-premise billboards within 660 feet of Interstate 70 and Interstate 44 during the period new construction takes place on such interstates. The regulations applicable to the interstates require spacing between outdoor advertising structures on the same side of the highway to be 500 feet. Stacked structures are allowed provided the total display area of any sign may not exceed 1,200 square feet in any one direction. Sign structures must be located on commercial or industrially zoned property or be within 750 feet of a commercial business. Outdoor advertising structures may not exceed 1,200 square feet of display area in any one direction. The relocation or rebuilding of existing conforming signs to be displaced by highway construction shall be allowed and shall not require a new sign permit provided the relocation is on the same or adjoining property, the sign would remain conforming under the size and spacing requirements provided in this act and a relocation agreement has been executed between the sign owner and the department.

FISCAL DESCRIPTION (continued)

If the department intends to condemn an existing sign in conjunction with highway improvements on I-70 or I-44, the department shall provide written notice of the proposed condemnation to the sign owner and the land owner upon which the existing sign is located. The owner of existing sign structures which conform to the requirements of the act may voluntarily execute a relocation agreement with the commission which specifies the size, type, and new location of the sign to be relocated or rebuilt as well as the amount of relocation costs to be paid by the department in conjunction with the relocation or rebuilding of the billboard. In the event a conforming sign cannot be relocated or the owner declines to do so, the department shall pay the owner of such sign structure just compensation. Relocated or rebuilt signs may be increased in size not to exceed 800 square feet in any one direction and may include new or different materials and lighting may be added to existing conforming signs.

Under the act, the department will impose a temporary moratorium on permits for new signs during the highway construction and while the size, spacing, and location requirements provided in the act are in effect.

Under the act, no local zoning authority may prohibit the relocation or rebuilding, on the same or adjoining premises, of existing signs displaced by I-70 or I-44 construction and which conform to the size and spacing provisions. Local zoning authorities may require a building permit only to assure the rebuilt sign complies with reasonable wind load and electrical safety requirements and may charge a permit fee equal to the cost to review and issue such permit.

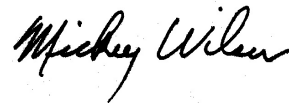
Upon the completion of construction on I-70 or I-44, the temporary moratorium on sign permits shall be lifted and new permits shall be issued in accordance with the regulations in effect at that time on other Missouri primary and interstate highways.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Missouri Department of Transportation
St. Louis County
City of Kansas City

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA
Director
January 28, 2008