

COMMITTEE ON LEGISLATIVE RESEARCH  
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0961-02  
Bill No.: SB 247  
Subject: Roads & Highways; Department of Transportation  
Type: Original  
Date: February 12, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0 to \$(73,100,000)	\$0 to \$(73,100,000)	\$0 to \$(73,100,000)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0 to \$(73,100,000)</b>	<b>\$0 to \$(73,100,000)</b>	<b>\$0 to \$(73,100,000)</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation (MoDOT)** assume the proposal will not have a direct cost to their agency. However, MoDOT notes that in section 226.540(3)(A), language is inserted that if the Missouri Highway & Transportation Commission (MHTC) or the Federal Government prohibit the erection of cutouts on nonconforming signs, then all signs are deemed conforming signs. MHTC has always been and currently is of the position that cutouts cannot be added to nonconforming signs because it constitutes an increase in the size of the sign. Federal guidelines currently require that nonconforming signs be substantially the same as when they become nonconforming.

The legal problem is that Section 226.530 requires MHTC to adopt rules of minimal necessity for outdoor advertising to ensure receipt of full federal highway funds. MHTC was required by the Federal Highway Administration (FHWA) to have a provision about the increase in size of nonconforming signs. It is possible that at some point, FHWA could dictate that cutouts are not allowed on nonconforming signs. However, the new bill would then completely do away with the status of nonconforming signs and allow all signs to be regular conforming signs. By not having a provision for the control and elimination of nonconforming signs, the state would be in direct conflict with FHWA. As a result, MHTC could be subject to sanction by FHWA and federal road funds for Missouri could be reduced by 10%. Apportionments from FHWA in FY 2001 were \$731 million; therefore, the potential 10% penalty would be \$73.1 million.

Officials with the **City of Saint Louis** assumed the proposal will have no fiscal impact on the city. **Oversight** assumes no impact to municipalities.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>STATE HIGHWAY &amp; TRANSPORTATION/ROAD FUNDS</b>			
<u>Loss-MoDOT</u>	<u>\$0 to</u>	<u>\$0 to</u>	<u>\$0 to</u>
FHWA Apportionments	<u>\$(73,100,000)</u>	<u>\$(73,100,000)</u>	<u>\$(73,100,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

## FISCAL IMPACT - Small Business

Small businesses providing or utilizing billboard advertisements would experience a direct fiscal impact as a result of this proposal.

## DESCRIPTION

This act makes various changes regarding Missouri's billboard laws and regulations.

**CUTOUTS AND EXTENSIONS** - This act allows the use of temporary cutouts or extensions on conforming or nonconforming billboard signs.

**STACKED STRUCTURES** - This act allows existing stacked structures to be considered legal nonconforming and allows them to be maintained. Current law treats such structures built before August 28, 1999, as conforming until they are replaced or rebuilt.

**SPACING BETWEEN BILLBOARD SIGNS** - This act requires a 1000 foot spacing between sign structures on all classes of highways. Signs existing before the effective date of this act will not have to meet these spacing requirements, and shall be deemed legal nonconforming, provided MoDOT and the FHWA allows the use of temporary cutouts and extensions on nonconforming signs. If cutouts and extensions are not allowed, signs erected before the effective date of this act will be considered conforming.

**UNZONED LAND** - This act amends the law for unzoned commercial areas to exclude the area across the highway from a business as included in the commercial area unless it also has commercial activity.

**ZONED COMMERCIAL AREA** - This act adopts an actual use standard for allowing signs in zoned commercial areas. Signs cannot be built on commercially or industrially zoned property unless a commercial business is located within 600 feet of the sign.

**DETERMINATION OF COMMERCIAL OR INDUSTRIAL PROPERTY** - This act modifies the standard for determining whether the primary use of property is commercial or industrial. In making this determination, the Commission shall consider whether there is an owner or employee on the premises for at least 20 hours per week.

DESCRIPTION (continued)

**SURRENDER OF PERMITS** - This act requires applicants to surrender two or more billboard permits for each new permit requested until the overall number of billboards falls to 11,000 or less. Once the Commission issues a report indicating that the total number of billboards in Missouri is less than 11,000, the requirement to surrender permits will be terminated. Permit holders who surrender permits without receiving a new permit may receive credit for a permit which may be used at a future date. The Commission is required to publish an annual report on the number of existing billboard signs in order to implement this portion of the law.

**VEGETATION PERMITS** - This section requires the Department of Transportation to issue permits to billboard owners to cut vegetation unless issuing such a permit would pose a risk to public safety.

This act has an emergency clause.

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

SOURCES OF INFORMATION

Department of Transportation  
City of Saint Louis



Jeanne Jarrett, CPA  
Director

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