

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0961-04  
Bill No.: Perfected SCS for SB's 247 & 330  
Subject: Roads & Highways; Department of Transportation  
Type: Original  
Date: April 11, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
State Road Fund*	\$223,945	\$223,945	\$223,945
<b>Total Estimated Net Effect on <u>All</u> State Funds*</b>	<b>\$223,945</b>	<b>\$223,945</b>	<b>\$223,945</b>

\*Does not include potential liability of the Department for use of right-of-way without permits.  
Does not include potential loss of federal funding of \$73.1 million annually.

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
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 increase revenues through higher permit and renewal fees. An average of 50 permits per month with a fee increase of \$171.50 each will generate \$102,900 annually, while the 5,630 renewals per year with a fee increase of \$21.50 will generate \$121,045 per annum. MoDOT assumed only ten months' revenue for FY 2002, but **Oversight** notes the bill includes an emergency clause and has adjusted the fiscal impact to reflect twelve months' revenue.

MoDOT notes that bill will allow access to right-of-way for vegetation removal or trimming without a permit for utilities and electric cooperatives. Officials are concerned that this provision will result in increased liability over which the commission will have no control. Additionally, MoDOT assumes that the bill does not require the removal of any resulting debris, and that the Department would incur costs for removal of any debris left in the right-of-way area. MoDOT indicates that the cost of these provisions are unknown. **Oversight** has not included these potential costs in the fiscal impact, as there is no way to estimate whether these problems will be encountered.

MoDOT further indicates that the bill will allow unregulated placement of "business signs" in agriculturally zoned areas of zoned counties. MoDOT is unsure, but assumes this refers to a sign on or off-premise that advertises a business. Removing all limitations on this type of advertising would probably violate MoDOT's agreement with the Federal Highway Administration (FHWA), which would subject the Department to sanctions of up to 10% of the state's federal appropriations. As appropriations were \$731 million in FY 2001, MoDOT estimates this potential impact at \$73.1 million annually.

In response to previous similar legislation, officials with the **City of Saint Louis** assume the proposal will have no fiscal impact on the city. **Oversight** assumes no fiscal impact to municipalities.

In response to identical legislation, the **Department of Economic Development–Division of Tourism** indicated the proposal would have no material impact on the agency.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
<b>STATE ROAD FUND*</b>			
<u>Revenues–MoDOT</u>			
Increased Permit/Renewal Fees	<u>\$223,945</u>	<u>\$223,945</u>	<u>\$223,945</u>

\*Does not include potential liability of the Department for use of right-of-way without permits.  
Does not include potential loss of federal funding of \$73.1 million annually.

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact on small businesses providing or utilizing regulated outdoor advertising.

DESCRIPTION

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

**CUTOUPS 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)

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.

FEES - This act also raises the current permit fees and inspection fees. Permit fees are increased from \$28.50 to \$200, and inspection fees are increased from \$28.50 to \$50.

*Amendments:*

The act indicates that vegetation permits shall be issued in accordance with the rules & regulations of the commission. Utility facilities permitted in the right-of-way may be installed & maintained without a permit. Rural electric cooperatives will not be limited by the act.

This act stipulates that "business signs" may be erected in an agriculturally zoned area of any zoned county.

Requires all applications for new outdoor advertising permits (for structures in excess of 100 square feet) to be accompanied by the surrender of two existing permits, until the total number of permits is 11,000 or less. MoDOT shall publish an annual report on outdoor advertising permits.

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  
Department of Economic Development  
Division of Tourism  
City of Saint Louis



Jeanne Jarrett, CPA  
Director

April 11, 2001