

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3067-02
Bill No.: SB 851
Subject: Roads & Highways; Department of Transportation; Fees
Type: Original
Date: January 28, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
State Road Fund	\$223,049	\$364,695	\$505,445
Total Estimated Net Effect on <u>All</u> State Funds	\$223,049	\$364,695	\$505,445

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation (MoDOT)** assume the total number of permits issued from applications received between October 1999 and December 2000 was 746. The total number of permits were divided by the 15 months in the period to arrive at the average number of permits per month from applications (746 total permits/15 months = 50 average number of permits per month). The average number of permits per month were then multiplied times the number of months in a year to arrive at the average number of permits per year (50 X 12 = 600). The average number of permits in a year were multiplied times the difference in the increase permit fee and the current permit fee to arrive at a \$102,900 increase in revenue from the proposed increase in application fee([600(\$200.00-\$28.50)] = \$102,900).

MoDOT notes that currently, there are 11,260 non-exempt signs in Missouri. These signs are due to be renewed every two years, therefore the number of non-exempt signs were divided by 2 to arrive at the average number of permit renewals per year (11,260 non-exempt signs/2 years = 5,630 average permit renewals/yr). The average number of permit renewals per year were then multiplied times the difference in the FY03, FY04 and FY05 increase permit renewal fee and the current permit renewal fee to arrive at the increase in revenue from the proposed increase in renewal fee for FY03 - [5,630(\$50.00 - \$28.50)] = \$121,045; FY04 - [5,630(\$75 - \$28.50)] = \$261,795; and FY05 - [5,630(\$100 - \$28.50)] = \$402,545. The total increase in revenue from the proposed increase in renewal fee would be \$785,385.

The total increase in revenue from this legislation will be \$185,874 for 10 months in FY03 (\$85,407 increase in application fee + \$100,467 increase in the renewal fee); \$364,695 for FY04 (\$102,900 increase in application fee + \$261,795 for the increase in the renewal fee); and \$505,445 for FY05 (\$102,900 increase in the application fee + \$402,545 increase in the renewal fee).

Officials with the **Department of Economic Development–Division of Motor Carrier and Railroad Safety** indicated the proposal would have no fiscal impact on their agency.

Officials with the **Office of the Secretary of State (SOS)** assume this proposal changes the locations, spacing, fees and penalties pertaining to outdoor highway advertising signs. The proposal authorizes the Missouri Highways and Transportation Commission to adopt and amend administrative rules explaining these changes. These rules would be published in both the Missouri Register and the Code of State Regulations. The rules, regulations and forms issued by the Missouri Highways and Transportation Commission could require as many as 16 pages in the Code of State Regulations. For any given rule, roughly one and a half as many pages are published in the Missouri Register (24) as in the Code (16) because cost statements, fiscal notes

ASSUMPTION (continued)

and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00, and this amount multiplied by the estimated number of pages (24) yields cumulative costs for the Missouri Register of \$552 (\$23 x 24). The estimated cost of a page in the Code of State Regulations is \$27.00, and this amount multiplied by the estimated number of pages (16) yields cumulative costs for the Code of State Regulations of \$432 (\$27 x 16). The actual total cost of \$984 (\$552 + \$432) could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Oversight assumes the **SOS** could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the **SOS** could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials with the **City of Saint Louis** did not respond. However, similar proposals (LR 0961-02 and 1152-02) were presented during the 2001 Legislative Session. The City of St.Louis assumed those proposals had no fiscal impact on the city.

Oversight assumes no fiscal impact to municipalities and 12 months revenue due to the emergency clause.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
STATE ROAD FUND			
<u>Revenues—MoDOT</u>			
Increased Application/Renewal Fees	<u>\$223,049</u>	<u>\$364,695</u>	<u>\$505,445</u>
ESTIMATED NET EFFECT TO STATE ROAD FUND	<u>\$223,049</u>	<u>\$364,695</u>	<u>\$505,445</u>
<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 billboards for advertising. The proposal would increase the application for permit and permit renewal fees that small businesses pay for outdoor advertising.

DESCRIPTION

This act makes various changes to Missouri's billboard law.

LIGHTING REGULATIONS - This act specifically allows Tri- vision, projection and changeable message signs to be subject to MoDOT lighting regulations.

CUTOUTS, EXTENSION, AND STACKING - This act allows cutouts and extensions on nonconforming signs and makes existing stacked signs legal nonconforming.

ZONED AREAS - This act requires businesses to have the presence of an owner or employee on the premises for at least 20 hours per week to be considered a valid business when determining whether a property is commercial or industrial.

PERMIT FEES - This act increases original permit fee to erect a billboard from \$28.50 to \$200 and increases biennial inspection fees to \$50 on August 28, 2002, \$75 on August 28, 2003, and \$100 on August 28, 2004.

REMOVAL OF BILLBOARDS - This act allows for the non-compensated removal of billboards for failing to pay fees over 12 months. This act increases the amount of time to cure a billboard violation from 30 to 60 days and requires actual notice of a violation before removal of a sign.

VEGETATION PERMITS - This act requires vegetation permits to be issued according to current MoDOT rules and regulations. The act also allows certain utility companies to remove and trim vegetation without a permit.

This act contains 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 Motor Carrier and Railroad Safety

Department of Secretary of the State

NOT RESPONDING

City of Saint Louis

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

Mickey Wilson, CPA
Acting Director
January 28, 2002

JT:LR:OD (12/00)