

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 4641-01
Bill No.: HB 1520
Subject: Counties: Business and Commerce, Advertising,
Type: Original
Date: March 1, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Missouri Department of Highway and Transportation** stated the provisions of Section 226.611 will increase MoDOT's area of control over outdoor advertising from primary/interstates to all state highways. The current bill language would take MoDOT out of compliance with existing federal regulations (23 USCA 131), which could subject MoDOT to a penalty of a 10% reduction in federal funds. The fiscal impact of such a penalty is estimated at approximately \$46 million. (Total affected federal aid of \$463.6 million x 10%).

Section 226.611 would also increase the workload in MoDOT's Outdoor Advertising unit, which would require additional personnel. Two additional Outdoor Advertising Specialists would be needed at a salary of \$36,708, which are at MoDOT's salary grade 12, Step 3.

Oversight assumes this proposal is a local issue, and allows inspections to be made by the County. Therefore Oversight assumes the Department of Transportation would not need two Outdoor Advertising Specialist.

MoDOT assumes this provision could lead to the loss of \$46 million in federal highway funds as a result of non-compliance with federal regulations regarding outdoor advertising. Oversight assumes that such an outcome is speculative and that the state would remain in compliance.

ASSUMPTION (continued)

Officials of the **Laclede County Commission** stated if they would elect to inspect signs and take action they would have annual administrative costs of approximately \$10,000.

Oversight assumes this proposal, as written, does not require counties to inspect signs erected for directional purposes. Therefore, Oversight assume no fiscal impact to counties from this proposal. Any inspections or cost of inspections would be discretionary. Sign owners would be responsible for upkeep of the signs.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill allows businesses located in third or fourth classification counties to erect directional or on-premises signs on private property adjacent to any state highway. The maximum size of the sign will be six feet high by 10 feet wide. This type of sign must be regularly maintained and may be inspected on a regular basis by the governing body of the county to insure that the sign is appropriately maintained.

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

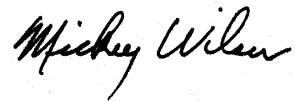
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SOURCES OF INFORMATION

Missouri Department of Transportation
Laclede County Commission

NOT RESPONDING

Butler County Commission
Marion County Commission
Warren County Commission

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

Mickey Wilson, CPA
Director
March 1, 2004