

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0251-01
Bill No.: Perfected HB 159
Subject: Transportation; Advertising and Signs
Type: Original
Date: April 3, 2019

Bill Summary: This proposal modifies provisions relating to outdoor advertising.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------|------------------|------------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| State Road Fund (0320) | (\$3,250) | (\$3,900) | (\$3,900) |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | (\$3,250) | (\$3,900) | (\$3,900) |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from **Department of Transportation (MoDOT)** state the following regarding this proposal:

This proposal would cause MoDOT to not restrict outdoor advertising to only zoned and un-zoned commercial/industrial areas. The language allows for the potential of outdoor advertising in areas that are either zoned or un-zoned agricultural or residential areas.

§226.540 - This section may increase the biennial inspection fees collected for new permits in un-zoned areas. There were 47 permits issued in un-zoned areas in 2017 at a fee of \$100 for an annual total of \$2,350.

§226.550 - This section may decrease the biennial inspection fees for landowners that are also permit holders and advertisers. There were 125 such landowners in 2017 for an annual total of \$6,250.

Therefore, an increase of \$2,350 (increase in biennial inspection fees) offset by a loss of \$6,250 results in an annual net loss to MoDOT of approximately \$3,900.

Oversight was unable to verify MoDOT's data; however, Oversight will utilize MoDOT's assumptions and estimated impacts of this proposal.

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|-------------------------|-------------------------|-------------------------|
| STATE ROAD FUND | | | |
| <u>Income</u> - MoDOT - §226.540 - increase in biennial inspection fees for permits in un-zoned areas | \$1,958 | \$2,350 | \$2,350 |
| <u>Loss</u> - MoDOT - §226.550 - decrease in biennial inspection fees for landowners | <u>(\$5,208)</u> | <u>(\$6,250)</u> | <u>(\$6,250)</u> |
| ESTIMATED NET EFFECT ON THE STATE ROAD FUND | <u>(\$3,250)</u> | <u>(\$3,900)</u> | <u>(\$3,900)</u> |

FISCAL IMPACT - Local Government

FY 2020
(10 Mo.)

FY 2021

FY 2022

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Certain small businesses would not have to pay a one-time permit fee and biennial inspection fee for outdoor advertising.

FISCAL DESCRIPTION

This bill exempts the current \$250 outdoor advertising fee and biennial inspection fee for certain highway signs under Section 226.550, RSMo, when a sign is displayed by a landowner who also owns the business advertised on the sign and where the business has a physical location within 750 feet of the sign.

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

Kyle Rieman
Director
April 3, 2019



Ross Strope
Assistant Director
April 3, 2019