

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2308-01
Bill No.: HB 1136
Subject: Roads and Highways; Advertising and Signs; Transportation
Type: Original
Date: April 23, 2019

Bill Summary: This proposal allows outdoor advertising within five hundred feet of the nearest edge of the right-of-way of certain highways.

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
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 2020	FY 2021	FY 2022
Federal Highway Funds	\$0 or Up to (\$100,000,000)	\$0 or Up to (\$100,000,000)	\$0 or Up to (\$100,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or Up to (\$100,000,000)	\$0 or Up to (\$100,000,000)	\$0 or Up to (\$100,000,000)

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 the **Department of Transportation (MoDOT)** assume this proposal will cause the Missouri Highways and Transportation Commission (MHTC) to be out of compliance with the Federal Highway Beautification Act under 23 U.S.C. 131. Under this law, states are required to maintain effective control of outdoor advertising signs, displays, and devices that are within 660 feet of the right of way and visible along controlled routes. Under this legislation, signs between 500 and 650 feet would no longer be regulated through permitting. Failure to impose effective control could result in a reduction penalty of up to 10% of the state's annual federal aid highway apportionment under 23 U.S.C. 104, which would amount to approximately \$100 million annually.

Oversight does not have any information to the contrary in regards to MoDOT's assumptions; therefore, Oversight will range the fiscal impact of this proposal from \$0 (Missouri is not found to be out of compliance with federal regulations or federal funding is not withheld) to a loss of federal highway funds of up to \$100 million per year (Missouri is found to be out of compliance with federal regulations) on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
FEDERAL HIGHWAY FUNDS			
<u>Loss - MoDOT - potential loss if Missouri is found to be out of compliance with federal regulations regarding outdoor advertising and funding is withheld</u>	\$0 or Up to <u>(\$100,000,000)</u>	\$0 or Up to <u>(\$100,000,000)</u>	\$0 or Up to <u>(\$100,000,000)</u>
ESTIMATED NET EFFECT ON FEDERAL HIGHWAY FUNDS	\$0 or Up to <u>(\$100,000,000)</u>	\$0 or Up to <u>(\$100,000,000)</u>	\$0 or Up to <u>(\$100,000,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill changes the distance requirement for outdoor advertising from 660 feet to 500 feet in specified industrial and commercial areas.

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 23, 2019

Ross Strobe
Assistant Director
April 23, 2019