

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3589-01  
Bill No.: HB 1405  
Subject: Roads and Highways; Business and Commerce; Department of Transportation  
Type: Original  
Date: January 21, 2020

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

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
State Road Fund	\$834	\$1,000	\$1,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$834</b>	<b>\$1,000</b>	<b>\$1,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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 2021	FY 2022	FY 2023
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** assume this proposal is estimated to have a positive fiscal impact to MoDOT of \$1,000 annually.

Language added under §226.540(4) may increase new permit fees and biennial inspection fees collected in unzoned areas by \$9,500 annually. In 2018, there were 29 billboard permits issued in unzoned areas along a primary route. MoDOT estimates that language under §226.540(4) would allow an additional 29 permits to be issued in unzoned areas along a primary route on the opposite side of the travelway.

29 billboard permits x \$200 new permit fee = \$5,800

Biennial inspection fee of \$100 x 29 billboard permits issued / 2 = \$1,450

$\$5,800 + \$1,450 = \$7,250$  annually

Language added under §226.550.1, 2, and 4 may decrease the biennial inspection fees for landowners by \$6,250 annually.

There are 125 (estimated) landowners that are also the permit holder and advertiser x \$100 biennial inspection fee / 2 = \$6,250.

Cumulative impact is  $\$7,250 - \$6,250 = \$1,000$

**Oversight** does not have any information to the contrary in regards to MoDOT's assumptions; therefore, Oversight will reflect MoDOT's revenue estimate on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>STATE ROAD FUND</b>			
<u>Income</u> - MoDOT - §226.540 - increase in biennial inspection fees for permits in un-zoned areas	\$6,042	\$7,250	\$7,250
<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>
<b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>	<b><u>\$834</u></b>	<b><u>\$1,000</u></b>	<b><u>\$1,000</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2021 (10 Mo.)	 FY 2022	 FY 2023
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

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.

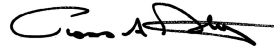
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation



Julie Morff  
Director  
January 21, 2020



Ross Strobe  
Assistant Director  
January 21, 2020