

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5025H.011
Bill No.: HB 2324
Subject: Roads and Highways; Business and Commerce; Department of Transportation
Type: Original
Date: February 5, 2024

Bill Summary: Modifies provisions relating to outdoor advertising.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** assume this proposal would waive the permit fee and biennial fee for landowners, provided the landowner is the permit holder and owns both the land the sign is located on and the business advertised on the sign.

This proposal is estimated to have a positive fiscal impact to MoDOT of \$250 annually.

Language added under §226.540(4) may increase new permit fees and biennial inspection fees collected in un-zoned areas by \$6,000 annually. In 2023, there were 24 billboard permits issued in un-zoned areas along a primary route. MoDOT estimates that language under §226.540(4) would allow an additional 24 permits to be issued in un-zoned areas along a primary route on the opposite side of the travel way.

24 billboard permits x \$200 new permit fee = \$4,800

Biennial inspection fee of \$100 x 24 billboard permits issued / 2 = \$1,200

\$4,800 + \$1,200 = \$6,000 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 \$6,750 - \$6,250 = \$500

Oversight does not have any information to the contrary in regards to MoDOT’s estimates. Oversight assumes the potential change in revenue and costs is not material; therefore, Oversight will not reflect this on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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 act modifies provisions relating to outdoor advertising.

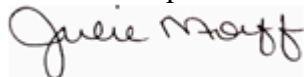
The definition of "un-zoned commercial and industrial land" is modified to include lands in the same dimensions as existing "un-zoned commercial and industrial land" located on the opposite side of a non-freeway primary highway, irrespective of zoning and use. This definition shall not extend to land adjacent to an interstate highway or a freeway primary highway.

The act also provides that the one-time \$200 fee for an outdoor advertising permit shall be waived for permit holders who own both the land on which an outdoor advertisement is placed and the business being advertised on the sign, so long as the business is located within 750 feet of the sign location. This act further specifies that the \$100 biennial inspection fees shall be waived for such landowners.


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

Missouri Department of Transportation



Julie Morff
 Director
 February 5, 2024



Ross Strobe
 Assistant Director
 February 5, 2024