

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4150-01
Bill No.: HB 1564
Subject: Transportation, Department of; Roads and Highways
Type: Original
Date: December 16, 2015

Bill Summary: This proposal allows individuals to place signs on their own property, regardless of any intervening land use.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Federal Funds	\$0 or (\$96,000,000)	\$0 or (\$96,000,000)	\$0 or (\$96,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or (\$96,000,000)	\$0 or (\$96,000,000)	\$0 or (\$96,000,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation (MODOT)** assume that HB 1564 allows for individuals to place signs on their own property regardless of current laws. MODOT requested a review by the Federal Highway Administrations (FHWA). The review of HB 1564 reveals that it would violate both the Highway Beautification Act (HBA) as codified in 23 USC 131 as well as the Federal-State Agreement between FHWA and MODOT. The proposal conflicts with the federal regulation 23 CFR 750.709(d) which requires the state law or regulations to contain criteria to curb attempts to circumvent 23 USC 131. Currently Missouri state regulations contain such criteria, allowing MODOT to determine if the sign qualifies as "on-premise". According to 7 CSR 10-6.030(2)(b) definition, signs on land separated by an intervening land use do not qualify as "on-premise" signs.

MODOT officials state the department would no longer have effective control of outdoor advertising if HB 1564 passes. The lack of effective control would be a violation of the HBA and it's corresponding federal regulations. Such a violation jeopardizes 10 percent per annum of Missouri's Federal-aid transportation program, which equates to \$96 million per year.

A letter dated December 3, 2015 from Federal Highway Administration Division Administrator Kevin Ward, acts as notification of action by the FHWA's responsibility to withhold the appropriate amount of allocated Federal-Aid transportation funding, at such time that this or any similar bill be enacted into law.

Officials from the **Department of Economic Development, Department of Conservation, Department of Natural Resources** and **Department of Agriculture** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight will range the fiscal impact of this proposal from \$0 (does not put Missouri out of compliance) to a loss of \$96 million (if it is found Missouri violates both the Highway Beautification Act and Federal-State Agreement between the Federal Highway Administrations and MODOT).

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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FEDERAL FUNDS

Loss - MODOT

Loss of FHWA federal funds	\$0 or <u>(\$96,000,000)</u>	\$0 or <u>(\$96,000,000)</u>	\$0 or <u>(\$96,000,000)</u>
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ESTIMATED NET EFFECT TO THE FEDERAL FUNDS	\$0 or <u>(\$96,000,000)</u>	\$0 or <u>(\$96,000,000)</u>	\$0 or <u>(\$96,000,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

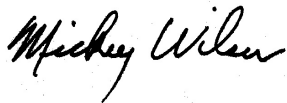
FISCAL DESCRIPTION

This proposal allows individuals to place signs on their own property, regardless of any intervening land use.

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
Department of Economic Development
Department of Agriculture
Department of Conservation
Department of Natural Resources



Mickey Wilson, CPA
Director
December 16, 2015

Ross Strobe
Assistant Director
December 16, 2015