

Fiscal Estimate Narratives

DOT 9/7/2011

LRB Number	11-1679/1	Introduction Number	AB-0216	Estimate Type	Original
Description Maintenance and removal of vegetation obstructing the view of outdoor advertising signs along highways under the jurisdiction of the Department of Transportation.					

Assumptions Used in Arriving at Fiscal Estimate

Administrative Costs

State Statute 84.305 Maintenance and Removal of vegetation obstructing the view of outdoor advertising signs became law in 2006. At that time the initial fiscal impact from this legislation was estimated to be an increase of \$60,000 to WisDOT. The costs incurred were to be recovered by permit fees charged to applicants.

The proposed legislation modifies 84.305 and retains the overall application process and associated fees. The proposed bill modifies some provisions which will reduce agency workload while other provisions will increase workload. The administrative deficit is likely to remain much the same based on the new law.

Financial Impact to State Property

In the initial fiscal estimate for 84.305, no costs were provided for the costs of the cut vegetation. In dollar terms, the vegetation on the 703 miles of right-of-way that this legislation would impact is valued at just over 100 million dollars. The initial law provided the department with more flexibility and control to save vegetation of higher value. Proposed changes reduce this flexibility and thus the impact to state property will be much greater.

Based on departmental database records, an estimated 4,711 outdoor advertising signs are eligible for vegetation relief under the current and proposed law. Of the 4,711 signs, 2,716 are two-sided. Based on the estimate, sign owners could submit permits for 7,427 faces. The proposed law allows for 500 feet of clear view for each sign face. This equals a total of 703 miles of highway which could be affected by vegetation removal.

Costs in recent DOT landscape improvement projects equal \$150,000 per lane mile. Additional vegetation value justification can be gathered from Certified Tree Cities. DOT has gathered value information for thirteen municipalities which have inventoried and valued street trees. For these thirteen communities the average tree value per mile was calculated to be \$132,000. Highway rights-of-way are much wider and have a higher number of trees than urban terrace areas and this value does not include grasses/shrubs which are found on highway rights-of-way. For value calculations for loss of vegetation \$150,000 per lane mile was used.

Long-Range Fiscal Implications

In FY2011 the total staff resources dedicated to the administrative effort is calculated to be over \$90,000 per year (including fringe). This dollar figure does not include the associated expenses/mileage for field trips to review permits.

To date, 122 applications at a fee of \$250 each have been received in the past five years (since 84.305 became law). This equals \$30,500 in fees which have been collected by the department which is an average of just over \$6,000 per year. Thus, the department is spending at least \$84,000 more per year on administrative costs than it is collecting in permit fees under the current and proposed law.

AB 216 Cost Analysis

Staff Administrative Costs for Existing Law

Based on FY 2011

	Total OA Hours	Salry+Fringe+TOWP	Percentage Time Dedicated 84.305	Total \$ for 84.305
BHM OA Coordinator	1733	\$111,763	8.0%	\$8,941
BHM OA Assistant	1700	\$71,504	20.0%	\$14,301
BHM Landscape Architect	1776	\$107,478	50.0%	\$53,739
SW Region OA Coord. (Mad)	1756	\$95,257	5.0%	\$4,763
SW Region OA Coord. (LaX)	958	\$41,994	2.0%	\$840
SE Region OA Coord.	1176	\$53,942	5.0%	\$2,697
NE Region OA Coord.	1572	\$53,170	2.0%	\$1,063
NC Region OA Coord.	1555	\$70,178	5.0%	\$3,509
NW Region OA Coord.	1644	\$83,435	0.5%	\$417
Annual Staff \$ Dedicated to 84.305				\$90,270

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Maintenance and removal of vegetation obstructing the view of outdoor advertising signs along highways under the jurisdiction of the Department of Transportation.			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The estimated cost in value of lost vegetation within state right-of-way without compensation is calculated to be \$100,000,000 for the 703 eligible roadway miles in front of outdoor advertising signs.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$84,000	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$84,000	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (365 Highway Maint.)		84,000	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$84,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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