

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **06/11/99**

Received By: **traderc**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Dyck**

This file may be shown to any legislator: **NO**

Drafter: **traderc**

May Contact:

Alt. Drafters:

Subject: **Transportation - miscellaneous**

Extra Copies: **PEN, TNF**

Pre Topic:

LFB:.....Dyck -

Topic:

Outdoor advertising sign annual permit fee

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	traderc 06/12/99	wjackson 06/12/99	martykr 06/12/99	_____	lrb_docadmin 06/12/99		
	fasttn 06/12/99		haugca 06/12/99	_____	lrb_docadmin 06/12/99		
/2	traderc 06/14/99	wjackson 06/14/99	martykr 06/14/99	_____	lrb_docadmin 06/14/99		
/3	traderc 06/15/99	wjackson 06/15/99	jfrantze 06/15/99	_____	lrb_docadmin 06/15/99		

FE Sent For:

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 06/11/99

Received By: traderc

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Dyck

This file may be shown to any legislator: NO

Drafter: traderc

May Contact:

Alt. Drafters:

Subject: **Transportation - miscellaneous**

Extra Copies: **PEN, TNF**

Pre Topic:

LFB:.....Dyck -

Topic:

Outdoor advertising sign annual permit fee

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	traderc 06/12/99 fasttn 06/12/99	wjackson 06/12/99	martykr 06/12/99 haugca 06/12/99	_____	lrb_docadmin 06/12/99 lrb_docadmin 06/12/99		
/2	traderc 06/14/99	wjackson 06/14/99	martykr 06/14/99	_____	lrb_docadmin 06/14/99		

12 Wlj 6/15

FE Sent For:

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 06/11/99

Received By: traderc

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Dyck

This file may be shown to any legislator: NO

Drafter: traderc

May Contact:

Alt. Drafters:

Subject: Transportation - miscellaneous

Extra Copies: PEN, TNF

Pre Topic:

LFB:.....Dyck -

Topic:

Outdoor advertising sign annual permit fee

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	traderc 06/12/99	wjackson 06/12/99	martykr 06/12/99	_____	lrb_docadmin 06/12/99		
	fasttn 06/12/99	12 wlj 6/14	haugca 06/12/99	_____	lrb_docadmin 06/12/99		

FE Sent For:

6/12/99
6/14
6/14
<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 06/11/99

Received By: traderc

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Dyck

This file may be shown to any legislator: NO

Drafter: traderc

May Contact:

Alt. Drafters:

Subject: **Transportation - miscellaneous**

Extra Copies: **PEN, TNF**

Pre Topic:

LFB:.....Dyck -

Topic:

Outdoor advertising sign annual permit fee

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1?	traderc	1 Wlj 6/12		_____			

FE Sent For:

<END>

18. *Major Highway Development -- Funding Level [Paper #946]*. Provide \$5,900,000 SEG in 1999-00 and \$5,500,000 SEG-S (bonding) in 2000-01 and delete \$5,500,000 SEG in 2000-01 for the major highway development program. This would provide total, above base increases of \$12,121,000 in 1999-00 and \$12,628,700 in 2000-01. Decrease estimated transportation fund revenues by \$75,400 in 2000-01 to reflect increased debt service from the increased use of bonds.

19. *Transportation Fund Reserves [Paper #945 Alternative #2b and Paper #946, Alternative #A3]*. Reduce transportation fund reserves by \$289,500 in 1999-00 and \$723,800 in 2000-01 to subtract reserves calculated for major highway development and state highway rehabilitation program employees whose salaries and fringe benefits are funded with SEG funds. Specify that compensation increases for major highway development and state highway rehabilitation employees whose salaries and fringe benefits are funded with SEG funds, up to the inflationary percentages provided for the major highway development and state highway rehabilitation programs, must be funded within the inflationary funding increases provided for these programs.

20. *State Highway Maintenance and Traffic Operations [Paper #947, Alternative #3]*. Provide \$4,079,300 SEG in 1999-00 and delete \$4,079,300 SEG in 2000-01 to provide equivalent total annual increases of \$7,706,000, which would provide the same total amount of funding for the program over the biennium as the bill.

21. *Federal Highway Aid to Replace SEG Funds*. Provide \$468,400 FED annually and delete \$468,400 SEG annually in the state highway rehabilitation program to reflect a decision to replace SEG funding with federal highway aid saved during previous Committee action. During a May 11 Executive Session on the bill, the Committee replaced \$468,400 of federal highway aid that the bill provided for transportation planning and research with federal discretionary research and transit planning funds, allowing the federal highway funds to be used for other purposes.

22. *Outdoor Advertising Sign Annual Permit Fee [Paper #948, Alternative #B1d]*. Allow DOT to create, by rule, an annual permit fee for outdoor advertising signs. Specify that the failure to pay the fee to renew a sign permit within two months of the time the permit fee is due shall be considered evidence that the sign has been abandoned. In addition, specify that the fees shall be initially established to limit the amount of additional, annual revenue (above the current base of \$21,300), beginning in 2000-01 to \$510,000, which is the amount that would produce enough additional revenue to cover the additional cost of a outdoor advertising computerized inventory system (total fee revenue would be \$531,300).

23. *Transportation Projects Commission*. Move to prohibit DOT from preparing an environmental impact statement or environmental assessment for a potential major highway development project unless the project is approved by the Transportation Projects Commission (TPC), first applying to projects for which DOT commences preliminary engineering or design work or studies on April 1, 2000.



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 1, 1999

Joint Committee on Finance

Paper #948

Outdoor Advertising Sign Inventory System (DOT -- State Highway Program)

[LFB 1999-01 Budget Summary: Page 590, #5]

CURRENT LAW

Federal and state laws require the Department of Transportation to regulate outdoor advertising signs along federal aid-eligible highways, with respect to their placement, size, illumination and spacing. DOT requires a permit to be issued for each new sign and charges a permit issuance fee that is deposited in the transportation fund and is intended to pay part of the cost of regulating signs. The current permit issuance fee, which is established by administrative rule, depends upon the size of the sign and ranges from \$5 to \$100.

GOVERNOR

Provide \$510,000 SEG in 2000-01 for the procurement of a computerized inventory system for outdoor advertising signs along highways eligible for federal aid.

DISCUSSION POINTS

1. DOT indicates that the funding provided by the bill would be used to hire a contractor to establish and maintain a computerized sign inventory system. The system would use geographic information systems technology to keep track of the location of all signs on the state trunk highway system, as well as recording other information, such as a sign's physical characteristics, owner and the zoning classification for the area in which the sign is located. The contractor would provide ongoing updates of the inventory, eliminating the need for DOT staff to do periodic surveys of signs. Since the contractor would assume this function on an ongoing basis, the funding provided by the bill would become part of the permanent base funding.

2. The Department indicates that more detailed information is needed to properly enforce sign regulations. About one-third of the outdoor advertising signs on the state highway system (4,794 out of 14,990) are classified as nonconforming signs, which are signs that were

erected lawfully, but which would not be allowed to be erected at the same location under current law. A significant proportion of these signs were made nonconforming by the passage of a law in 1972, which placed restrictions on where signs can be placed. These nonconforming signs may be maintained, but may not be: (a) substantially altered; (b) moved to another location within a nonconforming area; (c) rebuilt if they are destroyed by weather; or (d) brought back into use after being abandoned or discontinued. A nonconforming sign that violates these restrictions loses its nonconforming status, which makes it subject to removal. Information on the physical characteristics of a sign, which is not always currently available, is needed to determine whether a sign has been significantly modified, such as if it has been enlarged or had lights added. If this information is not available or current, the requirements with respect to nonconforming signs may be difficult to enforce.

3. According to a 1996 Federal Highway Administration report, only Florida and Texas had more nonconforming signs than Wisconsin and only six other states had more than 3,000 nonconforming signs. A nonconforming sign is deemed to have been substantially changed if repairs or maintenance exceeding 50% of the replacement cost of the sign have been performed on the sign. It is assumed that all nonconforming signs will eventually require this level of repair or maintenance and so will lose their nonconforming status after a period of several years. The fact that the state has a large number of nonconforming signs may be an indication that the current level of regulation is not sufficient to adequately monitor nonconforming signs and require their removal if they become illegal.

4. Currently, a permit must be issued before a sign is erected. The fee for the permit, which is established by administrative rule, is paid upon issuance and no further fees are required to maintain the permit. In requesting funding for the inventory system, DOT indicated that the Department intends to amend the administrative rule that establishes the permit issuance fee to create an annual permit fee, which would replace the current permit issuance fee. The following table compares the current permit issuance fees with the proposed annual fees. DOT indicates that the proposed fees may be different than the fees shown here.

<u>Sign Size (In Square Feet)</u>	<u>Current Issuance Fee</u>	<u>Sign Size (In Square Feet)</u>	<u>Proposed Annual Fee</u>
8 or less	\$5	Less than 64	\$50
9 to 32	10	64 to 150	100
33 to 150	20	Over 150	150
151 to 1,200	50		
over 1,200	100		

5. Although the bill reflects \$1,650,700 in additional revenue from the imposition of an annual permit fee, DOT now indicates that there may not be sufficient statutory authority to establish annual permit fees for signs by rule. If the Committee decides to allow DOT to charge an

annual permit fee, the bill would need to be amended to provide this authority.

6. Charging an annual fee may make it easier for DOT to track the status of signs, particularly to determine whether a specific sign is abandoned. Under current law, a sign is considered abandoned if: (a) its advertising message is obsolete, or if there is no message, for a period of 12 months or longer; (b) the sign is in substantial disrepair; or (c) the name of the owner does not appear on the sign. DOT indicates, however, that there are sometimes disagreements between DOT and sign owners on this issue, which can lead to litigation. To eliminate some of these disputes, the sign could be considered abandoned if the permit renewal fee is not paid within two months of the time the fee is due.

7. The proposed fees would generate an estimated \$1,650,700 annually, which is more revenue than would be needed to hire a contractor to establish and maintain a computerized sign inventory system. DOT indicates that the intent was to generate revenues roughly equivalent to the current cost of regulating signs (estimated at \$690,000 annually) and the cost of establishing the computer inventory system (\$510,000, for a total of \$1,200,000). In addition, the proposed fee was intended to offset a revenue loss resulting from a separate item in the bill that would deregulate signs that advertise activities conducted on the property on which the signs are located (on-property signs). This revenue loss is estimated at \$7,800 in 1999-00 and \$8,500 in 2000-01. However, the Department's proposed permit fees, when added to the revenue generated from the current fees from permit issuance (not including revenue from on-property signs), would generate a total of \$1,663,500 annually, which would be higher than the cost of sign regulation.

8. One alternative to limit the permit fees would be to require DOT to initially establish the annual permit fees to generate an amount of revenue that approximates the cost of regulation. This amount would be \$690,000, if the new inventory system is not approved, or \$1,200,000, if the new inventory system is approved. Alternatively, the permit fees could be established to generate only the amount of revenue needed to pay the additional costs of the new inventory system, or \$510,000.

9. Most states that allow outdoor advertising signs along federal aid highways charge an annual permit fee. According to a 1996 survey done by the Federal Highway Administration, the fees generally depend upon on the size of the sign, but vary widely between states. The maximum fees range from \$5 to \$350. The maximum fee proposed by DOT would fall in that range, but only a few states have a maximum fee of \$100 or above. If the amount of revenue were initially limited to \$1,200,000, \$690,000 or \$510,000 and these limits resulted in a proportionate reduction in all of the proposed fees, the maximum fee would be reduced to \$108, \$62 or \$46, respectively.

10. The Senate Committee on Insurance, Tourism, Transportation and Corrections adopted a motion, on a vote of four to three, to delete the Governor's recommendation.

ALTERNATIVES

A. Outdoor Advertising Sign Inventory System

1. Approve the Governor's recommendation to provide \$510,000 SEG in 2000-01 for contracting with a vendor to establish an inventory system for outdoor advertising signs and to perform ongoing updates to the inventory.
2. Maintain current law.

Alternative A2	SEG
1999-01 FUNDING (Change to Bill)	- \$510,000

*2001
20110(2)(f)*

B. Annual Permit Renewal Fee

1. Allow DOT to create, by rule, an annual permit fee for outdoor advertising signs. Specify that the failure to pay the fee to renew a sign permit within two months of the time the permit fee is due shall be considered evidence that the sign has been abandoned. In addition, specify that the fees shall be initially established to limit the amount of additional, annual revenue (above the current base of \$21,300) to one of the following amounts, beginning in 2000-01:

a. \$1,650,700, which is the amount that would be generated from the fees proposed by DOT (total fee revenue would be \$1,672,000).

b. \$1,178,700, which is the amount that, when added to the base revenues, would produce enough revenue to cover the cost of the current regulation program plus the cost of the inventory system (total fee revenue would be \$1,200,000).

Alternative B1b	SEG
1999-01 REVENUE (Change to Bill)	- \$472,000

c. \$668,700, which is the amount that, when added to the base revenues, would produce enough revenue to cover the cost of the current regulation program (total fee revenue would be \$690,000).

Alternative B1c	SEG
1999-01 REVENUE (Change to Bill)	- \$982,000

d. \$510,000, which is the amount that would produce enough additional revenue to cover the additional cost of the inventory system (total fee revenue would be \$531,300).

Alternative B1d	SEG
1999-01 REVENUE (Change to Bill)	- \$1,140,700

2. Maintain current law.

Alternative B2	SEG
1999-01 REVENUE (Change to Bill)	- \$1,650,700

Prepared by: Jon Dyck



D-NOTE

State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0681/1

RCT/.....
(WJ)
*TNF

START TODAY

LFB:.....Dyck - Outdoor advertising sign annual permit fee

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

who has paid a permit issuance
fee for a sign under
s. TRANS 201.13,
Wis. Adm. Code,

(CS)
ANNUAL

1 At the locations indicated, amend the bill as follows:

2 1. Page 911, line 23: after that line insert:

3 "SECTION 1824f. 84.30 (10m) of the statutes is created to read:

4 84.30 (10m) PERMIT REQUIREMENT. The department may promulgate rules

any 5 requiring a person to obtain (an annual permit) for ~~each~~ ^{fee} sign ~~created or maintained~~ ^{the}

6 by the person. ~~In the rules, the department may establish an annual permit fee.~~ ^{pay} If

7 the department establishes an annual permit fee, failure to pay the fee within 2

8 months of the date on which ~~the~~ payment is due is evidence that the sign has been

9 abandoned for the purposes of s. TRANS 201.10 (2) (f), Wis. Adm. Code."

10 2. Page 1422, line 7: after that line insert:

under this
subsection

a

1 NON
STATS ~~“(3)”~~^m ANNUAL OUTDOOR ADVERTISING SIGN PERMIT FEE. If the department of
2 transportation establishes an annual fee under section 84.30 (10m)[✓] of the statutes,
3 as created by this act, during the 1999-2001 fiscal biennium, the department shall
4 design the fee to collect not more than \$510,000 in fiscal year 2000-01.”[✓]

5 (END)

LRB60681/1dn
TNF: Wlj:

DRAFTER'S NOTE

ATTN: Jon Dyck

please italicize

~~¶~~ This amendment authorizes DOT to collect an annual permit fee only from those persons who have paid a permit issuance fee, Is this your intent?

consistent with

TNF

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0681/1dn
TNF:wj:ksh

June 12, 1999

ATTN: Jon Dyck

This amendment authorizes DOT to collect an annual permit fee *only* from those persons who have paid a permit issuance fee. Is this consistent with your intent?

Timothy N. Fast
Senior Legislative Attorney
Phone: (608) 266-9739
E-mail: Tim.Fast@legis.state.wi.us

60681/1

6/14 Per John Dyck - It shouldn't be limited to those who have paid the initial fee. There are some old signs that require the most control. Instead give DOT broad authority to decide who must pay.

RIT



State of Wisconsin
1999 - 2000 LEGISLATURE

Today

LRBb0681 Z
RCT&TNF:wlj:ksh
RMR

LFB:.....Dyck – Outdoor advertising sign annual permit fee

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 911, line 23: after that line insert:

3 "SECTION 1824f. 84.30 (10m) of the statutes is created to read:

4 84.30 (10m) ANNUAL PERMIT^{fee} REQUIREMENT. The department may promulgate

5 a rule requiring ~~one~~ person ^{s specified in the rule} who has paid a permit issuance fee for a sign under s.

6 ~~TRANS 201.13, Wis. Adm. Code,~~ to pay ~~an~~ annual permit fee^s for the sign^s. If the

7 department establishes an annual permit fee under this subsection, failure to pay

8 the fee within 2 months of the date on which payment is due is evidence that the sign

9 has been abandoned for the purposes of s. TRANS 201.10 (2) (f), Wis. Adm. Code.".

10 2. Page 1422, line 7: after that line insert:



State of Wisconsin
1999 - 2000 LEGISLATURE

Today

LRBb068123
RCT&TNF:wlj:km

redraft
run

LFB:.....Dyck - Outdoor advertising sign annual permit fee

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 911, line 23: after that line insert:

3 "SECTION 1824f. 84.30 (10m) of the statutes is created to read:

4 84.30 (10m) ANNUAL PERMIT FEE REQUIREMENT. The department may
5 promulgate a rule requiring persons specified in the rule to pay annual permit fees

6 for signs. If the department establishes an annual permit fee under this subsection,

7 failure to pay the fee within 2 months ^{after} of the date on which payment is due is evidence

8 that the sign has been abandoned for the purposes of s. TRANS 201.10 (2) (f), Wis.

9 Adm. Code."

10 2. Page 1422, line 7: after that line insert:

1 “(3m) ANNUAL OUTDOOR ADVERTISING SIGN PERMIT FEE. If the department of
2 transportation establishes an annual fee under section 84.30 (10m) of the statutes,
3 as created by this act, during the 1999–2001 fiscal biennium, the department shall
4 design the fee to collect not more than \$510,000 in fiscal year 2000–01.”.

5

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0681/3
RCT&TNF:wlj:jf

LFB:.....Dyck - Outdoor advertising sign annual permit fee

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 911, line 23: after that line insert:

3 **"SECTION 1824f.** 84.30 (10m) of the statutes is created to read:

4 **84.30 (10m) ANNUAL PERMIT FEE REQUIREMENT.** The department may
5 promulgate a rule requiring persons specified in the rule to pay annual permit fees
6 for signs. If the department establishes an annual permit fee under this subsection,
7 failure to pay the fee within 2 months after the date on which payment is due is
8 evidence that the sign has been abandoned for the purposes of s. TRANS 201.10 (2)
9 (f), Wis. Adm. Code."

10 **2.** Page 1422, line 7: after that line insert:

