

Fiscal Estimate Narratives
DOT 3/25/02

LRB Number 01-4399/1	Introduction Number AB-707	Estimate Type Original
Subject Annual fee for billboards owned by nonprofit organizations		

Assumptions Used in Arriving at Fiscal Estimate

Assume that this bill applies to signs owned by three types of organizations: churches, government entities, and not-for-profit service groups. The bill does not provide a definition of a "nonprofit organization". This lack of specificity could result in legal challenges from other not for profits that may own signs; administrative rule changes may be needed to address the issue if no change is made in the bill.

Revenue reductions are assumed based on the prohibition on fees from the following signs:

There are nine primary categories for signs. Trans. 201.035(9)(a) exempts from the annual fee "signs of eight square feet or less in area in all categories except nonconforming, grandfathered and directional. Back-to-back or V shaped signs in these categories which are 16 square feet or less are also fee exempt. In addition, official (government) signs which are single sided and less than 150 square feet are fee exempt as are official V shaped or back-to-back signs of 300 square feet or less. The bill would therefore exempt an additional 165 signs in the religious notice category at a cost of \$5775 in lost revenue, 101 signs in the service club category at a cost of \$3535, and 38 signs in the official category at a cost of \$1330.

The decrease in revenue would result from loss of sign fees in the other categories. There are 566 religious signs in these categories which would result in a loss of revenue of \$28,300. There are 365 government signs in other categories which would mean a loss of \$18,250 and 140 non-profit signs at a loss of \$7,000. The new Outdoor Advertising Information System, created when annual fees were first imposed in 2001, is not entirely complete and there is no reliable way to determine whether the sign owner is a non-profit entity or subject to the bill. For example, signs owned by Chambers of Commerce were not included in the estimate of revenue loss under this bill. The estimates of revenue loss would be higher should the provision be interpreted more broadly.

Federal and state law continue to require the department to effectively control these signs regardless of whether they are owned by not for profit entities, so agency costs would not be reduced

Long-Range Fiscal Implications

Revenue loss from all of the above categories would be at least \$65,000 per year.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Annual fee for billboards owned by nonprofit organizations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One time costs would be incurred to identify whether the sign owners in the current database qualify for the fee exemption. That cost has not been quantified and would be expected to be absorbed.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
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			-65,000
TOTAL State Revenues		\$	-\$65,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-65,000	\$(-65,000)
Agency/Prepared By		Authorized Signature	Date
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