

Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

| | | | |
|---|--|---|--|
| LRB Number 03-2358/1 | | Introduction Number SB-239 | |
| Subject | | | |
| Nonconforming outdoor advertising signs | | | |
| Fiscal Effect | | | |
| State: | | | |
| <input type="checkbox"/> No State Fiscal Effect | | | |
| <input type="checkbox"/> Indeterminate | | | |
| <input type="checkbox"/> Increase Existing Appropriations | <input type="checkbox"/> Increase Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget | |
| <input type="checkbox"/> Decrease Existing Appropriations | <input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Create New Appropriations | | <input type="checkbox"/> Decrease Costs | |
| Local: | | | |
| <input type="checkbox"/> No Local Government Costs | | | |
| <input type="checkbox"/> Indeterminate | | | |
| 1. <input type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenue | 5. Types of Local Government Units Affected | |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Towns | <input type="checkbox"/> Village <input type="checkbox"/> Cities |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenue | <input type="checkbox"/> Counties | <input type="checkbox"/> Others |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> School Districts | <input type="checkbox"/> WTCS Districts |
| Fund Sources Affected | | Affected Ch. 20 Appropriations | |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS | | | |
| Agency/Prepared By | | Authorized Signature | Date |
| DOT/ Deborah Brucaya (608) 266-3813 | | Carol Buckmaster (608) 267-6979 | 10/8/2003 |

Fiscal Estimate Narratives

DOT 10/9/2003

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|---|-----------|---------------------|--------|---------------|----------|
| LRB Number | 03-2358/1 | Introduction Number | SB-239 | Estimate Type | Original |
| Subject | | | | | |
| Nonconforming outdoor advertising signs | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

There are approximately 4500 nonconforming signs along Wisconsin's highways. These signs are 39% of all off-premise outdoor advertising signs regulated by the department.

If this bill were enacted, a process for establishing the value of a nonconforming sign and determining when repairs and maintenance on a sign exceeds 50% of its replacement value will be needed. Essential components of this process include:

- ... obtaining and verifying a replacement value* for each sign from the sign owner
- ... developing and implementing a method of capturing and tracking the damage, repair, and customary maintenance costs for each nonconforming sign, which will involve creating a document, both hard copy and electronic, for use by sign owners to inform the department about damage to, destruction of, and maintenance to their sign
- ... distributing the document to all sign owners and educating each sign owner in its use
- ... entering the sign's value and other related information into the database, including downloading detailed photographs
- ... building a new feature into the existing sign database to preserve these sign values and the accumulated costs of repairs and maintenance for each sign

A conservative estimate of the time needed to accomplish all of the above tasks for each nonconforming sign is three hours, or 13,500 hours to accomplish this work. This represents 6.5 FTE positions, using 2088 hours available in one FTE position.

Assuming these tasks could be performed under contract at a value of \$75,000 per each FTE position, this would cost the department \$487,500. As an alternative, permanent FTE positions could be created to perform this work.

If this bill became law, the department would recoup these costs by seeking an increase of the annual sign and permit fee for nonconforming and grandfathered signs through the administrative rule process.

*This bill does not define replacement value. Therefore, for the purposes of this bill, we assume that the method adopted by administrative law judges when deciding sign cases is acceptable. Basically, the cost to replace each sign component at current, new prices and the labor to install the components creates the sign's current replacement value.

Long-Range Fiscal Implications

An agreement between the State of Wisconsin and the [then] U. S. Department of Transportation became effective on March 18, 1972 that obligates Wisconsin to provide effective control of outdoor advertising signs or risk the loss of 10% of the total annual federal appropriations for highway improvements.

This proposed bill places Wisconsin at risk of loss of federal funds since allowing extensive repairs and maintenance valued at up to 50% of the sign's replacement cost within a twelve month period would not constitute effective control. If this bill were to become law, a nonconforming sign could be completely rebuilt

within a 24-month period.

Wisconsin Department of Administration
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Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original

 Updated

 Corrected

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| | | | |
|--|------------------|--|-----------------|
| LRB Number 03-2358/1 | | Introduction Number SB-239 | |
| Subject | | | |
| Nonconforming outdoor advertising signs | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| 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 | 487,500 | | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | \$487,500 | | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | 487,500 | | |
| 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 | | | |
| | | State | Local |
| NET CHANGE IN COSTS | 487,500 | | \$ |
| NET CHANGE IN REVENUE | | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | |
| DOT/ Deborah Brucaya (608) 266-3813 | | Carol Buckmaster (608) 267-6979 | |
| | | Date | |
| | | 10/8/2003 | |