

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-0889/1		Introduction Number SB-77	
Subject Outdoor advertising signs; freezing erection of new signs in business areas			
Fiscal Effect			
State:			
<input checked="" type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input 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 type="checkbox"/> No	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" 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 type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By	Authorized Signature	Date	
DOT/ Deborah Brucaya (608) 266-3813	Carol Buckmaster (608) 267-6979	3/14/2005	

Fiscal Estimate Narratives

DOT 3/14/2005

LRB Number	05-0889/1	Introduction Number	SB-77	Estimate Type	Original
Subject					
Outdoor advertising signs; freezing erection of new signs in business areas					

Assumptions Used in Arriving at Fiscal Estimate

This bill would prohibit the erection of new off-property signs after the effective date of the statutory change, but would allow existing signs to remain and be maintained. The off-property category of signs includes billboards and other advertising signs. Non-advertising signs in the categories of directional, official, and religious and service club meeting notices would not be affected. The bill would also have no effect on advertising signs located in urban areas outside the adjacent area (greater than 660 feet from the nearest edge of the right of way) provided the sign's message could not be read from the highway, signs for activities conducted on the property on which they are located, and signs advertising the sale of real estate on which the sign is located.

Under this proposed bill, no new permits for off-property signs would be issued. The three year average for the number of off-property sign permits issued is 152 permits each year. This represents a \$26,600 decrease in segregated revenue [152 x \$175]. Since no permit applications for off-property signs would be processed, there would be an offsetting reduction in costs to process applications. It is assumed that the cost savings roughly approximate the foregone fees for the new applications, or a reduction in costs of \$26,600.

Future annualized fiscal impacts would include a change from anticipated normal growth in fees related to net increases in the number of signs controlled. Under current law, the average 152 new off-property sign permits per year generates an additional \$5,320 [152 x \$35] in permit renewal fees annually in the years subsequent to initial permit issuance. It is assumed that there would be no significant reduction in the number of other non-advertising signs subject to annual fees. The savings in administrative costs from not collecting an annual fee on these 152 signs is negligible. NOTE: Annual fees would still be collected on existing signs.

Currently, the annual outdoor advertising licensing requirement applies only when an individual or company builds or erects more than two signs in a calendar year. The licensing requirement does not apply when an individual or company buys, sells, owns, maintains, or is issued a permit for a sign but does not actually build a new sign. It is assumed that the administrative rule would be revised to apply the licensing requirement to any individual or business that buys, sells, owns, maintains, or obtains permits for signs. This would preserve the licensing requirement in the statute and prevent the loss of annual license fees under this proposed change. As a result, license fee revenue would be expected to remain relatively constant.

Local units of government may receive fewer inquiries for information necessary to complete an application for sign permits. With no new off-property applications being processed, there would be no need for applicants to research and document the zoning status of land on which an off-property sign may be located. This impact on local units cannot be reliably estimated, but is not expected to be substantial since the 152 annual applications are spread over many local units of government. There may be some indeterminate impact on local personal property taxes, as signs are taxed as personal property; the value of this taxable property is likely inconsequential to the total taxable property base and it is unclear whether the taxable value of the signs not erected may be offset by an increased value in the remaining sign values.

Long-Range Fiscal Implications

Fewer new signs will limit growth in annual fee revenue. However, this change will be gradual and could be accommodated through normal planning and management practices.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
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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			-26,600
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	-\$26,600
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			-26,600
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			-26,600
TOTAL State Revenues		\$	-\$26,600
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$-26,600	\$
NET CHANGE IN REVENUE		\$-26,600	\$
Agency/Prepared By		Authorized Signature	Date
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