

BILL ANALYSIS

C.S.H.B. 3025
By: Martinez Fischer
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Local Government Code, Chapter 216 provides one method for municipal regulation of signs. Under this chapter, a city may appoint a municipal sign control board that has the authority to require the relocation, reconstruction or removal of signs. Chapter 216 provides a method for calculation of the compensation to the affected owners. As presently written, the statute allows a municipality to meet its compensation duty through granting certain tax abatements for relocation or reconstruction of the sign but not for removals. Committee Substitute House Bill 3025 would make the abatement option available for sign removals as well.

Municipalities have adopted billboard regulations pursuant to this chapter and their home rule authority. Recently, certain billboard construction companies have attempted to circumvent the billboard regulations by claiming that their signs are “on-premise” signs. They argue that the city is not allowed to require their removal or relocation since these are “on-premise” signs rather than billboards.

On-premise signs are traditionally those signs that advertise a business or restaurant at its location and is thus a “on-premise” sign. Certain companies will lease space from a business next to a highway and erect an “on-premise” sign that is the size of a regulated billboard and then lease out advertising space. Under this arrangement, they claim to qualify under the less stringent regulations of an “on-premise” sign.

Committee Substitute House Bill 3025 will amend Chapter 216, Local Government Code to authorize a municipality to grant certain tax abatements as a possible means of compensation to the owner of “on-premise” signs that must be removed in response to an order of municipal board of sign control.

RULEMAKING AUTHORITY

It is the committee’s opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 216.010 (b), Local Government Code, to provide that if a municipality requires the removal of an “on-premise” sign, the city may abate municipal property taxes that would otherwise be owned by the owner of the sign.

SECTION 2. Effective date.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B 3025 is a non-substantive redraft of the original by Legislative Council.