

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 8, 2003

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1249 by Armbrister (Relating to procedures for compensating owners of outdoor advertising that is subject to condemnation.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Title 4 of the Property Code by adding Chapter 30, Condemnation of Outdoor Advertising. The bill would set up a framework of negotiation and mandatory non-binding arbitration when a billboard is acquired, relocated or reconstructed by certain governmental entities when undertaking public projects or public goals.

The bill would take effect September 1, 2003.

It is assumed the Department of Transportation could implement the provisions of the bill within current resources.

Local Government Impact

The city of Waco (population 114,934, annual budget \$145 million) reported that for their city implementing the provisions of the bill would depend upon two factors: how often the city was involved in taking a sign and the fair market value of the sign. The city stated that the provisions could have a positive fiscal impact if half of the cost of relocation, reconstruction, and arbitration would turn out to be less than the cost of buying the sign at fair market value. However, use of the new procedures could slow down and complicate the process of obtaining right-of-way for the widening of roads.

Dallas County (population 2.2 million, annual budget \$571.1 million) reported that the provisions of the bill could subject the county to additional right-of-way costs on future transportation projects which may include the structures within right-of-way acquisition corridors, adding more time and complexity to the existing eminent domain processes.

The city of Carrollton (population 112,300, annual budget \$144 million) reported that there would be no significant fiscal impact to the city to implement the provisions of the bill.

Source Agencies: 601 Department of Transportation

LBB Staff: JK, DLBa, RT, KG