

## **BILL ANALYSIS**

C.S.H.B. 2945  
By: Murphy  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Since the early beginnings of sign regulation, the method of time-amortization has been used to compensate sign owners whose signs are removed because of regulatory enactment. See *Metromedia, Inc. V. City of San Diego, 453 U.S. 490*. Compensation by amortization is a methodology whereby signs are identified for removal by regulation, but the removal is delayed for a time period sufficient to allow the sign owner and any other interest holder in the sign to recoup the cost of the sign. Once the time period expires, the sign must be removed. Several Texas cities which early-on enacted sign regulatory ordinances employed time-amortization as the preferred means of compensation, until the Legislature adopted Ch. 216 of the Local Government Code. Thereafter, the only methods of compensation available to a city to cause the removal of signs by regulatory enactment were either through tax abatements or the direct expenditure of hard-to-come-by taxpayer dollars.

Time-amortization is still a viable, legal methodology for compensating sign owners; e.g., see *Ackerley v. Krochalis, 108 F. 3d 1095*. C.S.H.B. 2945 would again allow municipalities with a population of 1.9 million or more to employ time-amortization as an alternative means of compensation for on-premise signs, subject to the strict requirements already contained in Chapter 216 of the Local Government Code for determining value.

### **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.

### **ANALYSIS**

Section 1. Amends Section 216.010, Local Government Code by adding new Subsection (f).

(f) Except as prohibited by federal law, a municipality with a population of 1.9 million or more may pay the compensable costs to the sign owner by allowing an on-premise sign to remain in place for a time sufficient to recover the compensable costs due to the sign based on a determination by the municipal board of average annual gross revenue under current Section 216.009 and applying that to a determination of the total current value of the sign under Section 216.008, if the sign were used as an off-premise sign as opposed to an on-premise sign. During the amortization period, a sign that remains in place must be maintained in compliance with all regulations applicable to the sign, including structural regulations.

SECTION 2. This Act takes effect September 1, 2007.

### **EFFECTIVE DATE**

September 1, 2007.

### **COMPARISON TO ORIGINAL TO SUBSTITUTE**

C.S.H.B. 2945 removes the amortization provisions applicable to off-premise signs that were included in the original bill as filed. Furthermore, it clarifies the process under which the determination is made for the total value of an on-premise sign under Section 216.008 and the application of the average annual revenue determination under Section 216.009 to the total value

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of the sign. C.S.H.B. 2945 was also amended to be bracketed to municipalities with a population of 1.9 million or more.