

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

TO: Honorable David Swinford, Chair, House Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB111 by Carona (Relating to removal or reconstruction of certain outdoor advertising.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to specify that if an improvement to the state highway system necessitates the removal of outdoor advertising located in a municipal jurisdiction or the extraterritorial jurisdiction of a municipality and the relocation of the advertising would be allowed under the rules of the Texas Transportation Commission but is prohibited by the charter or an ordinance of a municipality, then the liability of the Texas Department of Transportation (TxDOT) relating to the removal of the advertising would be limited to the amount that TxDOT would have been required to pay if the advertising had been relocated in accordance with Commission rules. The bill would specify that a municipality that prohibits the relocation of the outdoor advertising is liable for the difference between the amount of the just compensation required for the removal of the advertising and the amount for which TxDOT is liable. The bill would allow the owner of outdoor advertising to adjust the height of a sign if the visibility of the sign is obstructed, provided that the sign conforms to state regulations. The bill would specify that all expenses associated with adjusting the height of the sign would be borne by the sign owner.

TxDOT indicates that the provisions of the bill would result in a positive impact to the State Highway Fund. However, it is assumed that any savings resulting from the implementation of the bill would be reallocated to other transportation projects.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2007.

Local Government Impact

Costs to municipalities to implement the provisions of the bill would vary. Costs for relocation are likely to be higher for cities with more stringent billboard ordinances.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, KJG, MW, TG