

BILL ANALYSIS

C.S.H.B. 2244
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to interested parties, if a Texas Department of Transportation (TxDOT) highway project requires the removal of a billboard in a municipality, TxDOT will either relocate the billboard to another location in the municipality or pay just compensation to the owner for removing the billboard. The parties note that, in such circumstances, relocation typically is the preferred option for both parties because the owner is able to maintain a valuable business asset and TxDOT saves time and money by not having to pay just compensation. However, the parties have expressed concerns regarding restrictions imposed by some municipalities that either prohibit such relocation or render relocation economically impractical for the billboard owner. Such an owner may then seek compensation from the state for the fair market value of the asset, which may exceed the actual cost to the state for relocation if the sign were to be relocated. C.S.H.B. 2244 seeks to address this concern by requiring municipalities to reimburse TxDOT for the just compensation paid by TxDOT to the owner of a sign that must be removed because of road construction but is not subsequently relocated.

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

C.S.H.B. 2244 amends the Local Government Code to require a municipality, if the widening, construction, or reconstruction of a road by the Texas Department of Transportation (TxDOT) requires the removal of a sign located in the municipality and if relocation of the sign in the municipality would be allowed under TxDOT rules but is restricted or prohibited by the municipality's charter, ordinance, or decision, to reimburse TxDOT for any just compensation paid to the owner or lessee of the sign in a condemnation proceeding. The bill establishes that, for purposes of its provisions, a sign located in the extraterritorial jurisdiction of a municipality is considered located in the municipality.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2244 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter A, Chapter 216, Local Government Code, is amended by adding Section 216.016 to read as follows:

Sec. 216.016. COSTS OF REMOVAL DUE TO ROAD CONSTRUCTION. (a) If a sign located in a municipality is required to be removed because of the widening, construction, or reconstruction of a road by the Texas Department of Transportation and if relocation of the sign in the municipality would be allowed under department rules but is restricted or prohibited by charter, ordinance, or a decision of the municipality, the municipality shall pay just compensation to:

(1) the owner for the right, title leasehold, and interest in the sign; and

(2) the owner or, if appropriate, the lessee of the real property on which the sign is located for the right to erect and maintain the sign.

(b) For purposes of this section, a sign located in the extraterritorial jurisdiction of a municipality is considered located in the municipality.

SECTION 2. The change in law made by this Act applies only to the relocation of a sign due to road construction for which the Texas Department of Transportation has entered into a construction contract on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2013.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter A, Chapter 216, Local Government Code, is amended by adding Section 216.016 to read as follows:

Sec. 216.016. COSTS OF REMOVAL DUE TO ROAD CONSTRUCTION. (a) If a sign located in a municipality is required to be removed because of the widening, construction, or reconstruction of a road by the Texas Department of Transportation and if relocation of the sign in the municipality would be allowed under department rules but is restricted or prohibited by charter, ordinance, or a decision of the municipality, the municipality shall reimburse the department for any just compensation paid to the owner or lessee of the sign in a condemnation proceeding.

(b) For purposes of this section, a sign located in the extraterritorial jurisdiction of a municipality is considered located in the municipality.

SECTION 2. The change in law made by this Act applies only to the removal of a sign that occurs on or after the effective date of this Act.

SECTION 3. Same as introduced version.