

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 19, 2013

TO: Honorable Harold V. Dutton, Jr., Chair, House Committee on Urban Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2244** by Harper-Brown (relating to requiring municipalities to reimburse the Texas Department of Transportation for compensation paid for certain signs required to be relocated due to road construction.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to provide that a municipality that is required to remove a sign by the Texas Department of Transportation (TxDOT) for road construction must reimburse TxDOT for any just compensation paid to the owner or the lessee of the sign in a condemnation proceeding. A sign located in the extraterritorial jurisdiction of a municipality is considered located in the municipality.

According to TxDOT, the department's policy considers a billboard as personal property that would qualify for reimbursement of reasonable and necessary moving expenses, and replacement location searching expenses such as time, meals and lodging. Searching expenses are capped at the current federal maximum benefit of \$2,500 for this category, while moving expenses do not have a cap provided expenses are reasonable and necessary. TxDOT indicates there would be a positive fiscal impact to TxDOT for reimbursement of just compensation that is paid to the owner or the lessee of a sign in a condemnation proceeding that would vary on a case-by-case basis. The reimbursement would only be required in a municipality that has an ordinance or charter that would prohibit the relocation of a sign that would otherwise be allowed under TxDOT rules.

The bill would take effect September 1, 2013.

Local Government Impact

There could be costs to a municipality that would be required to reimburse TxDOT for just compensation that is paid to an owner or lessee in a condemnation proceeding; however, the amounts would vary depending on the number of instances signs are ordered to be removed by TxDOT and the reimbursement costs of the compensation.

The City of Waco anticipates no significant fiscal impact based on a review by the city's Engineering and Traffic Departments.

Source Agencies: 601 Department of Transportation

LBB Staff: UP, KKR, SD, TP