

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

TO: Honorable Geanie W. Morrison, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2584** by Raymond (Relating to regulation by the Texas Department of Transportation of the spacing along highways of outdoor advertising in municipalities.), **As Introduced**

No significant fiscal implication to the State is anticipated. However, failure to effectively control outdoor advertising in accordance with federal laws and regulations could result in the loss of federal transportation funding to the State.

The bill would amend Chapter 391 of the Transportation Code, relating to highway beautification on Interstate and primary systems and certain roads. The bill would stipulate that Texas Department of Transportation (TxDOT), in regulating outdoor advertising located in the corporate boundaries of a municipality, may not consider for the purposes of spacing distances an electronic sign owned by a political subdivision. The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house. Otherwise, the bill would take effect on September 1, 2017.

Based on LBB's analysis of TxDOT, it is assumed any direct costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

Federal requirements of 23 U.S.C §131 (Control of Outdoor Advertising) and the State's 1972 federal-state agreement state that "signs may not be erected on the Interstate and Freeway Primary systems closer than 500 feet apart on the same side of the highway." Neither federal statute nor the federal-state agreement allow for exceptions to this requirement. Failure to effectively control outdoor advertising could result in the loss of up to ten percent of the State's federal transportation funding, including the National Highway System, Congestion Mitigation and Air Quality, Surface Transportation Program, and Interstate Maintenance Programs. TxDOT estimates the amount of federal funds at risk to be up to \$350.0 million.

Local Government Impact

According to the Texas Municipal League, the fiscal impact to municipalities is not anticipated to be significant.

Source Agencies: 601 Department of Transportation

LBB Staff: UP, AG, EH, TG, THh, JGA