

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 299

SHORT TITLE: Outdoor Advertising Control Act

SPONSOR(S): Representative Joe Hackney

FISCAL IMPACT					
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>
REVENUES	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000
EXPENDITURES					
POSITIONS					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Transportation					
EFFECTIVE DATE: Upon ratification					

BILL SUMMARY:

Amends GS 136-133 to delete maximums for permit fees and to direct Board of Transportation (BOT) to review and adjust permit fees established by Department of Transportation (DOT) biennially. Adds new provision to section allowing DOT to issue stop work orders for outdoor advertising under construction when DOT determines that required permit has not been issued, and permits DOT to remove outdoor advertising if stop work order not complied with. Amends GS 136-134 to make clear that DOT can assess cost of removing illegal outdoor advertising against owner thereof and to make clarifying changes. Adds new GS 136-133.1 providing that contested case hearings arising from outdoor advertising act shall be heard in Wake county and that the burden of proof is on party petitioning for review. Adds GS 133-134.2 requiring that DOT give certified mail notice of adverse decisions regarding outdoor advertising. Rewrites GS 133-134.1 to specify that judicial review of final agency decisions regarding outdoor advertising permits is governed by GS Chapter 150B, Article 4. Amends GS 150B-1(e) to exempt from

contested case provisions of Chapter 150B DOT actions under GS 133-133.1 and –134.1. Amends GS 136-135 to allow DOT to seek injunctive relief against outdoor advertising in county where advertising is located, as well as in Wake county. Adds new GS 136-18.7 to permit BOT to establish fees to defray costs of administering permit procedures for DOT's selective vegetation removal policy. Makes other technical changes.

ASSUMPTIONS AND METHODOLOGY:

Regulatory Permit Fees

Current law allows the Department of Transportation to charge permit fees to defray the costs of regulating outdoor advertising. However, because current law limits the amount of these fees, DOT is not fully recovering these costs. According to an audit report published by the DOT internal audit section, the Department spent about \$490,000 issuing permits for outdoor advertising in fiscal year 1997-98, but only recovered \$270,000 in fees from the program, a net cost of \$220,000. Currently, these costs are being absorbed by the Highway Fund maintenance budgets. By allowing the Department to increase the amount of fees charged to cover these costs, the bill would increase Highway Fund fee income by roughly \$220,000 per year.

Vegetation Removal Permit Fees

The bill would also allow the Board of Transportation to establish fees to defray the costs of administering permit procedures for removing vegetation around outdoor advertising. The Department estimates it spent about \$100,000 reviewing permit requests and inspecting vegetation removal at billboards in 1998. By allowing the Board to establish a fee to defray these costs, the bill would generate \$100,000 annually for the Highway Fund.

Litigation Costs

The Department believes that the changes to the litigation process proposed in the bill will result in fewer appeals from outdoor advertisers, and therefore lower litigation costs. However, the Department has no way of predicting exactly how these changes will affect litigation costs.

All fiscal estimates are in constant 1998-99 dollars.

FISCAL RESEARCH DIVISION 733-4910

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DATE: Wednesday, March 24, 1999



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