

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 254

SHORT TITLE: Outdoor Advertising Control Act

SPONSOR(S): Senator Wib Gulley

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:

Senate committee substitute makes the following changes to 1st edition. Retains fee provisions in GS 136-133 and raises maximum fee for directional signs from \$20 to \$40 for initial fee and from \$15 to \$30 for annual renewal fee. Fees for outdoor advertising structures may not exceed \$120 (was, \$60) for initial fee and \$60 (was, \$30) for renewal fee. Allows applicant for outdoor advertising permit who is dissatisfied with initial decision (was, final decision) to petition for administrative review under Art. 3, GS Ch. 150B within 30 days (was, 20 days) after decision is made by Dep't of Transportation. Deletes provision setting venue in Wake County. Adds to provision regarding stop work orders issued by Dep't of Transportation (new GS 136-133.1) that stop work order may not be issued when DOT process agent has been served with a court order allowing the sign to be constructed. Sets fee for selective vegetation removal permit issued under GS 136-18(5), (7), and (9) at \$200. Makes fee changes effective July 1, 1999.

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 fees to the amounts specified, the bill would recover these costs, increasing 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 \$200 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:

Monday, April 19, 1999



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