

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 963 - SB 902

February 25, 2019

SUMMARY OF ORIGINAL BILL: Requires an existing outdoor advertising device that was not subject to the statutorily required permit and tag when it was erected, but is subsequently made subject by federal law or action that adds a highway or section of highway to the interstate or primary highway systems, to obtain a permit and tag from the Commissioner of the Department of Transportation (TDOT). Requires the application of such a permit and tag be accompanied by the payment of a fee of \$70.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$69,500/One-Time/Highway Fund

Forgone State Revenue – \$129,100/One-Time/Highway Fund

SUMMARY OF AMENDMENT (004682): Deletes and replaces language of the bill without making any substantive changes to the legislation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Under current law, pursuant to Tenn. Code Ann. § 54-21-104(a), no person shall construct, erect, operate, use, maintain, or cause or permit to be constructed, erected, operated, used, or maintained, any outdoor advertising within 660 feet of the nearest edge of the right-of-way and visible from the main traveled way of the interstate or primary highway systems without first obtaining from the Commissioner a permit and tag.
- Under current law, pursuant to Tenn. Code Ann. § 54-21-104(b)(1), permits and tags shall not be issued until applications are made in accordance with and on forms provided by the Commissioner and accompanied by payment of a fee of \$200 for each permit and tag requested.

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- New state routes in Tennessee were added to the National Highway System through the 2012 federal law Moving Ahead for Progress in the 21st Century (MAP-21 § 1508; 23 USC 120).
- According to information provided by TDOT, there are 1,024 existing outdoor advertising devices along those state routes. Thus far, 31 permits and tags have already been issued for existing outdoor advertising devices along those routes under the current fee structure of \$200.
- There are still 993 (1,024 – 31) existing outdoor advertising devices for which there have been no applications for permits and tags, or any registration fees collected.
- In the absence of this legislation, the permit fees applicable to the existing outdoor advertising devices (if collected) would total an additional \$198,600 in one-time state revenue to the Highway Fund (993 devices x \$200 application fee).
- However, such permit fees have remained uncollectible to date. It is assumed that such fees will remain uncollectible in the future under current law.
- Further, it is assumed that the lower permit fee of \$70 will not result in a significant increase to the total number of outdoor advertising devices erected in the future.
- Under the provisions of this legislation, it is assumed that the owners of the existing outdoor advertising devices will pay an application fee of \$70, resulting in a one-time increase in state revenue to the Highway Fund estimated to be \$69,510 (993 devices x \$70 application fee).
- In addition, this legislation will result in one-time forgone state revenue estimated to be \$129,090 (\$198,600 - \$69,510) to the Highway Fund.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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