



## Fiscal Estimate Narratives

DOT 3/14/2012

LRB Number 11-3474/1	Introduction Number AB-0618	Estimate Type Original
<b>Description</b> Outdoor advertising signs that are relocated because of state highway projects		

### Assumptions Used in Arriving at Fiscal Estimate

DOT maintains an inventory of over 10,200 off-premise advertising signs (billboards). The current legislative proposal comprehensively defines municipality to include city, village or town. Because of the comprehensive definition of municipality, all of the signs DOT regulates, spread across the entire state trunk highway system would be potentially subject to the proposed language.

DOT does not maintain records indicating what percentage of the signs it regulates are non-conforming to the municipalities' sign control ordinances. The annual range of sign acquisitions resulting from DOT highway improvement projects is from 10 to 25 signs per year, with an estimated annual average of 15 signs. Sign acquisition includes acquiring or moving the sign structure, as well as, purchasing the sign site interest - collectively referred hereafter to as the 'sign package.'

DOT's average sign package acquisitions range in value from \$500 to \$400,000, with an estimated average value of \$100,000. DOT's current average relocation cost for a movable sign structure is \$35,000. DOT's average annual cumulative sign package acquisition cost equals an estimated \$1.5M, with a range from \$1M to \$2.5M.

Because the proposal contains a build new option, relocation of a locally nonconforming sign would most likely involve acquiring and extinguishing the original sign site, plus the additional cost of building a new sign structure at an alternative site. The fiscal impact to DOT caused by requiring the cost new relocation of all locally nonconforming sign packages is as follows:

- a. 15 signs relocated under current law:  $(15) \times (\$35,000) = \$525,000$
- b. 15 signs (sign packages) relocated under cost new proposal:  $(15) \times (\$100,000) = \$1.5M$
- c. Average fiscal impact to DOT of cost new relocation proposal: \$975,000 with a range between \$650,000 and \$1,625,000.

Local impact would also be a range of values. These values would equal DOT's acquisition of the sign package (sign site interests plus structure value). The average potential fiscal impact for the defined municipalities is \$1.5M, with a range from \$1M to \$2.5M.

### Long-Range Fiscal Implications

See above.