

February 26, 2015

The Honorable Richard Proehl, Chairperson
House Committee on Transportation
Statehouse, Room 581-W
Topeka, Kansas 66612

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2390 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2390 is respectfully submitted to your committee.

HB 2390 would amend the Kansas Highway Advertising Control Act to allow outdoor advertising structures erected by local zoning authorities prior to June 30, 2006, to be grandfathered or otherwise considered legal conforming signs. Furthermore, the bill would grandfather locations where spot zoning occurred prior to June 30, 2006.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	(\$31,500,000)
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

The Kansas Department of Transportation (KDOT) indicates that the enactment of HB 2390 would make state law less restrictive than the requirements found in federal law because it would grandfather in signs erected as a result of spot zoning. Spot zoning refers to state or local zoning actions that are not part of comprehensive zoning and are created primarily to permit the erection of outdoor advertising structures. Federal law does not recognize spot zoning for outdoor advertising control purposes.

The agency states that it would lose approximately \$31.5 million in federal funding for being in direct contradiction to federal law in FY 2016, FY 2017, and FY 2018. Programs that would receive a reduction in funds include the National Highway Performance Program, the

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Surface Transportation Program, and the Congestion Mitigation Air Quality Program. The agency reports that expenditures would need to be reviewed and reduce, accordingly. KDOT states no additional expenditures would be needed to implement HB 2390, and it notes that a reduction in federal funding could jeopardize the agency's ability to finance construction projects. Any fiscal effect resulting from the enactment of HB 2390 has not been included in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Ben Cleeves, KDOT