

SESSION OF 2006

**CONFERENCE COMMITTEE REPORT BRIEF
SUBSTITUTE FOR SENATE BILL NO. 253**

As Agreed to March 28, 2006

Brief*

Sub. for SB 253 pertains to the Highway Advertising Control Act.

The bill would revamp the old law and update various provision of the Act. The principal provisions of the bill would impose various fees on sign owners by:

- Requiring sign owners to pay an application fee ranging from \$5 to \$250;
- Requiring sign owners to pay a fee per sign structure of \$20 for a sign up to 32 square feet; \$75 for a sign 33 square feet to 300 square feet and \$150 for signs 301 square feet or larger.
- Phasing in these new fees over a two year period; and
- Providing that sign owners in the Kansas Department of Transportation's inventory prior to December 31, 2006 pay 50 percent of the new fee in 2007, and the remaining 50 percent of the fee in 2008 and provide that thereafter the full rate go in effect.

Other provisions would:

- Allow for automatic changeable facing signs as allowed in other states;
- Clarify the definition of an "unzoned commercial or industrial area";
- Provide sign owners the right to appeal agency decisions when they believed they are aggrieved;

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

- Require the Secretary of Transportation to adopt rules and regulations or internal policies the Secretary would deem necessary to regulate the use of new technology in outdoor advertizing; and
- Require the Secretary to compile and maintain a current listing of all signs that are available to promote tourism or economic development.

Conference Committee Action

The Conference Committee agreed to delete the provisions of the bill relating to the restriction of the location of sexually-oriented signs and place the sexually- oriented signs provisions into House Sub. for SB 35.

Background

The Chief Counsel from the Kansas Department of Transportation explained the major provisions of the original and substitute bill, noting that the agency had worked with sign-owners and other interest parties to craft an acceptable bill. She suggested a substitute bill to accommodate the concerns of sign-owners and the League of Kansas Municipalities and some Committee members' suggestions.

The Senate Committee of the Whole amended the provisions of SB 519 into this bill. SB 519 would restrict the location of sexually-oriented signs.

The original fiscal note prepared by the Director of the Budget indicates that the Kansas Department of Transportation estimates the bill would generate an additional \$125,150 in revenue from the sale of renewal permits in FY 2006. KDOT also estimates that after June 30, 2007, when all permits issued would be subject to the full fee, \$245,000 would be generated by the proposed fee structure. The agency indicates that the bill would not have a fiscal effect on expenditures, as the agency is already required to monitor outdoor advertizing along state highways.

The fiscal note prepared on SB 519 would have no direct fiscal effect on the state budget. It could, however, have the effect of

reducing revenues for adult cabaret and sexually oriented businesses, since not allowing these businesses to post explicit advertising on state highways could reduce the number of customers. This decrease in business revenues could, in turn, lower state tax revenues. Any fiscal effect that might result from passage of this bill would be separate from any amounts included in *The FY 2007 Governor's Budget Report*.