



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

<b>Bill #</b>	HB0562	<b>Title:</b>	Generally revise highway encroachment laws
<b>Primary Sponsor:</b>	Dooling, Julie	<b>Status:</b>	As Introduced

- ☐ Significant Local Gov Impact
 ☐ Needs to be included in HB 2
 ☒ Technical Concerns  
☐ Included in the Executive Budget
 ☐ Significant Long-Term Impacts
 ☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	(unknown)	(unknown)	(unknown)	(unknown)
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 562 may have a fiscal impact to the Montana Department of Transportation (MDT) as it relates to the potential loss of federal funding. MDT cannot determine the financial impact at this time.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Transportation**

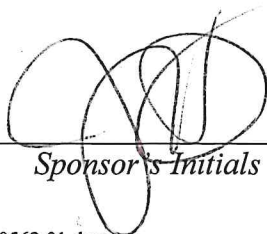
- Under 23 USC 401, 403, and 405 MDT is required to have authority to manage Montana Transportation Commission (MTC) designated roadways, including Right of Way in accordance with federal rules.

2. HB 562 is contrary to this federal rule from Outdoor Advertising Control (OAC), the Manual on Uniform Traffic Control Devices (MUTCD), and other safety standpoints.
3. MDT and local governments must adhere to MUTCD for signs and traffic control devices.
4. HB 562 directly conflicts with 61-8-203, MCA, and allows a municipality to bypass MUTCD standards for signs and traffic control devices.
5. Federal Highway Administration (FHWA) funding for all commission designated routes which pass through municipal limits, not just urban routes would be in jeopardy.
6. Under 23 USC 131 and 75-15, MCA, MDT is responsible for ensuring outdoor advertising signs adhere to federal and state standards by issuing outdoor advertising permits.
7. HB 562 allows outdoor advertising sign encroachments without an Outdoor Advertising Control (OAC) permit, impacting MDT's Federal Highway Administration (FHWA) funding.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(unknown)	(unknown)	(unknown)	(unknown)
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(unknown)	(unknown)	(unknown)	(unknown)

**Technical Notes:**

1. HB 562 conflicts with 61-8-706, MCA, which states an “unauthorized sign, emblem, marker, or traffic control device or portion thereof encroaching into, over, or upon a right-of-way of a state highway or controlled-access highway is a public nuisance, and the department may remove it or cause it to be removed without notice and without liability for the removal.”
2. MDT’s encroachment permit process, as set forth in admin rules, Mont. Admin R. 18.7.101 through 18.7.110 create a system for application for an encroachment permit, followed by evaluation by MDT traffic and safety engineers.
3. HB 562 does not require safety inspections of encroachments which creates dangerous safety situations with unsafe signs, blocking of sight distances, clear zone impediments, among other safety issues.

  
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*Sponsor's Initials*

2/26/21

  
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*Date*

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*Budget Director's Initials*

2/26/21

  
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