

Revised

Fiscal Note

2025-2026 Legislative Session

SF485 - 0 - Moratorium on New Billboards Established

Chief Author: **John Marty**
Committee: **Transportation**
Date Completed: **2/26/2025 1:55:57 PM**
Agency: **Transportation Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
Trunk Highway	-	152	5	6	8
Total	-	152	5	6	8
Biennial Total			157		14

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Trunk Highway	-	.67	-	-	-
Total	-	.67	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This fiscal note was revised to change the impact to revenues.

LBO Signature: Laura Cecko **Date:** 2/26/2025 1:55:57 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Trunk Highway	-	152	5	6	8	
Total	-	152	5	6	8	
Biennial Total			157		14	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Trunk Highway	-	149	-	-	-	-
Total	-	149	-	-	-	-
Biennial Total			149			-
2 - Revenues, Transfers In*						
Trunk Highway	-	(3)	(5)	(6)	(8)	(8)
Total	-	(3)	(5)	(6)	(8)	(8)
Biennial Total			(8)			(14)

Bill Description

This bill establishes a statewide moratorium on new billboards and declares existing billboard nonconforming uses.

Assumptions

MnDOT has averaged 47 new billboard permits per year over the last ten years. These permits generate about \$3,300 in application fees and yearly renewals each year. MnDOT assumes a reduction in revenue of this amount each year, with a lack of new permit renewals compounding each year. This bill would freeze yearly renewals at current numbers.

MnDOT does not anticipate any savings related to billboard removal because of this bill, given the infrequency of billboards needing to be removed due to MnDOT projects.

MNDOT assumes the agency would be required to update or rewrite the existing State/Federal agreement with the Federal Highway Administration (FHWA) to comply with federal regulations. MnDOT estimates about 1,400 staff hours at a managerial level would be needed to coordinate changes with FHWA and conduct public review. MnDOT estimates the process of rewriting the agreement with FHWA could cost approximately \$149,000.

Expenditure and/or Revenue Formula

MnDOT estimates that each year, approximately 47 new permits are issued for a cost of approximately \$70 each, totaling approximately \$3,290 (rounded to \$3,300) in revenue losses each year.

Annual renewal fees for billboards cost \$30 per billboard. To estimate the potential full impact of this bill, MnDOT assumes a 100% annual billboard renewal rate. While billboard renewals should stay the same in FY26, assuming 47 fewer billboard renewals in the second year, an additional revenue reduction of $47 \times 30 = \$1,410$ will occur. This effect will continue to compound, as no new billboard permits are processed.

In FY28, MnDOT estimates $47 + 47 = 94$ fewer renewals $\times \$30 = \$2,820$

In FY29, MnDOT estimates $47 + 47 + 47 = 141$ fewer renewals $\times \$30 = \$4,230$

Total revenue reductions are shown in the table below:

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Fiscal Year	Reduced Revenues
FY26	\$3,300 (rounded to (\$3,000))
FY27	\$3,300 initial permits + \$1,410 renewals = \$4,710 (rounded to \$5,000)
FY28	\$3,300 initial permits + \$2,820 renewals = \$6,120 (rounded to \$6,000)
FY29	\$3,300 initial permits + \$4,230 renewals = \$7,530 (rounded to \$8,000)

One partial temporary FTE (0.67) for FHWA agreement rewrites: $\$71.04 \times 1.5 \text{ overhead} \times 1400 \text{ hours} = \$149,184$
(rounded to \$149,000)

Long-Term Fiscal Considerations

Revenue impacts will continue.

Local Fiscal Impact

None

References/Sources

MnDOT Office of Land Management

MnDOT Office of Financial Management

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