CHAPTER 221

H.B. No. 1330

An Act relating to state and local regulation of outdoor signs.

Be it enacted by the Legislature of the State of Texas:

ARTICLE 1

SECTION 1. LEGISLATIVE INTENT. (a) This article is not intended to require a municipality to provide for the relocation, reconstruction, or removal of any sign in the municipality, nor is it intended to prohibit a municipality from requiring the relocation, reconstruction, or removal of any sign. This article is intended only to authorize a municipality to take that action and to establish the procedure by which the municipality may do so.

(b) This article is not intended to require a municipality to make a cash payment to compensate the owner of a sign that the municipality requires to be relocated, reconstructed, or removed. Cash payment is established as only one of several methods from which a municipality may choose in compensating the owner of a sign.

(c) This article is not intended to affect any eminent domain proceeding in which the taking of a sign is only an incidental part of the exercise of the eminent domain power.

SECTION 2. DEFINITIONS. In this article:

(1) "Sign" means an outdoor structure, sign, display, light device, figure, painting, drawing, message, plaque, poster, billboard, or other thing that is designed, intended, or used to advertise or inform.

(2) "On-premise sign" means a freestanding sign identifying or advertising a business, person, or activity, and installed and maintained on the same premises as the business, person, or activity.

(3) "Off-premise sign" means a sign displaying advertising copy that pertains to a business, person, organization, activity, event, place, service, or product not principally located or primarily manufactured or sold on the premises on which the sign is located.

(4) "Municipality" means an incorporated city, town, or village, including a home-rule city.

SECTION 3. MUNICIPAL BOARD. (a) If a municipality requires the relocation, reconstruction, or removal of a sign within its corporate limits or extraterritorial jurisdiction, the presiding officer of the governing body of the municipality shall appoint a municipal board on sign control. The board must be composed of the following persons:

(1) two persons who must be real estate appraisers registered with the Society of Real Estate Appraisers or the American Institute of Real Estate Appraisers;

(2) one person who must be engaged in the sign business in the municipality;

(3) one person who must be an employee of the State Department of Highways and Public Transportation and must be familiar with real estate valuations in eminent domain proceedings; and

(4) one person who must be an architect or a landscape architect licensed by this state.

(b) A member of the board is appointed for a term of two years.

(c) The board has the powers and duties given to it by this article.

SECTION 4. RELOCATION, RECONSTRUCTION, OR REMOVAL OF SIGN: COMPENSATION OF OWNER. (a) Subject to the requirements of this article, a municipality may require the relocation, reconstruction, or removal of any sign within its corporate limits or extraterritorial jurisdiction.

(b) The owner of a sign that is required to be relocated, reconstructed, or removed is entitled to be compensated by the municipality as provided by this section for costs associated with the relocation, reconstruction, or removal. The municipal board on sign control shall determine under this section the amount of the compensation. The determination shall be made after the owner of the sign is given the opportunity for a hearing before the board about the issues involved in the matter.

(c) For a sign that is required to be relocated, compensable costs include the expenses of dismantling the sign, transporting it to another site, and reerecting it, determined by the board according to the standards applicable in a proceeding under Chapter 21, Property Code. In addition, the municipality shall issue to the owner an appropriate permit or other authority to operate at an alternative site of substantially equivalent value a substitute sign of the same type and compensate the owner for any increased operating costs (including increased rent) at the new location. The owner is responsible for designating an alternative site where the erection of the sign would be in compliance with the sign ordinance. Whether an alternative site is of substantially equivalent value is determined by standards generally accepted in the outdoor advertising industry, including visibility, traffic count, and demographic factors.

(d) For a sign that is required to be reconstructed, compensable costs include expenses of labor and materials and any loss in the value of the sign in excess of 15 percent of that value due to the reconstruction, determined by the board according to standards applicable in a proceeding under Chapter 21, Property Code.

(e)(1) For an off-premise sign that is required to be removed, the compensable cost is an amount computed by determining the average annual gross revenue received by the owner from the sign during the two years immediately preceding September 1, 1985, or the two years immediately preceding the month in which the removal date of the sign occurs, whichever is less, and by multiplying that amount by three. If the sign has not been in existence for all of either two-year period, the average annual gross revenue for that period, for the purpose of this computation, is an amount computed by dividing 12 by the number of months that the sign has been in existence, and multiplying that result by the total amount of the gross revenue received for the period that the sign has been in existence. However, if the sign did not generate revenue for at least one month preceding September 1, 1985, this computation of compensable costs is to be made using only the average annual gross revenue received during the two years immediately preceding the month in which the removal date of the sign occurs, and by multiplying that amount by three. In determining the amounts under this paragraph, a sign is treated as if it were in existence for the entire month if it was in existence for more than 15 days of the month and is treated as if it were not in existence for any part of the month if it was in existence for 15 or fewer days of the month.

(2) For an on-premise sign that is required to be removed, the compensable cost is an amount computed by determining a reasonable balance between the original cost of the sign, less depreciation, and the current replacement cost of the sign, less an adjustment for the present age and condition of the sign.

(f) If an off-premise sign is required to be removed and the sign owner's compensable cost for the sign is to be determined under Subsection (e)(1) of this section, the owner of the real property on which the sign was located is entitled to be compensated for any decrease in the value of the real property. The compensable cost is to be determined by the board according to standards applicable in a proceeding under Chapter 21, Property Code.

(g) For each nonconforming sign, the board shall file with the appropriate property tax appraisal office the board's compensable costs value appraisal of the sign. The appraisal office shall consider the board's appraisal when the office, for property tax purposes, determines the appraised value of the real property to which the sign is attached.

SECTION 5. METHOD OF COMPENSATION. (a) In order to pay the compensable costs required under Section 4 of this article, the governing body of any municipality is authorized to utilize only the following methods prescribed by this section, or a combination of those methods.

(b) The municipality, acting pursuant to the Property Redevelopment and Tax Abatement Act (Article 1066f, Vernon's Texas Civil Statutes), may abate municipal property taxes that otherwise would be owed by the owner of a sign that is required to be relocated or

reconstructed. The abated taxes may be on any real or personal property owned by the owner of the sign except residential property. The right to the abatement of taxes is assignable by the holder, and the assignee may use the right to abatement with respect to taxes on any nonresidential property in the same taxing jurisdiction. In any municipality where tax abatement is utilized in order to pay compensable costs, such costs shall include reasonable interest and such abatement period shall not exceed five years.

(c) The municipality may allocate all or any part of the municipal property taxes paid on signs, on the real property upon which the signs are located, or on other real or personal property owned by the owner of the sign to a special fund in the municipal treasury, to be known as the sign abatement and community beautification fund, and make payments from that fund to reimburse compensable costs to owners of signs required to be relocated, reconstructed, or removed.

(d) The municipality may provide for the issuance of sign abatement revenue bonds and use the proceeds to make payments to reimburse costs to the owners of signs required to be relocated, reconstructed, or removed. The municipality may only use the proceeds from such bonds for the removal, relocation, or reconstruction of signs within the corporate limits of such municipality.

(e) The municipality may pay compensable costs in cash.

(f) In any proceeding in which the reasonableness of compensation is at issue and the compensation is to be provided over a period longer than one year, the court shall consider whether the duration of the period is reasonable under the circumstances.

(g) If application of a municipal regulation would require reconstruction of a sign in a manner that would make it ineffective for its intended purpose, such as by substantially impairing the sign's visibility, application of the regulation is treated as the required removal of the sign for purposes of this article.

(h) In lieu of paying compensation, a city may exempt from required relocation, reconstruction, or removal those signs lawfully in place on the effective date of the requirement.

SECTION 6. SPECIAL PROVISIONS FOR SIGNS UNDER SIGN ORDINANCE ON CERTAIN DATE. (a) If, on June 1, 1985, a municipality has in effect an ordinance requiring the relocation, reconstruction, or removal of any sign and if the ordinance provides for compensating a sign owner under an amortization plan, the compensation for a sign's relocation, reconstruction, or removal is to be determined under this section instead of under Section 4 of this article.

(b) The municipal board on sign control shall compile a list of the signs that, on September 1, 1985, are not in compliance with the sign ordinance. The board shall compile the list before December 1, 1985.

(c) Before December 15, 1985, the board shall have made a diligent effort to mail a written notice to the owner of each sign on the list. The notice must be sent through the United States Postal Service by certified or registered mail with return receipt requested. The notice must state that the sign is on the list of signs that are not in compliance with the sign ordinance, must describe the sign by general type and by location, and must describe the action that is required of the owner under Subsection (d) of this section. If either the identification of an owner of a sign on the list or the address of the owner cannot be determined by the board after the board has made a diligent effort to do so, the board, before December 15, 1985, shall cause a notice to be published in a newspaper of general circulation in the municipality. The newspaper notice must contain information similar to that required to be in the personal written notice.

(d) Before February 1, 1986, the owner of a sign that is on the list compiled by the board shall file with the board a record of the owner's signs that the owner determines can be brought into compliance with the sign ordinance at a cost of 15 percent or less of the value of the sign and also shall file another record of the signs that the owner determines cannot be brought into compliance at that cost. If an owner fails to timely file the required information about a sign, the board shall treat the sign as if the owner had recorded it as being able to be brought into compliance at a cost of 15 percent or less.

(e) Before March 15, 1986, the board shall verify the records filed with the board under Subsection (d) of this section. If the board questions an owner's determination made under Subsection (d), the board shall obtain three competitive bids regarding the cost at which the sign can be brought into compliance with the sign ordinance. After receiving the bids, the board may make its own determination regarding the sign. The verification, including any determination the board may make as authorized by this subsection, may be made only after the owner of the signs is given an opportunity for a hearing before the board about the issues involved in the matter. As part of the verification process the board shall appraise the value of the signs at compensable costs.

(f) Of an owner's signs that the board verifies can be brought into compliance at the cost of 15 percent or less, the board shall permit the owner to keep one-half of those signs as nonconforming uses and shall require the other one-half to be brought into compliance at no cost to the municipality. If an owner has more than one sign and the total number of signs is an odd number, the one additional sign that prevents an exact one-half division shall be added to the number of signs permitted as nonconforming uses. In making its determination of which signs to permit as nonconforming uses and which to require to be brought into compliance, the board shall consider the requests of the owner and shall consider other relevant factors, including factors such as geography, density, value, traffic flow, and cost of compliance.

(g) The signs that are required to be brought into compliance are subject to the following schedule:

(1) one-third of those signs must be brought into compliance before July 1, 1986;

(2) another one-third of those signs must be brought into compliance before July 1, 1987; and

(3) the remaining one-third must be brought into compliance before July 1, 1988.

(h) For signs that the board verifies cannot be brought into compliance at the cost of 15 percent or less, the board shall determine the entire useful life of those signs by type or category, such as the categories of mono-pole signs, metal signs, and wood signs. The useful life may not be solely determined by the natural life expectancy of a sign. For those signs, the governing body of the municipality may:

(1) permit the signs within the corporate limits of the municipality to be kept in place as nonconforming uses for a period computed by taking the entire useful life of the sign, subtracting from that useful life the period that the sign has been under the municipality's amortization plan, and multiplying that result by 65 percent;

(2) permit the signs within the extraterritorial jurisdiction of a municipality to be kept in place as nonconforming uses for a period computed by taking the entire useful life of the sign and multiplying that useful life by 65 percent; or

(3) pay the sign owner, by one of the methods described by Section 5 of this article, 65 percent of the compensable costs of the relocation, reconstruction, or removal of the sign, as those costs are determined under Section 4 of this article.

(i) For each nonconforming sign, the board shall file with the appropriate property tax appraisal office the board's compensable costs value appraisal of the sign. The board shall file the information on or before March 15, 1986. The appraisal office shall consider the board's appraisal when the office, for property tax purposes, determines in 1986 and later years the appraised value of the real property to which the sign is attached.

(j) If a sign is required to be removed and the sign owner is to be compensated under Subsection (h)(3) of this section, the owner of the real property on which the sign was located is entitled to be compensated for 65 percent of any decrease in the value of the real property. The compensable cost is to be determined by the board according to standards applicable in a proceeding under Chapter 21, Property Code. The governing body of the municipality may pay the owner by one of the methods described by Section 5 of this article.

(k) For a sign erected after the effective date of this Act and as to any sign currently in place that is made nonconforming by an extension of or strengthening of an ordinance that was in effect on June 1, 1985, and contained an amortization plan, then the amortization period shall equal useful life as determined by the board in Subsection (h) but without regard to the computations provided in Subsection (h)(1), (2), or (3).

SECTION 7. APPEAL. (a) Any person aggrieved by a decision of the board may present to a district court a petition, duly verified, setting forth that the decision is illegal, in whole or in part, and specifying the grounds of the illegality. The petition must be presented to the court not later than the 20th day after the day the decision is rendered by the board.

(b) Upon presentation of the petition, the court may allow a writ of certiorari directed to the board to review the decision of the board and shall prescribe in the writ the time within which a return must be made, which may not be less than 10 days and may be extended by the court.

(c) The board is not required to return the original papers acted upon by it, but it shall be sufficient to return certified or sworn copies of the papers. The return must concisely set forth all other facts as may be pertinent and material to show the grounds of the decision appealed from and must be verified.

(d) The court may reverse or affirm, wholly or partly, or may modify the decision brought up for review.

(e) Costs may not be allowed against the board unless it shall appear to the court that the board acted with gross negligence, in bad faith, or with malice in making the decision appealed from.

SECTION 8. EXCEPTIONS. (a) The requirements of this article do not apply to any sign that was erected in violation of local ordinances, laws, or regulations applicable at the time of its erection.

(b) The requirements of this article do not apply to a sign that, having been permitted to remain in place as a nonconforming use, is required to be removed by a municipality because the sign, or a substantial part of it, is blown down or otherwise destroyed or dismantled for any purpose other than maintenance operations or for changing the letters, symbols, or other matter on the sign.

(c) For purposes of Subsection (b) of this section, a sign or substantial part of it is considered to have been destroyed only if the cost of repairing the sign is more than 60 percent of the cost of erecting a new sign of the same type at the same location.

(d) This article may not be construed to limit or restrict the compensation provisions of the highway beautification provisions contained in Article IV, Texas Litter Abatement Act (Article 4477-9a, Vernon's Texas Civil Statutes).

ARTICLE 2

SECTION 1. LEGISLATIVE INTENT. It is the intent of the legislature to promote and control the reasonable, orderly, and effective display of outdoor advertising on all highways and roads located outside the corporate limits of cities, towns, and villages in Texas to promote the recreational value of public travel, and to preserve natural beauty.

SECTION 2. DEFINITIONS. In this article:

(1) "Commission" means the State Highway and Public Transportation Commission.

(2) "Rural road" means a road, street, way, thoroughfare, or bridge that is located in an unincorporated area and is not privately owned or controlled, any part of which is open to the public for vehicular traffic, and over which the state or any of its political subdivisions have jurisdiction.

(3) "Sign" means an outdoor structure, sign, display, light device, figure, painting, drawing, message, plaque, poster, billboard, or other thing that is designed, intended, or used to advertise or inform and that is visible from the main-travelled way of a rural road.

(4) "On-premise sign" means a freestanding sign identifying or advertising a business, person, or activity, and installed and maintained on the same premises as the business, person, or activity.

(5) "Off-premise sign" means a sign displaying advertising copy that pertains to a business, person, organization, activity, event, place, service, or product not principally located or primarily manufactured or sold on the premises on which the sign is located.

(6) "Person" means an individual, association, or corporation.

(7) "Portable sign" means a sign designed to be mounted on a trailer, bench, wheeled carrier, or other nonmotorized mobile structure.

SECTION 3. SPACING REQUIREMENTS. (a) An off-premise sign having a face area of 301 square feet or more may not be erected within 1,500 feet of another off-premise sign on the same side of the roadway.

(b) An off-premise sign having a face area of at least 100 but less than 301 square feet may not be erected within 500 feet of another off-premise sign on the same side of the roadway.

(c) An off-premise sign having a face area of less than 100 square feet may not be erected within 150 feet of another off-premise sign on the same side of the roadway.

(d) For purposes of this section, each double-faced, back-to-back, or V-type sign is treated as a single sign.

(e) Signs located at the same intersection are not in violation of this section because of their nearness to one another if they are located so that their messages are directed toward traffic flowing in different directions.

SECTION 4. HEIGHT RESTRICTIONS. An on-premise or off-premise sign may not be erected that exceeds an overall height of 42-1/2 feet, excluding cutouts extending above the rectangular border, measured from the highest point on the sign to the grade level of the roadway from which the sign is to be viewed. A roof sign having a tight or solid surface may not at any point exceed 24 feet above the roof level. Open roof signs in which the uniform open area is not less than 40 percent of total gross area may be erected to a height of 40 feet above the roof level. The lowest point on a projecting sign must be at least 14 feet above grade.

SECTION 5. FACE RESTRICTIONS. An on-premise sign, other than an on-premise wall sign, may not be erected that has a face area exceeding 400 square feet, including cutouts but excluding uprights, trim, and apron. An off-premise sign may not be erected that has a face area exceeding 672 square feet, excluding cutouts, uprights, trim, and apron. Neither an on-premise

nor an off-premise sign may have a cutout with an area larger than 20 percent of the sign's surface copy area.

SECTION 6. DETERMINATION OF SIZE. For signs of a double-faced, back-to-back, or V-type nature, each face is considered a separate sign in computing the face area.

SECTION 7. WIND LOADS; LOCATION AND ANCHORING OF PORTABLE SIGNS. (a) Each on-premise or off-premise sign erected or sited must be designed to resist wind loads as follows:

WIND LOAD PRESSURES IN POUNDS PER SQUARE FOOT FOR ALL SIGNS

Height, in feet above ground, as measured above the average level of the ground adjacent to the structure	*Pressure, pounds per square foot*
0 - 5	0
6 - 30	20
31 - 50	25
51 - 99	35
100 - 199	45
200 - 299	50
300 - 399	55
400 - 500	60
501 - 800	70
Over 800	77

(b) A person may not place a portable sign on property of another without first obtaining written permission from the owner or the owner's authorized agent.

SECTION 8. NUMBER OF ON-PREMISE SIGNS. A business may not maintain more than five on-premise signs per each frontage on a single rural road at a single business location.

SECTION 9. ADMINISTRATION OF ARTICLE; RULEMAKING. (a) The commission shall administer and enforce this article and shall adopt rules to regulate the erection or maintenance of signs covered under this article. The commission shall adopt rules specifying the time for and manner of applying for a permit, the form of the permit application, and the information that must be included in a permit application.

(b) The commission by rule may require every applicant for a permit to file with the commission a surety bond or other security in a reasonable amount and payable to the commission to reimburse it for the cost of removing a sign unlawfully erected or maintained by a permittee. A rule adopted under this section must provide for exemption from the requirement of furnishing a bond or security for an applicant who has held five or more permits under this article for at least one year and has not violated this article or a rule adopted under this article during the preceding 12-month period. Any person engaged primarily in the business of erecting signs that advertise companies located or products sold on the premises on which the signs are erected must file with the commission a surety bond in the amount of at least $100,000 and payable to the commission to reimburse it for the cost of removing a sign unlawfully erected or maintained by the person; a person may not be exempted from this requirement.

(c) The commission may revoke a permit issued under this article if the permittee:

(1) violates any provision or requirement of this article; or

(2) violates a commission rule adopted under this article.

(d) A person whose permit is revoked may appeal the revocation to a district court in Travis County. The appeal must be taken not later than the 15th day after the date of the commission's action.

(e) The commission shall issue a permit to a person whose application complies with the commission's rules and whose sign, if erected, would comply with the requirements of this article.

(f) The commission shall provide for a board of variance which may, in appropriate cases and subject to appropriate conditions and safeguards, make special exceptions to the provisions of this article.

SECTION 10. PERMIT FOR ERECTION OF SIGN. A person may not erect an off-premise sign that is visible from the main-travelled way of a rural road without having first obtained a permit from the commission. A permit issued under this section is valid for one

year. The commission by rule shall prescribe fees for the issuance of permits in amounts determined by the commission to be sufficient to enable the commission to recover the costs of enforcement of this article. Fees collected under this section shall be deposited in the state treasury and may be used only for the enforcement of this article. Except as authorized pursuant to this Act, no permit may be issued for an off-premise sign unless such sign is to be located within 800 feet of one or more recognized commercial or industrial business activities and located on the same side of the roadway as such business.

SECTION 11. REPLACEMENT OR REPAIR OF SIGN. (a) When any sign, or a substantial part of it, is blown down or otherwise destroyed or taken down or removed for any purpose other than maintenance operations or for changing the letters, symbols, or other matter on the sign, it may not be reerected, reconstructed, or rebuilt except in full conformance with the provisions and requirements of this article.

(b) For purposes of Subsection (a) of this section, a sign or substantial part of it is considered to have been destroyed only if the cost of repairing the sign is more than 50 percent of the cost of erecting a new sign of the same type at the same location.

SECTION 12. EXEMPTIONS. (a) The following are exempt from this article:

(1) a sign the erection and maintenance of which is allowed under the highway beautification provisions contained in Article IV, Texas Litter Abatement Act (Article 4477-9a, Vernon's Texas Civil Statutes);

(2) a sign in existence before the effective date of this article;

(3) a sign that has as its purpose the protection of life and property;

(4) a directional or other official sign authorized by law, including a sign pertaining to natural wonders or scenic or historic attractions;

(5) a sign or marker giving information about the location of underground electric transmission lines, telegraph or telephone properties and facilities, pipelines, public sewers, or waterlines;

(6) a sign erected by an agency of the state or a political subdivision of the state; and

(7) a sign erected solely for and relating to a public election, but only if:

(A) the sign is on private property;

(B) the sign is erected no sooner than the 60th day before the election and is removed no later than the 10th day after the election;

(C) the sign is constructed of lightweight material; and

(D) the surface area of the sign is not larger than 50 square feet.

(b) The following are exempt from the requirements of Section 5 of this article:

(1) signs advertising the sale or lease of property on which they are located; and

(2) on-premise wall signs.

(c) The exemption provided by Subsection (a)(2) of this section does not exempt a sign from Section 13 of this article to the extent that section applies.

SECTION 13. EXISTING OFF-PREMISE SIGNS. Not later than the 120th day after the effective date of this article each owner of an off-premise sign erected before the effective date of this article that is visible from the main-travelled way of a rural road shall either remove the sign or register the sign with the commission. The owner must pay a fee of $25 for each sign that is registered. This registration is valid for one year, but is renewable for an annual fee of $10 a sign, provided however, the commission may by regulation provide for a longer renewal period not to exceed five years.

SECTION 14. CIVIL AND ADMINISTRATIVE PENALTIES. (a) A person who intentionally violates this article or a rule adopted by the commission under this article is liable to the state for a civil penalty. The attorney general or a county or district attorney may sue to collect the penalty.

(b) The amount of the civil penalty is not less than $150 nor more than $1,000 for each violation, depending on the seriousness of the violation. A separate civil penalty may be collected for each day on which a continuing violation occurs.

(c) In lieu of a suit to collect a civil penalty, the commission may, after notice and an opportunity for hearing before the commission, assess an administrative penalty against a person who intentionally violates this article or a rule adopted by the commission under this article. The amount of an administrative penalty may not exceed the maximum amount of a civil penalty under this section. A continuing violation is subject to separate administrative penalties in the same manner as it is subject to separate civil penalties. A proceeding on the assessment of an administrative penalty under this subsection is a contested case for purposes of the Administrative Procedure and Texas Register Act (Article 6252-13a, Vernon's Texas Civil Statutes). On appeal of the assessment of an administrative penalty under this subsection, the manner of review is by trial de novo.

(d) If it is shown at the trial for collection of a civil penalty under this section or on appeal of an administrative penalty under this section that a judgment for a civil penalty, or a final order, not timely appealed, or a judgment for an administrative penalty, was previously assessed against the person, in addition to any penalty that may be assessed for the subsequent violation the court shall order the revocation of any permit held by the person for the location at which the subsequent violation occurred.

(e) Civil and administrative penalties collected under this article shall be deposited in the state treasury to the credit of the state highway fund.

SECTION 15. DISPOSITION OF FEES. Except as provided by Section 10 of this article, permit or registration fees collected by the commission under this article shall be deposited in the state treasury to the credit of the state highway fund.

SECTION 16. REGULATION OF OFF-PREMISE PORTABLE SIGNS IN CERTAIN COUNTIES. (a) The regulations imposed by or adopted under the other sections of this article do not apply to off-premise portable signs in the unincorporated area of a county with a population of 1.7 million or more, according to the most recent federal census. In such a county, the commissioners court may prohibit off-premise portable signs in the unincorporated area of the county and may regulate the following matters in that area:

(1) the location, height, size, and anchoring of off-premise portable signs; and

(2) other matters relating to the use of off-premise portable signs.

(b) If a county prohibition or regulation adopted under this section conflicts with state law or with a rule adopted under state law by a state agency, the county prohibition or regulation prevails. If a county prohibition or regulation adopted under this section conflicts with a municipal sign ordinance that has been extended within the municipality's extraterritorial jurisdiction as permitted by Article 3 of this Act, the municipal ordinance prevails in that area.

(c) The appropriate attorney representing the county in the district court may seek injunctive relief to prevent the violation or threatened violation of a prohibition or regulation adopted under this section.

(d) The commissioners court may define an offense for the violation of a prohibition or regulation adopted under this section. If the commissioners court defines an offense, the offense is a Class C misdemeanor. The offense is prosecuted in the same manner as an offense defined by state law.

ARTICLE 3

SECTION 1. REGULATION IN CITY EXTRATERRITORIAL JURISDICTION. Any municipality may extend the provisions of its outdoor sign regulatory ordinance and enforce such ordinance within its area of extraterritorial jurisdiction as defined by the Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes). However, any municipality, in lieu of such regulatory ordinances, may allow the State Highway and Public Transportation Commission to regulate outdoor signs in that city's extraterritorial jurisdiction by filing a written notice with the commission.

SECTION 2. PRECEDENCE OF MUNICIPAL ORDINANCE. If a municipality extends its outdoor sign ordinance within its area of extraterritorial jurisdiction, the municipal ordinance supersedes the regulations imposed by or adopted under Article 2 of this Act.

ARTICLE 4

SECTION 1. Section 3, Property Redevelopment and Tax Abatement Act (Article 1066f, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 3. DESIGNATION OF REINVESTMENT ZONES. (a) To be designated as a reinvestment zone, an area must:

(1) substantially impair or arrest the sound growth of a city or town, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use by reason of the presence of a substantial number of substandard, slum, deteriorated, or deteriorating structures; predominance of defective or inadequate sidewalk or street layout; faulty lot layout in relation to size, accessibility, or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; the existence of conditions that endanger life or property by fire or other cause; or any combination of these factors or conditions;

(2) be predominantly open and, because of obsolete platting or deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the city or town;

(3) be in a federally assisted new community located within a home-rule city or in an area immediately adjacent to the federally assisted new community;

(4) be located wholly within an area which meets the requirements for federal assistance under Section 119 of the Housing and Community Development Act of 1974; [~~or~~]

(5) *encompass signs, billboards, and other outdoor advertising structures designated by the governing body of the incorporated city or town for relocation, reconstruction, or removal for the purpose of enhancing the physical environment of the city or town, which the legislature hereby declares to be a public purpose; or*

(6) be designated a local or state-federal enterprise zone under the Texas Enterprise Zone Act.

(b) For the purposes of Subdivision (3) of Subsection (a) of this section, a federally assisted new community is a federally assisted area that received or will receive assistance in the form of loan guarantees under Title X of the National Housing Act and a portion of the federally assisted area has received grants under Section 107(a)(1) of the Housing and Community Development Act of 1974.

(c) The governing body of an incorporated city or town may designate, by boundaries, as a reinvestment zone any area, *or real or personal property whose use is directly related to the business of outdoor advertising,* within the taxing jurisdiction of the city or town that the governing body finds to satisfy the requirements of Subsection (a) of this section, subject to the limitations set forth by Section 4 of this Act. The governing body of an incorporated city or town shall designate a reinvestment zone eligible for residential property tax abatement, or commercial-industrial tax abatement, or tax incentive financing as provided for in *the Texas Tax Increment Financing Act of 1981 (Article 1066e, Vernon's Texas Civil Statutes)* [~~S.B. No. 16, 67th Legislature, 1st Called Session, 1981~~].

ARTICLE 5

SECTION 1. EFFECTIVE DATE. This Act takes effect September 1, 1985, except that Article 3 of this Act takes effect immediately.

SECTION 2. EFFECT OF PARTIAL INVALIDITY. (a) The legislature declares that it would not have enacted this Act without the inclusion of Section 5(a) of Article 1, to the extent that provision excludes modes of compensation not specifically authorized by that provision. If this exclusion of alternative modes of compensation is for any reason held invalid by a final judgment of a court of competent jurisdiction, the remainder of this Act is void.

(b) Except as provided by Subsection (a) of this section, this Act is severable as provided by Chapter 45, Acts of the 63rd Legislature, Regular Session, 1973 (Article 11a, Vernon's Texas Civil Statutes).

SECTION 3. COURT-APPROVED SETTLEMENT. Nothing in this Act affects a court-approved settlement entered into before the effective date of this Act in any litigation in a court of the United States involving the validity of municipal regulation of signs. To the extent a provision of this Act conflicts with the terms of such a settlement, the terms of the settlement prevail.

SECTION 4. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force according to its terms, and it is so enacted.

Passed by the House on April 24, 1985, by a non-record vote; House concurred in Senate amendments to H.B. No. 1330 on May 26, 1985, by the following vote: Yeas 134, Nays 5, 3 present, not voting; passed by the Senate, with amendments, on May 25, 1985, by the following vote: Yeas 27, Nays 4.

Approved: May 31, 1985

Effective: September 1, 1985, except for Section 3 [Article 3], which is effective immediately.