

HOUSE BILL REPORT

HB 1767

As Reported by House Committee On: Transportation

Title: An act relating to outdoor advertising sign fees, labels, and prohibitions.

Brief Description: Concerning outdoor advertising sign fees, labels, and prohibitions.

Sponsors: Representatives Moeller, Liias, Ryu and Moscoso; by request of Department of Transportation.

Brief History:

Committee Activity:

Transportation: 2/18/13, 2/25/13 [DPS].

Brief Summary of Substitute Bill

- Requires the Washington State Department of Transportation to establish and charge an annual fee of no more than \$155 for type 4 and 5 sign permits.
- Changes the permit size from 16 square inches to 28 square inches.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Clibborn, Chair; Fey, Vice Chair; Liias, Vice Chair; Moscoso, Vice Chair; Bergquist, Farrell, Fitzgibbon, Freeman, Habib, Moeller, Morris, Riccelli, Ryu, Sells, Takko, Tarleton and Upthegrove.

Minority Report: Do not pass. Signed by 14 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Angel, Hayes, Johnson, Klippert, Kochmar, Kretz, Kristiansen, O'Ban, Rodne, Shea and Zeiger.

Staff: Alyssa Ball (786-7140).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

By law, the Washington State Department of Transportation's (WSDOT) Outdoor Advertising Control (OAC) program is responsible for conducting surveillance on regulated routes, performing illegal sign abatement activities, issuing and renewing sign permits, assisting with disseminating legal advice through the Office of the Attorney General, and initiating regulatory changes through the WAC rule-making process. There is a one-time \$300 permit application fee per sign structure and there is no renewal fee. The WSDOT assigns each permit a separate identification number and the sign owner must fasten a 16-square-inch weatherproof label to each sign.

Type 4 signs are signs located within 12 air miles of the advertised activity. Type 5 signs display a message of specific interest to the traveling public. Only information about public places; natural phenomena; historic sites; areas of natural scenic beauty or outdoor recreation; and places for lodging, camping, eating, and vehicle service or repair are deemed to be of interest to the traveling public.

Summary of Substitute Bill:

The WSDOT is required to establish and charge an annual fee for type 4 and 5 signs. The fee must reasonably recover costs for the program and may not exceed \$150. The WSDOT also must establish exemptions from payment of the annual fee for signs that do not generate rental income.

Any type 4 or 5 sign operating without a permit or in violation of RCW 47.42.120 must be assessed a fine of \$100 per calendar day until the sign is brought into compliance or removed.

The size of the required weatherproof label containing the sign's identification number is changed to 28 square inches.

The RCW 47.42.048, which relates to state and local prohibitions, is repealed due to redundant language.

Substitute Bill Compared to Original Bill:

The substitute bill changes the annual fee from \$155 to \$150.

The substitute bill requires the WSDOT to assess a fine for illegal signs.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is a cost recovery bill. The current application fee recovers 2 percent of the program cost. This bill would make the program self-supporting. Shrinking funds have forced the WSDOT to look to other places for funding and this would provide a secure funding source to address illegal signs. The program expenditures come from issuing the annual permits, new applications, and reports of illegal signs that require investigation. The WSDOT does not charge a fine for illegal signs. Without secure, ongoing funding the WSDOT's outdoor advertising efforts may be reduced resulting in more illegal signs along the interstate system and regulated state highways. More signs create a visual distraction for drivers and compete for advertisers with legal signs held by the outdoor advertising industry.

(In support with amendment(s)) This is a new tax during a time of recession, but Clear Channel supports the bill with a few minor adjustments. The bill limits fees to signs that generate income and most code violations come from the group that is exempted. All operators should be treated the same, as they are all getting the same economic benefit. As fees cannot be prorated for 2013, it is requested that the program start on January 1, 2014.

The "good guys" play by the rules, but what happens to those that do not obey the rules? Illegal signs operate for years before the state removes them, which results in the "good guys" paying the "bad guys" fines. It is understood that fines on illegal signs are not a consistent source of funding, but fines should be included as part of the bill.

(Opposed) None.

Persons Testifying: (In support) Representative Moeller, prime sponsor; and John Nisbet, Washington State Department of Transportation.

(In support with amendment(s)) Michael Mayes, Clear Channel; and Robert LaGrone, CBS Outdoor.

Persons Signed In To Testify But Not Testifying: None.