

HOUSE BILL REPORT

HB 2361

As Reported by House Committee On:
Transportation

Title: An act relating to authorization for the department of licensing to include advertising in its publications.

Brief Description: Authorizing department of licensing publications to include advertising.

Sponsors: Representatives Fisher, Hatfield, Hankins, Lovick, Edwards and Kenney; by request of Department of Licensing.

Brief History:

Committee Activity:

Transportation: 1/30/02, 2/11/02 [DPS].

Brief Summary of Substitute Bill

- Authorizes the Department of Licensing to sell advertising and to distribute third-party publications or materials as long as the advertisement and/or materials are related to and consistent with the department's mission to promote public safety.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Fisher, Chair; Cooper, Vice Chair; Lovick, Vice Chair; Edwards, Haigh, Hankins, Hatfield, Jackley, Murray, Ogden, Reardon, Rockefeller, Romero, Simpson, Sullivan and Wood.

Minority Report: Without recommendation. Signed by 10 members: Representatives Mitchell, Ranking Minority Member; Anderson, Armstrong, Ericksen, Holmquist, Jarrett, Mielke, Morell, Skinner and Woods.

Staff: Reema Griffith (786-7301).

Background:

Under current law all of the costs associated with the production of Department of

Licensing (DOL) materials and publications are paid for out of the Motor Vehicle Account, and are appropriated in the transportation budget. The biggest costs are associated with the production of the Washington Driver Guide and the distribution of vehicle renewal notices. In 2000 the department produced 475,000 copies of the Driver Guide at a cost of \$88,000, and mailed out over 5 million postcard vehicle renewal notices at a cost of \$1.6 million.

Twelve other state licensing agencies are in the process of, or have launched an advertising program in an effort to offset mainly those costs associated with producing their Driver Guides. Within Washington two other agencies are currently utilizing advertising opportunities in their documents to offset or pay for their production. Specifically, the Department of Fish and Wildlife sells advertising in its fishing pamphlets, which pays for approximately 30 percent of the production costs. The Department of Community, Trade and Economic Development sells advertising in its Washington State Travel Planner booklets, which pays for the entire cost of producing them.

Summary of Substitute Bill:

HB 2361 authorizes the DOL to sell advertising or enter into agreements for the distribution of third-party publications which are related to and consistent with the department's mission of promoting public safety.

The DOL retains the right to approve advertising content to ensure that the products or services are in harmony with the subject matter of the publication. The director must deny any advertising which may be interpreted as contrary to the agency's mission or may be offensive or misleading.

Any DOL public information materials that include advertising of any kind must provide a statement that inclusion of the materials does not constitute an endorsement by the state or the department of the products or services advertised.

The proceeds from advertising that appears in materials related to the Driver Services program must be deposited into the Highway Safety Fund. The proceeds from advertising that appears in materials related to the Licensing Services program must be deposited into the Motor Vehicle Fund.

The department is required to report back to the House and Senate Transportation Committees by January 31, 2003, and January 31, 2004, on the status of implementing the use of advertising in the department's materials.

Substitute Bill Compared to Original Bill:

Language which created the Department of Licensing Advertising Account and required that the proceeds from advertising be deposited into the new account is removed from the bill.

Language is added which requires that proceeds from advertising appearing in materials related to the Driver Services program be deposited into the Highway Safety Fund, and proceeds from advertising appearing in the materials related to the Licensing Services program be deposited into the Motor Vehicle Fund.

Language is added which requires the DOL to report back to the House and Senate Transportation Committees by January 31, 2003, and January 31, 2004, on the status of implementing the use of advertising in the department's materials.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will give the department the ability to offset some of the costs associated with producing and distributing the Driver Guide and vehicle registration renewals.

Testimony Against: Allowing the department to distribute advertisement materials to all licensed drivers and vehicle owners provides the state with an unfair advantage as it relates to access because private sector advertisers cannot access the same distribution list.

Testified: (In support) Nancy Kelly, Department of Licensing.

(Opposed) Rowland Thompson, Allied Daily Newspapers.