

# HOUSE BILL REPORT

## SHB 1798

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**As Passed House:**

March 11, 2005

**Title:** An act relating to motorist information sign panels.

**Brief Description:** Modifying motorist information sign panel regulatory provisions.

**Sponsors:** By House Committee on Transportation (originally sponsored by Representatives Simpson, Skinner, Lovick, Armstrong, B. Sullivan, Schindler, Upthegrove, Murray and Hudgins).

**Brief History:**

**Committee Activity:**

Transportation: 2/16/05, 3/5/05 [DPS].

**Floor Activity:**

Passed House: 3/11/05, 93-0.

**Brief Summary of Substitute Bill**

- Requires the Washington State Department of Transportation (WSDOT) to charge sufficient fees to recover the costs for erecting and maintaining motorist information signs on the state highway system.
- Requires the WSDOT to provide a report that accounts for the revenues and expenditures associated with the program, as well as the methodology for calculating the fees charged to participating businesses.
- Repeals the current law requiring the WSDOT to contract out the motorist information sign program.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Murray, Chair; Wallace, Vice Chair; Woods, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Appleton, Buck, Campbell, Curtis, Dickerson, Ericksen, Hankins, Hudgins, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Sells, Shabro, Simpson, B. Sullivan, Takko, Upthegrove and Wood.

**Staff:** Jay Alexander (786-7339).

**Background:**

The Washington State Department of Transportation (WSDOT) is authorized to erect and maintain motorist information sign panels within the right-of-way of the highway system in order to provide the traveling public with information regarding gas, food, lodging, and tourist-related businesses available at or near an interchange. The WSDOT is required to charge reasonable fees to defray the cost of installing and maintaining the individual business signs on the motorist information panels. However, the WSDOT is not required to recover their costs for erecting and maintaining the information sign panels.

During the 2002 legislative session, a bill was enacted requiring the WSDOT to contract with a private contractor to administer the motorist information sign panel program. Under this law, the contractor would be solely responsible for the marketing, administration, financial management, sign fabrication, installation and maintenance of the information sign panels.

In addition, the contractor was authorized to set the market rate to be charged to businesses advertising on the information sign panels. Prior to this change, the WSDOT was charging \$100 per year for a business to advertise on a panel located on the interstate. This rate did not recover the entire cost to do the work. In states where a private contractor runs the motorist information sign panel program, fees to participating businesses range from \$650 to \$4,600 per year.

In November 2003, the WSDOT released a request for proposal to potential vendors. In mid-December, the Washington Federation of State Employees sought an injunction against the WSDOT awarding a contract for this program, arguing the changes to the program constituted an impairment of the union's contract. The courts granted the injunction until the case is decided.

In the 2004 Transportation Budget, the WSDOT was given authorization to restart the program to run through June 2005. As part of the budget, the Legislature specifically authorized the WSDOT to revise the fee schedules for the program in order to recover the costs of the program, subject to legislatively imposed maximum rates.

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### **Summary of Substitute Bill:**

The WSDOT is required to charge sufficient fees to recover their costs for erecting and maintaining motorist information sign panels on the state highway system.

The current law requiring the WSDOT to contract out the motorist information sign program is repealed.

The WSDOT is required to provide a report by December 15, 2005. The report is to provide an accounting for the revenues and expenditures associated with the motorist information sign program, and the methodology for calculating the fees charged to participating businesses.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** The motorist information signs are good for local communities and businesses. The program needs to be continued and the WSDOT should administer the program and maintain the signs on a cost recovery basis.

**Testimony Against:** None.

**Persons Testifying:** Representative Simpson, prime sponsor; Scott Zeller, Washington State Department of Transportation; Dennis Eagle, Washington Federation of State Employees; Michael Transue, Washington Restaurant Association; T.K. Bentler, Washington Hotel and Lodging Association; and Charlie Brown, Washington Oil Marketers Association.

**Persons Signed In To Testify But Not Testifying:** None.