

SENATE BILL REPORT

SSB 5822

As Passed Senate, March 12, 2005

Title: An act relating to motorist information sign panels.

Brief Description: Recovering costs for motorist information signs.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker, Poulsen, Kastama, Spanel, Schmidt, Berkey, Schoesler, Hewitt, Esser, Mulliken and Jacobsen).

Brief History:

Committee Activity: Transportation: 3/2/05, 3/3/05 [DPS, w/oRec].

Passed Senate: 3/12/05, 47-1.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5822 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Poulsen, Vice Chair; Swecker, Ranking Minority Member; Eide, Kastama, Mulliken, Oke, Spanel and Weinstein.

Minority Report: That it be referred without recommendation.

Signed by Senators Benson and Esser.

Staff: Hayley Gamble (786-7452)

Background: The motorist information sign panel program allows businesses close to the highway to advertise on signs within the right of way of the highway system. Under current law, the Department of Transportation (DOT) is required to contract with a private contractor to administer the motorist information sign panel program. This requirement was added in the 2002 legislative session. At that time the fee DOT charged to businesses did not cover the costs of operating the program.

In 2003, DOT began to seek proposals from private companies to run the program. The Washington Federation of State Employees presented a legal challenge regarding the appropriateness of the program's privatization, halting the contracting out process.

A proviso included in the 2004 transportation budget directed DOT to administer the motorist information sign program and recover all costs. A cap on charges to participating businesses was also included in the proviso. Motorist information sign panels are comprised of two parts; the underlying panel and the individual business information signs affixed to the underlying panel. Current law directs DOT to recover costs for installing and maintaining individual business signs located on the sign panels. However, DOT is not required to recover costs for the installation and maintenance of the underlying panel that the individual business signs are displayed upon.

Summary of Bill: Current law that requires DOT to contract out the motorist information sign program is repealed. The motorist information sign panel program may be administered by DOT.

DOT must charge reasonable fees to recover the cost of erecting and maintaining the underlying sign panels that the individual business signs are affixed to.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: This bill would remove what the Washington Federation of State Employees believes is an illegal contracting situation. Businesses will pay less with the state administering this program than they would if the program was privately contracted. There is a public benefit as the state will recover all costs.

The motorist information sign program is currently running successfully at full cost recovery. Two hundred and fifty businesses have left since higher fees were instituted, but one hundred and twenty new businesses have joined. DOT would like current law that relates to non-interstate roads to be amended to be consistent with interstate roads, regarding cost recovery on motorist information signs. DOT is reviewing the possibility of allowing historic sites to advertise on these signs.

Testimony Against: None.

Who Testified: PRO: Dennis Eagle, Washington Federation of State Employees; Gummada Murthey, WSDOT; Mike Dornfeld, WSDOT.