

HOUSE BILL REPORT

SHB 1702

As Reported by House Committee On:
Transportation

Title: An act relating to motorist information sign panels.

Brief Description: Recovering costs for motorist information signs.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Hatfield, Mielke, Romero, Armstrong, Cooper, Blake, Boldt, Orcutt, Santos, McCoy, Alexander, Schoesler, Chandler, Grant, Schindler and Condotta).

Brief History:

Committee Activity:

Transportation: 2/2/04, 2/4/04 [DP2S].

Brief Summary of Second Substitute Bill

- Requires the Department of Transportation to charge reasonable fees to recover their costs for the erection and maintenance of motorist information sign panels.
- Repeals current law requiring the Department of Transportation to contract out the motorist information sign program.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 29 members: Representatives Murray, Chair; Rockefeller, Vice Chair; Simpson, G., Vice Chair; Ericksen, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Armstrong, Bailey, Campbell, Clibborn, Cooper, Dickerson, Edwards, Flannigan, Hankins, Hatfield, Hudgins, Kristiansen, Lovick, Mielke, Morris, Nixon, Rodne, Romero, Schindler, Shabro, Sullivan, Wallace, Wood and Woods.

Staff: Jill Satran (786-7315).

Background:

Under current law the Department of Transportation (DOT) is authorized to erect and maintain motorist information sign panels within the right of way of the highway system

to provide the traveling public with information regarding gas, food, lodging, and tourist-oriented businesses available at or near an interchange. The DOT is required to charge reasonable fees to defray the cost of installation and maintenance of the individual business signs on the motorist information panels. However, current language falls short of requiring, but rather authorizes the DOT to also charge reasonable fees to recover their costs for the erection and maintenance of the information sign panels.

A law change was made during the 2002 legislative session which required the DOT 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.

The new law authorizes the contractor to set the market rate to be charged to the businesses advertising on the information sign panels. The DOT had been charging \$100 per year for a business to advertise on a panel located on the interstate but at this fee level, the DOT was not recovering its costs. 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 DOT released a request for proposal to potential vendors. In mid-December, the Washington Federation of State Employees was granted an injunction against the DOT awarding a contract for this program, arguing the changes to the program constituted an impairment of the union's contract. The case is proceeding to trial.

Summary of Second Substitute Bill:

The DOT is required to charge reasonable fees to recover their costs for the erection and maintenance of the motorist information sign panels. Annual fees are capped at \$300 for interstate signs and \$105 for mon-interstate signs.

The DOT must maximize the use of available space on the motorist information sign panels and process applications submitted by businesses in a timely and efficient manner.

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

Second Substitute Bill Compared to Substitute Bill:

Specific references to Fruit and Vegetable Stands as tourist oriented businesses have been removed.

Sets a maximum annual signage fee of \$300 for interstate signs and \$105 for non-interstate road signs.

Requires the DOT to charge reasonable fees to recover costs for the erection and maintenance of the motorist information sign panels on non-interstate roads (SHB 1702 only addressed interstate roads).

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill saves jobs and it saves money.

There are currently hundreds of applications that have come in and have not been processed because the program is currently at a standstill. This bill will allow the program to move forward and will allow the DOT to recover the costs of running the program.

Who runs the program is less of a concern than how much the program costs. The program should not be subsidized but by contracting it out the program may maximize revenues through high fees to local businesses.

Testimony Against: None.

Persons Testifying: Representative Hatfield, prime sponsor; Dennis Eagle, Washington Federation of State Employees; Gummada Murthy, Department of Transportation; Michael Transue, Washington Restaurant Association; and TK Bentler, Washington State Hotel and Lodging Association.

Persons Signed In To Testify But Not Testifying: None.