

HOUSE BILL REPORT

SHB 1502

As Passed House:
February 27, 2017

Title: An act relating to the authorization of and deposit of moneys from department of transportation advertising activities.

Brief Description: Concerning the authorization of and deposit of moneys from department of transportation advertising activities.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Chapman, Orcutt, Lovick, Rodne, Clibborn and Tharinger; by request of Department of Transportation).

Brief History:

Committee Activity:

Transportation: 2/6/17, 2/8/17 [DPS].

Floor Activity:

Passed House: 2/27/17, 94-2.

Brief Summary of Substitute Bill

- Authorizes the Washington State Department of Transportation (WSDOT) to sell commercial advertising on the WSDOT websites and social media.
- Authorizes the WSDOT to sell a version of its mobile applications to users who would like to access a version of the applications without advertising.
- Mandates that the WSDOT deposit the revenues it receives from the sale of advertisements on its websites and mobile applications into the Motor Vehicle Fund.
- Requires the WSDOT to adopt standards for prohibited advertising content for products, services, and messages it advertises on its web pages and social media.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice

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.

Chair; Wylie, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member; Chapman, Gregerson, Hayes, Irwin, Lovick, McBride, Morris, Ortiz-Self, Pellicciotti, Pike, Riccelli, Rodne, Shea, Stambaugh, Tarleton, Van Werven and Young.

Staff: Alyssa Ball (786-7140).

Background:

In the 2009-2011 Transportation Appropriation Budget, a budget proviso tasked the Washington Department of Transportation (WSDOT) with investigating the potential to generate revenue from website sponsorships and similar ventures, and if feasible, pursue partnership opportunities. Two related budget provisos were included in the 2011-2013 Transportation Budget. The first provided additional funding to continue the task described in the 2009-2011 budget, and the second was for the implementation of a pilot project allowing advertisements and sponsorship on select WSDOT web pages.

The web advertising pilot was to be organized based on the partnership model described in the *WSDOT Web Site Monetizing Feasibility Study*, published in 2010. The partnership model required that the WSDOT partner with an organization that sells advertising inventory for its own web properties. Through a competitive bidding process, the WSDOT selected a partner to handle all sales, marketing, billing, collection, recordkeeping, reporting, and payment processing. The WSDOT received 70 percent of sales revenue collected through custom advertising and sponsorship packages offered on traffic and travel pages, with the remainder going to the WSDOT's partner.

Advertising space was and continues to be offered on a selection of the WSDOT's most popular web pages. It was first placed on 12 ferry schedule and vessel watch web pages and then expanded to traveler information pages that provide information on traffic, weather, travel alerts, and mountain passes, and includes information provided via camera link. The advertising is placed on www.wsdot.com, because the federal government prohibits non-government advertisements on government Internet domain sites.

While initially undertaken in coordination with the Public-Private Partnerships Office at the WSDOT, the web advertising program transitioned to the WSDOT's Communications Office during the pilot. The WSDOT has an advertising policy in place that prohibits advertising containing content that is obscene or indecent, discriminatory, of a religious nature, political, or that involves a public issue. Advertising that depicts or promotes certain products, services, and other material is also prohibited, including: tobacco products; adult content; false, misleading, or deceptive content; material that would result in harm to, disruption of, or interference with a transportation system; and material that would incite or produce a breach of public safety.

Summary of Substitute Bill:

The WSDOT is authorized to sell commercial advertising, including product placement, on WSDOT websites and social media. The WSDOT is also authorized to sell a version of its mobile application(s) to users who would like to access a version of the application(s)

without advertising. All revenues the WSDOT receives from the sale of advertisements on its websites and mobile applications must be deposited into the Motor Vehicle Fund, which is dedicated to road, street, and highway purposes.

The WSDOT must adopt standards for advertising and product placement that define and prohibit obscene, indecent, and discriminatory content; political or public-issue advocacy content; products, services, or other materials that are offensive, insulting, disparaging, or degrading; and products, services, or messages that are contrary to the public interest, including any advertisement that encourages or depicts unsafe behaviors or unsafe or prohibited driving activities. Alcohol, tobacco, and cannabis are included as prohibited products.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2017.

Staff Summary of Public Testimony:

(In support) This bill would build upon the success of the web advertising pilot program and raise money without raising taxes. Since the program was authorized in the 2011-13 Transportation Budget, it has been a model for other state agencies. The advertisements have not affected the traveling public's experience with the website and have generated a modest amount of revenue. From a program perspective, it's important to capture their advertising efforts in statute to acknowledge they have the authority to continue the program.

(Opposed) None.

Persons Testifying: Representative Chapman, prime sponsor; and Allison Camden, Washington State Department of Transportation.

Persons Signed In To Testify But Not Testifying: None.