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**State Government & Tribal Affairs  
Committee**

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**HB 1288**

**Brief Description:** Regarding advertisements on state agency web sites.

**Sponsors:** Representatives Carlyle, Reykdal, Dammeier, Warnick, Jacks, Probst, Sells, Springer, Kagi, Morris, Hunt, Frockt, Kenney, Roberts, Jinkins, Eddy, Clibborn, Seaquist, Lytton, Ladenburg, Billig, Zeiger, Fagan, Angel, Rodne, Orwall, Maxwell, Smith, Darneille and Harris.

**Brief Summary of Bill**

- Authorizes specified state agencies to begin selling internet advertisements for display on the agencies' websites.

**Hearing Date:** 2/2/11

**Staff:** Thamas Osborn (786-7129).

**Background:**

There are many different types of advertisements that can be posted on or accessed through internet websites. Traditional display or banner advertisements typically run across the top or down the right side of a webpage. The price for posting such advertisements is often determined based on the number of times the advertisement is accessed by an internet user. Another type of website advertisement, called "sponsorships", are short descriptions of an advertiser's offerings with links to the advertiser's website. These sponsorship advertisements can take many different forms on a webpage. Generally, they are sold at a specified price for a specified period of time. Business listing advertisements consist of lists of businesses arranged on a website by category, such as hotels or restaurants. These business listing advertisements are generally sold at an annual set price. The various types of website advertisements include links to the advertiser's own website.

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*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.*

The 2009-2011 Transportation Budget included a \$50,000 budget proviso for the Washington State Department of Transportation (WSDOT) to “investigate the potential to generate revenue from website sponsorships and similar ventures and, if feasible, pursue partnership opportunities.” The WSDOT’s Public-Private Partnerships Office worked with a team of consultants to analyze how WSDOT could leverage its website to generate a new revenue source through website advertisements. The study concluded that, if managed well, selling advertisements on WSDOT’s website could generate revenue.

With the exception of WSDOT’s pilot project, as authorized through the Transportation Budget, state law does not authorize state agencies to sell website advertisements.

**Summary of Bill:**

The Department of Revenue, the Department of Transportation, the Employment Security Department, the State Lottery, and the Department of Information Services are authorized to sell internet advertisements for display on the agencies' websites. Agency websites incorporating such advertisements must include a disclaimer stating that the advertisements do not imply endorsement by the state.

The state agencies must develop policy, style, and content guidelines for website advertisements that ensure that the subject matter of the advertisement directly relates to the business mission and purpose of the agency.

Sales revenue generated by the website advertisements are subject to the following requirements:

- an agency can retain that portion of the revenues necessary to recoup any costs directly associated with making the website available for advertising;
- an agency may retain an additional ten percent of the advertising revenues for the purpose of encouraging innovation; and
- remaining revenues must be transferred to the Higher Education Coordinating Board to be used exclusively for the benefit of foster youth with respect to the Passport to College Promise Scholarship program.

**Appropriation:** None.

**Fiscal Note:** Requested.

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