

HOUSE BILL REPORT

SSB 5761

As Passed House - Amended:

April 9, 2013

Title: An act relating to outdoor advertising sign fees, labels, and prohibitions.

Brief Description: Concerning outdoor advertising sign fees, labels, and prohibitions.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators King and Hobbs; by request of Department of Transportation).

Brief History:

Committee Activity:

Transportation: 3/20/13, 4/1/13 [DPA].

Floor Activity:

Passed House - Amended: 4/9/13, 57-36.

Brief Summary of Substitute Bill (As Amended by House)

- Requires the Washington State Department of Transportation to establish and charge an annual fee of no more than \$150 for type 4 and 5 sign permits.
- Changes the permit size from 16-square inches to 28-square inches.
- Implements a \$100-per-calendar-day fine for illegal signs.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 17 members: Representatives Clibborn, Chair; Fey, Vice Chair; Liias, Vice Chair; Moscoso, Vice Chair; Bergquist, Farrell, Fitzgibbon, Freeman, Habib, Johnson, Moeller, Morris, Riccelli, Ryu, Sells, Takko and Tarleton.

Minority Report: Do not pass. Signed by 13 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Angel, Hayes, Klippert, Kochmar, Kretz, Kristiansen, O'Ban, Rodne, Shea and Zeiger.

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.

Staff: Alyssa Ball (786-7140).

Background:

By law, the Washington State Department of Transportation's (WSDOT) Outdoor Advertising Control (OAC) program is responsible for conducting surveillance on regulated routes, performing illegal sign abatement activities, issuing and renewing sign permits, assisting with disseminating legal advice through the Office of the Attorney General, and initiating regulatory changes through the Washington Administrative Code rule-making process. There is a one-time \$300 permit application fee per sign structure and there is no renewal fee. The WSDOT assigns each permit a separate identification number and the sign owner must fasten a 16-square-inch weatherproof label to each sign.

Type 4 signs are signs located within 12 air miles of the advertised activity. Type 5 signs display a message of specific interest to the traveling public. Only information about public places; natural phenomena; historic sites; areas of natural scenic beauty or outdoor recreation; and places for lodging, camping, eating, and vehicle service or repair are deemed to be of interest to the traveling public.

Summary of Amended Bill:

The WSDOT is required to establish and charge an annual fee for type 4 and 5 signs. The fee must reasonably recover costs for the program and may not exceed \$150. The WSDOT also must establish exemptions from payment of the annual fee for signs that do not generate rental income.

The size of the required weatherproof label containing the sign's identification number is changed to 28-square inches.

The amended bill implements a \$100-per-calendar-day fine for illegal signs.

The RCW 47.42.048, which relates to state and local prohibitions, is repealed due to redundant language.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 10, 2013.

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

Staff Summary of Public Testimony:

(In support) The income from an annual fee would offset the WSDOT's costs to administer legal and abate illegal billboards. Federal and state laws dating back to 1958 require the WSDOT to regulate billboards that are visible to the interstate system and other regulated highways. Resources for enforcement and administration are provided by the Traffic Operations Division. The WSDOT sees this as an opportunity to share costs. Shrinking

funds for traffic operations have forced the WSDOT to look for another way to support outdoor advertising management that does not rely on gas tax dollars. Funds for traffic operations support work that improves traffic safety and mobility, such as incident response, signal operations, and low-cost enhancement projects. The current fee structure only supports about 2 percent of the program cost. The WSDOT's only OAC fee is a one-time non-refundable permit application fee. Washington law requires an annual OAC permit renewal but does not charge a fee for the renewal. The proposed legislation also exempts some small businesses from paying an annual permit fee. The WSDOT estimates about 150 small businesses have a legal permit for a sign that directs travelers to their business. These legal signs are not generating income by selling advertising. As the WSDOT developed the proposal, the WSDOT worked with the outdoor advertising industry to address their concerns. The WSDOT agreed to put the fee amount in statute instead of regulation to ensure that the fee could not be easily raised. The WSDOT also added bill language to say that the annual fee would be cost recovery. In order to further address industry concerns, the WSDOT is reducing the annual fee to \$150 and will reduce the one-time application fee to \$150 dollars. If the agency request bill is passed, the WSDOT will implement the annual fee in the permit renewal cycle for 2015. Permit renewal forms and invoices will then be sent out in November 2014 and be good for calendar year 2015.

(In support with amendment(s)) This is an extra financial burden for the industry, but Clear Channel supports the bill with a few minor adjustments. It is requested that the fee start January 1, 2014. The bill limits fees to signs that generate income and most code violations come from the group that is exempted. All operators should be treated the same, as they are all getting the same economic benefit. Clear Channel is concerned that the Senate bill does not level penalties against illegal signs.

Making certain signs pay fees while others do not seems arbitrary and unfair, since all of these signs are generating additional business, regardless of whether the sign generates rental income. There are issues with effective enforcement; some sign owners will defy the law and by the time the WSDOT is able to remove the sign, it will have been well worth it for the sign owner. It is suggested that there be a \$100-per-calendar-day fine and a section that details what happens if a fine is not paid.

(Opposed) None.

Persons Testifying: (In support) Mike Dornfeld, Washington State Department of Transportation.

(In support with amendment(s)) Dan Dhrura, Clear Channel Outdoor; and Robert LaGrone, CBS Outdoor.

Persons Signed In To Testify But Not Testifying: None.