

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1173

Introduced by

Representatives Rennerfeldt, Wardner, Brusegaard, Clark

Senators Grindberg, Solberg

1 A BILL for an Act to create and enact a new section to chapter 39-13 of the North Dakota
2 Century Code, relating to a sign logo franchise program.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 39-13 of the North Dakota Century Code is
5 created and enacted as follows:

6 **Sign franchise program.**

- 7 1. Notwithstanding section 24-01-12, the director shall establish a sign franchise
8 program for the purpose of providing on the right of way of the state highway
9 system specific information on gas, food, camping, and lodging, for the benefit of
10 the motoring public.
- 11 2. By public negotiation or bid, the director shall grant one or more franchises to
12 qualified persons to erect and maintain, on the right of way of the state highway
13 system, signs informing the motoring public of gas, food, lodging, and camping
14 facilities. A franchisee shall furnish, install, maintain, and replace signs for the
15 benefit of advertisers who provide gas, food, lodging, and camping facilities for the
16 general public, and lease advertising space on the signs to operators of these
17 facilities.
- 18 3. All costs incurred under the program established by this section must be paid
19 under agreements negotiated between a franchisee and an advertiser or
20 advertisers, unless otherwise provided in the contract between the director and the
21 franchisee.
- 22 4. All contracts made by the director with a franchisee must provide:
- 23 a. A requirement that the franchisee obtain liability insurance in an amount the
24 director determines, jointly insuring the state and the franchisee against all

- 1 liability for claims for damages occurring wholly or in part because of the
2 franchise; and
- 3 b. Reasonable standards for the size, design, erection, and maintenance of
4 service information signs and the advertising logos thereon.
- 5 A franchisee agreement must conform with federal standards adopted under 23
6 U.S.C. 131(f) and with the manual of uniform traffic-control devices adopted under
7 section 39-13-06. The director may require additional terms and conditions,
8 including provisions on the renewal and termination of the agreement, and in the
9 event of termination the rights of the state and franchisee relative to the
10 franchisee's advertising contracts.
- 11 5. The director may not take any action under this section which will result in the loss
12 to the state of any federal highway construction funds.