

2023 HOUSE TRANSPORTATION

HB 1394

2023 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Room JW327E, State Capitol

HB 1394
1/27/2023

A bill relating to a highway logo sign program.

Chairman D. Ruby opened the hearing at 9:45AM.

Members present: Chairman Ruby, Vice Chairman Grueneich, Representatives Anderson, Christensen, Dyk, Frelich, Hauck, Koppelman, Murphy, Timmons, Wagner, Weisz, Dakane. Members absent: Representative Dobervich.

Discussion Topics:

- Travelers information on highways
- Blue Logo sign program

Representative Steiner verbally introduced the bill in support.

Terri Thiel, Executive Director of the Dickinson Convention and Visitors Bureau, testified in support (#17413).

Sara Otte Coleman, Director of Tourism and Marketing Division with the North Dakota Department of Commerce, testified in support (#17384).

Amanda Remyse, Greater North Dakota Chamber, verbally testified in opposition.

Kari Newman Ness, President of Newman Signs, testified in opposition (#17797, 17458).

Amanda Remyse, Greater North Dakota Chamber, answered questions from the committee.

Brad Darr, State Maintenance Engineer with North Dakota Department of Transportation, verbally testified in a neutral capacity.

Additional written testimony:

James Pursley, Executive Director with North Dakota Travel Alliance Partnership, testimony in support #17072.

Matt Gardner, North Dakota League of Cities, testimony in opposition #17374.

Chairman D. Ruby closed the hearing at 10:58AM.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Room JW327E, State Capitol

HB 1394
2/2/2023

A bill relating to a highway logo sign program.

Chairman D. Ruby opened the meeting at 3:57PM.

Members present: Chairman Ruby, Vice Chairman Grueneich, Representatives Anderson, Christensen, Dyk, Frelich, Hauck, Koppelman, Murphy, Timmons, Wagner, Dakane, Dobervich. **Members absent:** Representative Weisz.

Discussion Topics:

- Logo signs
- Committee vote

Representative Timmons moved a **Do Not Pass**.

Representative Grueneich seconded the motion.

Roll call vote:

Representatives	Vote
Representative Dan Ruby	Y
Representative Jim Grueneich	Y
Representative Karen A. Anderson	Y
Representative Cole Christensen	Y
Representative Hamida Dakane	Y
Representative Gretchen Dobervich	Y
Representative Scott Dyk	Y
Representative Kathy Frelich	Y
Representative Dori Hauck	Y
Representative Ben Koppelman	Y
Representative Eric James Murphy	Y
Representative Kelby Timmons	Y
Representative Scott Wagner	Y
Representative Robin Weisz	AB

Motion carried 13-0-1

Representative Christensen is the bill carrier.

Chairman D. Ruby adjourned at 4:02PM.

Mary Brucker, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1394: Transportation Committee (Rep. D. Ruby, Chairman) recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1394 was placed on the Eleventh order on the calendar.

TESTIMONY

HB 1394

North Dakota Travel Alliance Partnership

P.O. Box 2599
Bismarck, ND 58502
(701) 355-4458
FAX (701) 223-4645

MEMBERS

- Basin Electric Power Cooperative
- Bismarck Airport
- Bismarck-Mandan CVB
- Bottineau Area Chamber of Commerce
- Bry's Guide Service
- Destination Marketing Association of North Dakota
- Devils Lake CVB
- Dickinson CVB
- Eastbay Campground
- Fargo Air Museum
- Fargo-Moorhead CVB
- Friends of Lake Sakakawea
- Greater Grand Forks CVB
- Hampton Inn & Suites Minot Airport
- International Peace Garden
- Jamestown Tourism
- Leistikow Park Campground
- McKenzie County Tourism
- Minot Convention & Visitors Bureau
- Missouri Valley Heritage Alliance/
Fort Abraham Lincoln Foundation
- Municipal Airport Authority of the City of Fargo
- National Hospitality Services
- Newman Outdoor Advertising
- North Dakota Association of Rural Electric Cooperatives
- North Dakota State Fair
- North Dakota Tourism Division (ex-officio)
- Odney
- RMI
- Roosevelt Park Zoo
- State Historical Society of North Dakota Foundation
- Staybridge Suites
- Theodore Roosevelt Medora Foundation
- Valley City Tourism
- Williston CVB

**Testimony of James Pursley
Executive Director, ND Travel Alliance Partnership
In Support of HB 1394
January 27, 2023**

Chairman Ruby and members of the House Transportation Committee, my name is James Pursley, and I am the executive director of the ND Travel Alliance Partnership. On behalf of TAP, I am submitting this testimony in support of HB 1394, which would authorize the North Dakota Department of Transportation to establish a logo sign program to benefit travelers on the state's highway system.

Research has shown that North Dakota is predominantly a drive-to state with most visitors arriving and touring via automotive vehicles, including motorhomes and RVs. Specifics within HB 1394 would make it easier for the traveling public to locate and access specific services such as fuel, food and lodging while traveling on state highways.

This program is not intended to compete with, nor take the place of, traditional roadside signage, but as a supplemental source of information for visitors. Forty-seven states currently have the easily recognizable blue logo signs.

Tourism is the state's third-largest industry, and it is imperative that we do what we can to ensure travelers have an unforgettable experience, with the expectation of longer stays, repeated visits or even relocation. North Dakota Tourism Division data indicates that people are more likely to relocate to locations in which they have had previous enjoyable visits.

TAP asks the House Transportation Committee to consider a do pass for HB 1394.

Thank you.



HB 1394
House Transportation Committee
Rep. Ruby, Chair
January 27, 2023

Chairman Ruby and members of the House Transportation Committee, for the record, Matt Gardner, Executive Director, North Dakota League of Cities. I represent the 355 incorporated cities across the state.

We have concerns over HB 1394. This bill would allow certain businesses, mostly large corporations, to advertise in our highway right of ways. Highway right of ways are public property and shouldn't be used to favor certain businesses over others. Signs already exist that inform motorists of the types of services available at certain exits and within communities. Let the public decide if they want to patronize the businesses by the highways or venture downtown. We need to support our local downtown businesses when possible and this bill would further put them at a disadvantage.

To ensure we do not give inadvertent undue preference to certain businesses, I respectfully ask for a Do-Not-Pass on HB 1394.

Thank you for time and consideration. I will try to answer any questions.



Testimony in Support of
House Bill No. 1394
Senate Name of Committee Here
January 27, 2023

TESTIMONY OF

**Sara Otte Coleman, Director Tourism and Marketing Division
ND Department of Commerce**

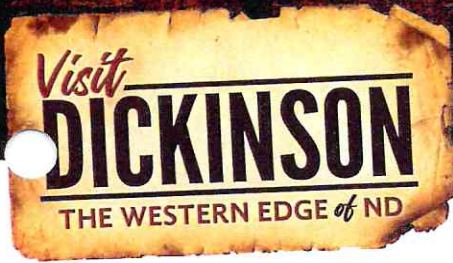
Good morning, Chairman Ruby and members of the Transportation Committee, I am Sara Otte Coleman, Director of the Tourism and Marketing Division at the North Dakota Department of Commerce. I am here today to testify in support of HB 1394 which establishes a logo signage program to assist travelers looking for services along North Dakota highways.

I am sure most of you have traveled in other states and have found the blue logo signs helpful in finding services. North Dakota is one of only two states that does not allow these logo signs which are relied on by travelers looking for hotels, restaurants, and fuel. Our office receives calls and emails from visitors regularly who are frustrated that we do not provide this service and curious why not? This is a hard question to answer as there is really no downside to providing this service. The program would likely not cost taxpayers and would increase revenue spent by visitors.

Tourism is one of North Dakota's largest industries. In 2021, we hosted 21.7 million visitors who spent \$2.61 billion dollars. Of those dollars, \$767 million was spent on food and beverage, \$521 million on transportation, and \$384 million on lodging. How many more gallons of fuel, cheeseburgers, or hotel stays may have been sold if the signs had let travelers know that these services were available?

A few weeks ago, we used focus groups from across the country to provide input to help us design the best possible tourism marketing campaign. Most participants had not previously visited North Dakota. Of the ones that had, the most common theme was that they had traveled through the state and there was nothing to see. While the signs may not dramatically change that impression, they will certainly help by luring visitors off the highway and into our communities where they may spend some time and money.

Commerce urges your support of HB 1394, thank you.



Testimony of Terri Thiel
Dickinson Convention & Visitors Bureau

January 27, 2023

Support - House Bill 1394

Chairman Ruby and Members of the House Transportation Committee:

I am Terri Thiel, Executive Director of the Dickinson Convention & Visitors Bureau.

In the United States, logo signs were permitted beginning in 1965 on rural Interstates as part of the Highway Beautification Act. The 1976 amendments to the Highway Beautification Act expanded the program to federal-aid primarily rural highways. In 2000, provisions for allowing logo signs on urban Highways were added to the Manual on Uniform Traffic Control Devices.

The program is not intended to complement or take the place of traditional advertisement for a business. Rather, it is intended as a supplemental informational service for motorists traveling in unfamiliar locations.

The Blue Logo bill before you is a bill that provides motorists information about traveler services when exiting highways. When traveling to other states, motorists exiting rural and/or interstate highway systems may encounter large blue signs that have the logos of various businesses that are important to motorists.

- Categories may differ between states, most often being, Lodging, Dining, Attractions, Fuel, Camping. Only certain types of business can advertise on the logo signs. Each state sets its own criteria for being listed, but normally, the businesses listed must have minimum public necessary amenities.
- Signs must be placed directly in advance of the interchange where the businesses can be accessed within a determined distance of the exit.

Typically, a business pays an annual fee/s to the state transportation department and/or a sign contractor to have their logos displayed on a large panel exiting a state highway or interstate highway. A question may be, what happens if an advertiser is removed and replaced with another? The cost incurred passed back onto the advertiser.

Dickinson Convention & Visitors Bureau

701-483-4988 | 800.279.7391 | 72 E. Museum Dr. | Dickinson, ND 58601



The cost of getting on a specific service sign varies by state, but in general, it spans between about \$500 and a couple grand per year. For some states, the annual fee depends solely upon which kind of sign a business is renting, though other states base the annual fee on how much traffic that particular road sees (a sign along a more crowded road cost more).

Fee Examples:

South Dakota - All applications must be accompanied with \$50 for each business sign requested. In addition to the \$50 application fee, an annual rental fee of \$155 per business sign is required.

Washington's fees, for example, vary based on traffic and location. Annual costs vary between \$360 and \$910 for two signs (one in each direction).

Michigan charges a flat fee of \$850 per mainline sign (this comes with a ramp sign as well), so advertising on both sides of the road—one sign for each direction—means businesses must pay \$1,700 each year to advertise on the highway.

In some states, their Department of Transportation controls, administers, and runs their entire blue logo program. In other states, they partner with a sign company, administering the rules, applications, and work with the company for installation and repairs. All costs a DOT incur are expensed out to the program advertisers.

What is this going to initially cost the ND DOT and taxpayers? While there could be a small startup cost to send out RFPs to companies to bid on the program, the program would be a positive revenue flow for the state. As a business model, it would cover all costs, and return a profit to the company and the state of North Dakota. A question in a past committee hearing was "What do states do with a profit from the program?" The states can control the net profit formula that they individually craft. It may go back to the General Fund, it may be returned to the DOT program, etc. Another past committee question was regarding the cost of removal of current guidance signs at exits. This cost could be factored into the revenue stream from the Blue Logo program.

Past testimony has raised the point that the public sector and private sector should be kept separately, and such signs not be allowed on government property. I would point out that private and government operations are currently in operation in the visitor industry, such as the private concession owners contracted with the National Park Service in many states. Private companies work with the NPS to offer necessary and appropriate services to park visitors that parks do not provide directly. In fact, the Commercial Services Program administers nearly 500 concession contracts that, in total, gross over \$1 billion annually, employing more than 25,000 people in a variety of jobs during peak seasons, providing services ranging from food and lodging to whitewater rafting adventures, motor coach tours and others.

A fairness issue has been questioned in testimony during past sessions. Because the Blue Logo signs are a federal program, the criteria must fall within certain parameters. While a downtown business might not be a qualifying business, this program may still bring travelers to other parts of a community to explore more unique offerings that include local dining and shops. This is not necessarily a quick in, quick stop; and while it may be at times, it still provides that community with an economic boost if they do in fact stop a location near an exit.

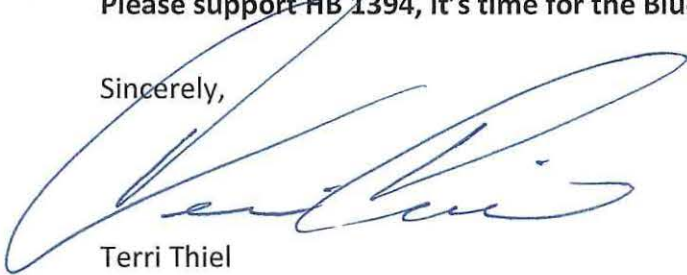
This program provides motorists with the option to view services as they enter a community, it may also help eliminate drivers trying to view their mobile phone for information as they seek such services.

To date, there are 47 states and that participate in the Blue Logo Sign program. While one state, Vermont, does not have the Blue Logo sign program, they have an enhanced sign program for local highways and State highways using an Official Business Directional Sign (OBDS) program. Currently, only Hawaii and North Dakota do not participate in the blue logo program, and Vermont has an enhanced program.

By passing this bill, you also provide an opportunity for our North Dakota sign companies to enter a new opportunity for business, a private partnership with government that results in positive economic growth for both parties.

Please support HB 1394, it's time for the Blue Logo sign program for North Dakota.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Terri Thiel', written over a large, faint circular watermark.

Terri Thiel
Executive Director

Enclosures



HB1394



A

GENERAL SERVICE SIGNS (TOD)

WHAT NORTH DAKOTA CURRENTLY OFFERS IN THE RIGHT-OF-WAY

B



Good morning, Chairman Ruby and the Transportation Committee.

My name is Kari Newman Ness. I am President/CEO and one of the owners of Newman Signs Inc, Jamestown.

I appreciate the time to speak this morning in opposition to HB 1394.

This bill is designed to give businesses located near the interstate the opportunity to advertise on the state's right-of-way through the use of Logo Signage. **Item A** in your handout shows examples of logo signage. I feel very strongly the State of ND should NOT get into the advertising business; it should NOT compete against those of us in private business. There is only so much advertising money out there, it is split between newspaper, radio, Television, internet and outdoor advertising. I really hate to see the State in competition with all of us for these advertising dollars.

Item B in your handout shows examples of what we have in ND right now. These are called General Service Signs (more commonly Tourist Oriented Directional Signs TOD). They are located along the highways and are an easy visual.

Logo signage, because it's designed for businesses near highways is not available to all businesses. The logo program gives an unfair advantage to restaurants, hotels, gas stations, located near exits. There

are distance restrictions in the program so it's unlikely that any Downtown businesses would ever be featured on a logo sign.

Logo signage is designed to get people off the highway, quickly into a gas station or restaurant, back into their vehicles, down the road and out of our state. As you all know, there has been a concerted effort in the past 15 or so years to revitalize our downtowns, we want people to experience our cities beyond our exits.

The Fiscal note on HB 1394, I feel, underestimates the cost of a program like this. There will be engineering costs, the cost of the actual structures, survey work, maintenance costs, cost to remove existing signs so spacing requirements can be met, and cost to develop and monitor the program.

Logo Signs will not enhance a visitor's stay in ND. We are not BACKWARD because we don't have them when other states do. We don't need them, we have TOD signs.

I hope you will agree the State of ND should NOT be in competition with those of us in business here in ND. This is not a business-friendly bill, it favors the STATE and companies with well-known logos located near the interstate exits.

Thank you for the opportunity to speak today. I strongly urge a DO NOT PASS on HB 1394.

I would be happy to yield to questions.