

**FISCAL NOTE**  
**Requested by Legislative Council**  
**12/22/2014**

Bill/Resolution No.: SB 2138

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill allows DOT to enter agreements with private entities whereby sponsors provide products or services to benefit the traveling public. For a "Sponsor a Highway Program", a vendor will be solicited to run a program where sponsors would be solicited to fund their highway litter pickup.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Costs of administration, signing, and litter removal under this program would be covered by private, non-governmental sources. Thus, there should be no significant fiscal impact to the State or political subdivisions.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

**Name:** Ron Henke

**Agency:** NDDOT

**Telephone:** 328-4445

**Date Prepared:** 01/07/2014

**2015 SENATE TRANSPORTATION**

**SB 2138**

# 2015 SENATE STANDING COMMITTEE MINUTES

Transportation Committee  
Lewis and Clark Room, State Capitol

SB 2138

1/9/2015

Recording job number 21799

Subcommittee

Conference Committee

Committee Clerk Signature

*Doris E. Pérez*

## Explanation or reason for introduction of bill/resolution:

To amend and reenact sections 24-01-01.1, 24-01-12, 24-02-01.5, subsection 3 of section 24-16-02, and subsection 6 of section 24-17-02 of the North Dakota Century Code, relating to the regulation of advertising signs on highways.

## Minutes:

Attachment: 1

**Chairman Oehlke** opened the hearing, all committee members were present.

**Ron Henke**, Deputy Director for Engineering, North Dakota Department of Transportation (DOT) This bill would allow DOT to enter into Sponsorship Agreements with interested parties (vendors) to place signs within the highway right of way, recognizing a sponsor for services rendered (trash removal along highways and rest areas) See attached testimony # 1, recording segment 0:43-3:57. We get lots of complains regarding the amount of garbage, especially in the Bismarck-Mandan area, Dickinson, Williston and Watford City.

**Chairman Oehlke:** aren't we doing this now?

**Ron Henke:** No, we are doing adopt a highway program. Groups, usually civic groups, adopt a stretch, we provide the garbage bags, etc... needed to clean up that stretch.

**Vice Chairman Casper** requested clarification on RFP (request for proposals) and who gets the sponsors and the signage.

**Ron Henke**, we have never done sponsorship by a business. We never had a definition of sponsorship, we want to clarify it and make a way to go into the sponsorship program. Fiscal note says DOT would not get a dollar from this program. The rest areas we currently pay to clean up. The money saved by DOT would be used for road repairs. We put out a RFP (request for proposal) defining the criteria/expectations (when we want the garbage picked up, where to dispose of it, what stretch of highway/rest area, etc...). Vendors would go around, talk to businesses looking for sponsorships. If they believe they can get the sponsors then they respond to the RFP detailing how they would do it and what their qualifications are. We would select based on qualifications and would enter into an agreement with the vendor, who finds companies willing to cover their costs, (sponsors). Vendors put up the sign (which would have to meet federal highway requirements) for the sponsors. Money paid by sponsors goes to the vendor who pays the staff that does the work.

**Senator Sinner** what is the cost of those services today? Who pays for the signage? What can go wrong? Is there a contract with DOT and vendor, any penalty clauses?

**Ron Henke**: we don't collect this information. Some cities allow us to dump garbage for free, others charge us, and there is also staff time. Rest areas cost range on how many and how big they are. It has been going up to around \$80-90,000 for 2 rest areas, 16 hrs. /day for garbage collection, bathroom cleaning, etc... We are not aware of penalty clauses. Most states try to make five year contracts. I believe if they are not performing we would close the contract and take over. The sponsor would lose because the sign would come down. In response to **Senator Sinner** and **Senator Rust** these are national companies.

**Representative Mark S. Owens, District 17, Grand Forks County**: I support this bill. I want to make sure you understand exactly what you are getting into. I did this in a couple of states. I was in the forefront with Federal Highway to help create the changes to the MUTCD (Manual on Uniform Traffic Control Devices) back in 2007 to date. It is not easy, it will be a struggle, but it can work. There are already vendors out there. Call it sponsorship, call it advertisement, to the sponsors it is advertisement (MUTCD does not allow the word advertisement therefore "sponsorship"). States do a sponsorship plan, it is approved by Federal Highway, state limits who can advertise (tobacco companies?, casinos?) where they can advertise (near schools?), number of signs, how far away from each other, how far from the exit ramp, on which side of the highway, etc.. Then you have jurisdictional boundaries, the different divisions in DOT. Many RFPs initially get no response because of the restrictions. If the vendor fails to keep up the agreement there is a mess with the different contracts. If the sign is taken down, the sponsor already paid money. What are people willing to pay for signs? I think it is in the interest of the state to go down this road, and to also have a logo program (which we don't have in North Dakota).\_(Segment 18:50- 26:03)

**Rep. Owens**, at the request of **Senators Sinner, Campbell and Casper**, explained the difference between the adopt a highway program and the logo program. We see in other states the original logo program which is only at the interstate exits. Sponsor pay to have their name there in a private/public partnership program (P3); part of the money goes to the sponsor and the rest to DOT. (26:09-41:13)

No additional supporting, neutral or opposing testimony **Chairman Oehlke** closed the hearing

**Chairman Oehlke** likes the idea of taking a slower approach, not jumping in on some things and get in trouble when the oil suddenly drops (43:07-44:33)

**Vice Chairman Casper** this might only benefit larger communities

**Senator Sinner** prefers sponsorship program

**Senator Axness** this would allow dot to shift their resources freeing them into other areas

**Senator Rust**: It would be extremely difficult right now to pass a bill increasing littering fines, fines are too low. Oil companies, ND Petroleum Council and some private companies have taken upon themselves to pick up the trash. This bill allows another method for the state getting this taken care of. Is it advertisement? What does the business community think about this? What do the signage companies think? Is this a case of the state competing with the private enterprise?

**Leo Ness**, Newman Signs: If it is advertising or not, I don't know the answer. I think it would be competitive like it would have to be, much like the logo signs with restrictions on placement, spacing, etc... We remain neutral on this bill. We have concerns. Initially signs were limited to the interstate exits, listing the services available (gas stations, rest area, etc...) If the states now have this RFP for maintenance etc...you have some control over whether or not this outfit is doing a good job, if you got a third party involved: who is responsible for the effective maintenance of that

area, the sponsor, the third party from out of state or the state? There would be the issue of liability in case of an accident, whose would it be the state, the third party? (51:40-1:02:56)

**Senator Campbell** would you still be neutral if another bill came regarding logo signs, just on interstate and limited to gas stations, hotels?

**Leo Ness**: I would oppose that, it would put the state in competition with private business, and it does so in the right of way where we are not allowed, it would be an unfair advantage. In response to **Senator Rust**: national companies would have an advantage over the "moms and pops". Yes **Chairman Oehlke**, the signs can be made by private sector, if up to DOT standards. Yes, **Vice Chairman Casper** we would definitely look at the RFP.

**Chairman Oehlke**: are national vendors interested, would RFP include all small areas (like rest areas) as one or one by one?

**Ron Henke** we have gotten inquiries. It could be an individual rest area or all of them as one package. We seem to have a little bit of local interest in doing the rest areas. We have a tendency to start out small to see how it works out for us. That way we don't have big problems; if it works we look at doing something more.

**Chairman Oehlke**: we will think about this during the weekend. Meeting adjourned.

# 2015 SENATE STANDING COMMITTEE MINUTES

**Transportation Committee**  
Lewis and Clark Room, State Capitol

SB 2138  
1/16/2015  
Recording job number 22069

Subcommittee

Conference Committee

Committee Clerk Signature

*Davis & Perez*

**Explanation or reason for introduction of bill/resolution:**

to amend and reenact sections 24-01-01.1, 24-01-12, 24-02-01.5, subsection 3 of section 24-16-02, and subsection 6 of section 24-17-02 of the North Dakota Century Code, relating to the regulation of advertising signs on highways.

**Minutes:**

Attachment: 1

**Vice Chairman Casper** opened the discussion on SB 2138, **Chairman Oehlke** absent momentarily.

**Bruce Strinden**, lobbyist for Newman Signs, Bismarck Division, Initially when we looked at the acknowledgement sign bill we didn't have any problems with it. We saw it as something the state was already using. We didn't realize there are several companies in the USA who are making a very nice living operating on state owned right of way or buildings. This has expanded into something that amazes me. I went to the Travelers Marketing website (attachment 1). It is my feeling they contacted DOT in ND in an effort to get this program going. They basically have taken the Federal Highway Administration regulations regarding acknowledgement signs, for services provided by sponsors or groups, and turned them into an advertising program. They are even selling sponsorship on interstate bridge overheads, and posts with overhead lighting along the interstate. The reality is that the sponsor does nothing to maintain anything, they pay a company a fee to put an advertising sign and that expands beyond what the DOT would probably do.

**Vice Chairman Casper** do you have a sense of how much demand there would be for that on this state?

**Bruce Strinden**: based on our population probably not a tremendous demand. It would basically make an agreement with DOT, pay them yearly, or 10 yr. commitment, and take over the sales, installation of these acknowledgement signs. They get a check annually to give Travelers Market the vendors rights for basically what would be the entire state of ND. Because of the nature of these acknowledgement signs in some cases the simplicity of the acknowledgement sign is such that if it is a name or logo doesn't matter. I don't have a problem with that specific type of sign

**Senator Sinner**: would you characterize this as a slippery slope? You oppose this bill because it is as if we want to turn our government owned assets into marketing tools for private business?

**Bruce Strinden** I have to agree with you. There are photos of what they are doing in other states. I believe the Federal Highway administration will take a look at this, you cannot believe the clutter. "Sponsorship" is a real stretch of the definition. Based on what we have found we are adamantly opposed to the passage of this bill and would encourage a do not pass. We have always been philosophically opposed to setting up a private business in state owned rights of way

**Vice Chairman Casper** we will table this discussion until we can get DOT input. Being there no other comments, closed the discussion.

# 2015 SENATE STANDING COMMITTEE MINUTES

**Transportation Committee**  
Lewis and Clark Room, State Capitol

SB 2138  
1/23/2015  
Recording job number 22451

Subcommittee       Conference Committee

Committee Clerk Signature *Douglas E. Pérez*

**Explanation or reason for introduction of bill/resolution:**

To amend and reenact sections 24-01-01.1, 24-01-12, 24-02-01.5, subsection 3 of section 24-16-02, and subsection 6 of section 24-17-02 of the North Dakota Century Code, relating to the regulation of advertising signs on highways.

**Minutes:**

Attachment: 2

**Chairman Oehlke** opened the discussion on SB 2138, all committee members were present.

**Ron Henke**, Deputy Director of Engineering, North Dakota Department of Transportation, had not seen the amendment other than the one short page we provided (attachment #1). We were hog-housing the bill and creating a new section in Chapter 24, instead of amending all the other areas.

**Chairman Oehlke:** the amendment we requested is five pages; we haven't had time to review it. (attachment #2)

**Vice Chairman Casper:** I reviewed it, pointed out the highlighted section on the 5<sup>th</sup> page which could use further clarification, we changed your language a little bit, same meaning but clearer.

**Ron Henke, Vice Chairman Casper,** and **Chairman Oehlke** discussed if the definition of a person included a company.

**Senator Rust** pointed out that page 4, line 6, of the bill defines person and it includes a limited liability company.

**Ron Henke:** Page 5, highlighted section appears to work for us.

**Vice Chairman Casper** moved to adopt amendment 012

**Senator Sinner** seconded to adopt amendment 012

**Senators Sinner, Axness and Vice Chairman Casper** discussed the sign size, placement and the 3 mile limitation brought up by DOT.

**Ron Henke** The size limitation is in the amendment and it does reference the MUTCD.  
Read last sentence of page 5 of the amendment.

**Ron Henke** discussed sponsorship with **Senator Rust** (12:31 to 16:14)

**Leo Ness**, Newman Signs, the size of the signs is defined by the federal highway directives. I still thinks this puts the state in business with the right of way and don't think that is right. 17:20-19:50

**Roll call vote was taken: Yes 6 No 0 Absent 0**

**Chairman Oehlke** we want to see the amended bill before we act on it, meeting adjourned.

# 2015 SENATE STANDING COMMITTEE MINUTES

**Transportation Committee**  
Lewis and Clark Room, State Capitol

SB 2138  
2/5/2015  
Recording job number 23326

Subcommittee       Conference Committee

Committee Clerk Signature

*Doris E. Pérez*

## **Explanation or reason for introduction of bill/resolution:**

To amend and reenact sections 24-01-01.1, 24-01-12, 24-02-01.5, subsection 3 of section 24-16-02, and subsection 6 of section 24-17-02 of the North Dakota Century Code, relating to the regulation of advertising signs on highways.

## **Minutes:**

Attachment: 1

**Chairman Oehlke** opened the discussion on SB 2138, all committee members were present. There was some angst among the sign people about territory and all that sort of things. He submitted proposed amendment 02, attachment #1. The Department of Transportation would like to make this work because there are areas in the state where road cleanup is a real problem. Maybe if we can isolate this to a specific area for a trial program we could get something. Such a long stretch of time because within a shorter period companies would not be able to make any money, they need to see that it can be done for an extended period of time otherwise you would not get any takers. I would entertain the idea of withdrawing the previous amendment.

**Vice Chairman Casper moved to rescind the previous amendment and re-amend**

**Senator Sinner seconded the motion**

**Voice vote: all in favor**

**Vice Chairman Casper: moved do pass as amended**

**Senator Campbell seconded the motion**

**Roll call vote was taken: Yes 6 No 0 Absent 0**

**Carrier: Chairman Oehlke**

# Proposed Amendment 012

SB 2138  
Page 1 of 5

## PROPOSED AMENDMENTS TO SENATE BILL NO. 2138

Page 1, line 1, after "to" insert "to create and enact section 24-01-12.4 of the North Dakota Century Code, relating to sponsorship agreements for litter control within a highway right of way; and to"

Page 1, line 1, remove ", 24-01-12, 24-02-01.5,"

Page 1, line 2, remove "subsection 3 of section 24-16-02, and subsection 6 of section 24-17-02"

Page 1, line 3, replace "the regulation of advertising signs on highways" with "the definitions of words and phrases"

Page 1, line 16, after "4." remove "Advertisement means a sign, display, or device of any kind or character including"

Page 1, remove lines 17 through 23

Page 2, line 1, remove "5."

Page 2, line 3, replace "6." with "5."

Page 2, line 5, replace "7." with "6."

Page 2, line 6, replace "8." with "7."

Page 2, line 7, replace "9." with "8."

Page 2, line 9, replace "10." with "9."

Page 2, line 11, replace "11." with "10."

Page 2, line 16, replace "12." with "11."

Page 2, line 18, replace "13." with "12."

Page 2, line 20, replace "14." with "13."

Page 2, line 22, replace "15." with "14."

Page 2, line 24, replace "16." with "15."

Page 2, line 26, replace "17." with "16."

Page 2, line 28, replace "18." with "17."

Page 2, line 29, replace "19." with "18."

Page 3, line 1, replace "20." with "19."

Page 3, line 5, replace "21." with "20."

Page 3, line 6, replace "22." with "21."

Page 3, line 9, replace "23." with "22."

Page 3, line 12, replace "24." with "23."

Page 3, line 16, replace "25." with "24."

Page 3, line 18, replace "26." with "25."

Page 3, line 22, replace "27." with "26."

Page 3, line 24, replace "28." with "27."

Page 3, line 27, replace "29." with "28."

Page 3, line 30, replace "30." with "29."

Page 4, line 1, replace "31." with "30."

Page 4, line 3, replace "32." with "31."

Page 4, line 5, replace "33." with "32."

Page 4, line 6, replace "34." with "33."

Page 4, line 8, replace "35." with "34."

Page 4, line 9, replace "36." with "35."

Page 4, line 11, replace "37." with "36."

Page 4, line 13, replace "38." with "37."

Page 4, line 15, replace "39." with "38."

Page 4, line 17, replace "40." with "39."

Page 4, line 23, replace "41." with "40."

Page 4, line 25, replace "42." with "41."

Page 4, line 27, replace "43." with "42."

Page 5, line 1, replace "44." with "43."

Page 5, line 4, replace "45." with "44."

Page 5, line 6, replace "46." with "45."

Page 5, line 9, replace "47." with "46."

Page 5, line 9, replace "department" with "Department"

Page 5, line 9, replace "private" with "person"

Page 5, line 10, remove "entity"

Page 5, line 11, replace "48." with "47."

Page 5, line 13, replace "49." with "48."

Page 5, line 18, replace "50." with "49."

Page 5, line 20, replace "51." with "50."

Page 5, remove lines 22 through 31

Page 6, remove lines 1 through 31

Page 7, remove line 1

Page 7, line 2, replace "section 24-01-01.1" with:

"**SECTION 2.** Section 24-01-12.4 of the North Dakota Century Code is created and enacted as follows:

The director may enter into sponsorship agreements with a person to provide litter control within a highway right of way. The director may acknowledge a person who provides litter control under this section with acknowledgement signs within

a highway right of way. Acknowledgement signs must face oncoming traffic and must not be placed less than three miles [4.82803 kilometers] apart.  
Acknowledgement signs must comply with display requirements as set forth in the manual on uniform traffic-control devices as adopted by the Department."

**Comment [121]:** This could use further clarification.

February 6, 2015

2/6/15  
Jue

PROPOSED AMENDMENTS TO SENATE BILL NO. 2138

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-01-12.4 of the North Dakota Century Code, relating to a pilot project for sponsorship agreements for litter control within rights of way; to provide for a report to the legislative management; and to provide an expiration date.

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

**SECTION 1.** Section 24-01-12.4 of the North Dakota Century Code is created and enacted as follows:

**24-01-12.4. Sponsorship agreements for litter control within rights of way - Pilot project.**

The director may enter a sponsorship agreement with a person to provide litter control within a highway right of way located within the northwestern region of the state. The director may acknowledge a sponsor that provides litter control under this section which may include an acknowledgment sign within the highway right of way. As used in this section, the term "acknowledgment sign" means a sign with the sole purpose of informing the traveling public a highway-related service is sponsored by that person. Acknowledgment signs facing the same direction must be placed at least three miles [4.83 kilometers] apart. An acknowledgment sign must comply with requirements as set forth in the manual on uniform traffic-control devices as adopted by the department.

**SECTION 2. REPORT TO LEGISLATIVE MANAGEMENT - DEPARTMENT OF TRANSPORTATION.** Before September 1, 2016, the department of transportation shall report to the legislative management on the status of the pilot project for sponsorship agreements for litter control within highway rights of way under section 24-01-12.4. The report must include findings and recommendations as a result of any sponsorship agreements the director of the department of transportation entered under the pilot project.

**SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2021, and after that date is ineffective."

Renumber accordingly

2015 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
SB BILL NO. 2138

Senate TRANSPORTATION Committee

Subcommittee

Amendment LC# or Description: 012

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Vice-chairman CASPER Seconded By Senator SINNER

Senators	Yes	No	Senators	Yes	No
Chairman Oehlke	X		Senator Axness	X	
Vice Chairman Casper	X		Senator Sinner	X	
Senator Campbell	X				
Senator Rust	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

To clarify language

**2015 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 SB BILL NO. 2138**

Senate \_\_\_\_\_ **TRANSPORTATION** \_\_\_\_\_ Committee

Subcommittee

Amendment LC# or Description: 15.8105.01001

Recommendation:     Adopt Amendment  
                            Do Pass     Do Not Pass     Without Committee Recommendation  
                            As Amended                             Rerefer to Appropriations  
                            Place on Consent Calendar

Other Actions:         Reconsider                             Rescind previous amendment

Motion Made By Vice Chairman Casper    Seconded By Senator Sinner

Senators	Yes	No	Senators	Yes	No
Chairman Oehlke			Senator Axness		
Vice Chairman Casper			Senator Sinner		
Senator Campbell					
Senator Rust					
<b>VOICE VOTE ALL IN FAVOR</b>					

Total    (Yes) \_\_\_\_\_ 6 \_\_\_\_\_ No \_\_\_\_\_ 0 \_\_\_\_\_

Absent \_\_\_\_\_ 0 \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
 To replace the bill with a pilot project relating to sponsorship agreements for litter control within highway right of way.

**2015 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 SB BILL NO. 2138**

Senate \_\_\_\_\_ **TRANSPORTATION** \_\_\_\_\_ Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:     Adopt Amendment  
                            Do Pass     Do Not Pass     Without Committee Recommendation  
                            As Amended                             Rerefer to Appropriations  
                            Place on Consent Calendar

Other Actions:         Reconsider                             \_\_\_\_\_

Motion Made By Vice Chairman Casper    Seconded By Senator Campbell

Senators	Yes	No	Senators	Yes	No
Chairman Oehlke	X		Senator Axness	X	
Vice Chairman Casper	X		Senator Sinner	X	
Senator Campbell	X				
Senator Rust	X				

Total    (Yes) \_\_\_\_\_ 6 \_\_\_\_\_ No \_\_\_\_\_ 0 \_\_\_\_\_

Absent \_\_\_\_\_ 0 \_\_\_\_\_

Floor Assignment Chairman Oehlke

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2138: Transportation Committee (Sen. Oehlke, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2138 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-01-12.4 of the North Dakota Century Code, relating to a pilot project for sponsorship agreements for litter control within rights of way; to provide for a report to the legislative management; and to provide an expiration date.

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

**SECTION 1.** Section 24-01-12.4 of the North Dakota Century Code is created and enacted as follows:

**24-01-12.4. Sponsorship agreements for litter control within rights of way - Pilot project.**

The director may enter a sponsorship agreement with a person to provide litter control within a highway right of way located within the northwestern region of the state. The director may acknowledge a sponsor that provides litter control under this section which may include an acknowledgment sign within the highway right of way. As used in this section, the term "acknowledgment sign" means a sign with the sole purpose of informing the traveling public a highway-related service is sponsored by that person. Acknowledgment signs facing the same direction must be placed at least three miles [4.83 kilometers] apart. An acknowledgment sign must comply with requirements as set forth in the manual on uniform traffic-control devices as adopted by the department.

**SECTION 2. REPORT TO LEGISLATIVE MANAGEMENT - DEPARTMENT OF TRANSPORTATION.** Before September 1, 2016, the department of transportation shall report to the legislative management on the status of the pilot project for sponsorship agreements for litter control within highway rights of way under section 24-01-12.4. The report must include findings and recommendations as a result of any sponsorship agreements the director of the department of transportation entered under the pilot project.

**SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2021, and after that date is ineffective."

Renumber accordingly

**2015 TESTIMONY**

**SB 2138**

**SENATE TRANSPORTATION COMMITTEE**  
**January 9, 2015 ~ 10:30 a.m. ~ Lewis and Clark Room**

**North Dakota Department of Transportation**  
**Ron Henke, Deputy Director for Engineering**

**SB 2138**

---

Mr. Chairman and members of the committee, my name is Ron Henke, Deputy Director for Engineering, for the North Dakota Department of Transportation (DOT). I'm here today in support of SB 2138. This bill amends language to Title 24 of the North Dakota Century Code (NDCC) by adding new definitions to section 24-01-01 and amends 24-01-12 to permit sponsorship opportunities within the state.

One of the challenges that the Department of Transportation is dealing with is the amount of trash that is ending up in the state highway ditches. The intent of this bill was to give the Department another means to deal with this challenge. The bill would allow the Department the ability to enter into Sponsorship agreements with interested parties and place signs within the highway right of way, recognizing the sponsor for service rendered. This is not "Logo" signing.

Sponsorship programs provide a significant opportunity for highway agencies to generate critical support needed to operate, and maintain key facilities and services, including, but not limited to, sponsor-a-highway litter removal program, rest area operation and maintenance and other highway maintenance or beautification sponsorship programs. This bill allows the DOT to enter into agreements with private entities whereby sponsors may provide products or services that benefit the traveling public. For a Sponsor a highway program, it is anticipated that a vendor would be selected following existing procurement laws to run a program that would solicit sponsors who would fund their highway litter pickup. The opportunities can benefit the traveling public with an improved transportation system by providing flexibility for the Department to pursue innovative means to maintain highway-related services. The Federal Highway Administration (FHWA) has clarified their position on acknowledging sponsorships, and are allowing states to proceed with sponsorship programs on the federal aid highway system. Advertising is still not allowed.

The proposed bill modifies state law as follows:

- Page 1, lines 12 thru 14 and lines 16 thru 23 – Adds a definition for Acknowledgement sign and Advertisement.
- Page 5, lines 9 thru 10 – Adds a definition for Sponsorship agreement.
- Page 6, lines 11 thru 13 gives the director the authority to enter into agreements, whereby sponsors may provide products or services that benefit the travelling public. The director may acknowledge sponsors with acknowledgement signs in the highway right-of-way.

# 1-2

Over the past few years, participation in the current Adopt A Highway program has declined as volunteer groups struggle to maintain membership throughout the state. With this proposed bill, the Department could develop a Sponsor A Highway program in which a vendor could manage the program and solicit companies to participate.

Mr. Chairman, this concludes my testimony and I would be happy to answer any questions the committee may have.



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MARKETS MEDIA STATE PARTNERS

OUR COMPANY MEDIA KIT CONTACT US

STATE PARTNERS HOW WE WORK WHAT STATES ARE SAYING

## state partners

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you're in good company

Travelers Marketing enjoys our strong partnerships with roadway authorities at the state and federal levels. They allow us to offer distinctive assets throughout the United States while they generate non-toll revenue for their agencies.

- Alaska Division of Motor Vehicles (DMV)
- American Roads
- Colorado DMV
- Delaware DMV
- Florida DHSMV
- Florida DOT
- Florida's Turnpike Enterprise
- Georgia DOT
- Idaho Transportation Department
- Illinois Tollway
- Indiana DOT
- Indiana Toll Road
- Kansas Turnpike Authority
- Louisiana DOTD
- Maine BMV
- Maryland State Highway Administration
- Massachusetts DOT
- Massachusetts DOT RMV
- Michigan Department of State
- Nassau County Bridge Authority
- Nebraska DMV
- New Hampshire DOT
- New Jersey DOT
- New York State Bridge Authority
- New York State DOT
- North Carolina DMV
- **North Dakota DOT**
- Ohio DOT
- Rhode Island DMV
- Pennsylvania DOT
- Pennsylvania Turnpike Commission
- Tampa Hillsborough Expressway Authority
- Vermont DMV
- Virginia DOT
- Washington DC DMV
- Wisconsin DMV
- Wisconsin DOT



what people are saying

"The team at Travelers Marketing went above and beyond our expectations and created another flawless, pressworthy campaign for TNT. We appreciate all the hard work and long hours everyone at Travelers Marketing contributed to make this campaign a success."

- Laura Theis, *Media Planner*  
TNT Entertainment

## how we work

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press

### MILLIONS IN NON-TOLL REVENUE AHEAD.

With budgets stretched to the limit, your state roadway agency has to make a lot of tough decisions. Well, here's an easy one. What if you could take the assets you already have—like Safety Service Patrols, toll plazas, rest areas and bridges—and generate new sources of revenue without raising tolls? It's not only possible, Travelers Marketing makes it easy. Our turn-key programs have already brought in over 50 million dollars for our state roadway partners.

Best of all, we do all the work for you. Under the direction of your agency, we identify and value your current assets and market them to advertisers. We handle the sales, billing, collection, production, installation, and on-going management to ensure that our programs never cause a disruption to your state's business. And we follow all FHWA and MUTCD guidelines to make sure all advertising meets federal and state requirements.

Whether an RFP, RFI, RFQ or ITN, Travelers Marketing's proposals are unmatched. Contact us today and we can answer any questions based on our extensive experience in the field prior to the release of the RFP.

New sources of revenue – no new headaches – now that's an easy decision.

1/16/2015

## roadway marketing

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INVENTIVE MEDIA

### Put your message where no billboard has gone before.

It's no secret that out-of-home marketing is one of the most effective—and economical—forms of advertising. Arbitron studies show that over 70% of motorists often look at messages on outdoor signage and over one-third notice these messages almost every time they pass one.

Our partnerships with state transportation departments take your outdoor advertising to the next level. We have highly visible inventory you won't find anywhere else, and because billboards aren't allowed in these high-traffic state-run areas, your message commands attention without competition.

If you think outdoor advertising is just for billboards, then ride along with us.

November 21, 2011

### Travelers Marketing Receives 2011-2012 National Roadway Safety Award for Innovative Public-Private Partnerships

**Washington, D.C.** – On November 15th, the United States Department of Transportation and the National Highway Safety Foundation awarded Travelers Marketing along with its public sector partners: Florida's Turnpike Enterprise, the Pennsylvania Turnpike Commission, Florida DOT, Tampa Hillsborough Expressway Authority, Georgia DOT, New York State DOT, Maryland State Highway Administration, Massachusetts DOT and the Kansas Turnpike, the 2011-2012 National Highway Safety Award for its Safety Patrol Sponsorship-Partnerships.

October 26, 2011

### Hey, Advertisers: New York Has a Bridge to Sell You

**Hudson Valley, NY** - Ever hear the term, "Hey, I got a bridge I can sell you?" Well, not it's true. The New York State Bridge Authority is selling ad space on the toll gates at its five bridge crossings in upstate New York.

October 13, 2011

1/16/2015

## how we help you

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Travelers Marketing drives our client's messaging through public-private partnerships that create marketing opportunities never before possible.

We work with public-sector roadway authorities to identify high-traffic, high-impact assets in top DMAs and then match them with advertisers and sponsors in ways that meet their mutual goals.

By aligning these private and public sector interests, Travelers Marketing creates unique programs that boost consumer awareness and enhance roadway safety. Our social marketing campaigns include our successful Safety Service Patrols, Supervised Driving Guides, and Service Plaza Promotions.

We deliver effective, measurable marketing media that connects the brand with the advertising space to make an immediate and lasting impression.

**PROPOSED AMENDMENTS TO SENATE BILL NO. 2138**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-01-12.4 of the North Dakota Century Code, relating to sponsorship agreements for litter control within highway right of way.

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

**SECTION 1. AMENDMENT.** Section 24-01-12.4 of the North Dakota Century Code is created and enacted as follows:

**24-01-12.4. Sponsorship agreements for litter control within right of way.**

The director may enter into sponsorship agreements with private entities or persons to provide litter control within highway right of way. The director may acknowledge sponsors who provide litter control under this section with acknowledgement signs within highway right of way. "Acknowledgement sign" under this section means a sign that is intended only to inform the traveling public a highway-related service has been sponsored by a private entity or person. Acknowledgment signs facing the same direction may not be placed less than 3 miles apart. Signs will meet all the requirements of the adopted manual on uniform traffic-control devices."

Renumber accordingly.

06 If the placement of a newly-installed higher-priority traffic control device, such as a higher-priority sign, a highway traffic signal, or a temporary traffic control device, conflicts with an existing acknowledgment sign, the acknowledgment sign should be relocated, covered, or removed.

Option:

07 State or local highway agencies may develop their own acknowledgment sign designs and may also use their own pictograph (see definition in Section 1A.13) and/or a brief jurisdiction-wide program slogan as part of any portion of the acknowledgment sign, provided that the signs comply with the provisions for shape, color, and lettering style in this Chapter and in Chapter 2A.

Guidance:

08 Acknowledgment signs should clearly indicate the type of highway services provided by the sponsor.

Standard:

09 In addition to the general provisions for signs described in Chapter 2A and the sign design principles covered in the "Standard Highway Signs and Markings" book (see Section 1A.11), acknowledgment sign designs developed by State or local highway agencies shall comply with the following provisions:

- A. Neither the sign design nor the sponsor acknowledgment logo shall contain any contact information, directions, slogans (other than a brief jurisdiction-wide program slogan, if used), telephone numbers, or Internet addresses, including domain names and uniform resource locators (URL);
- B. Except for the lettering, if any, on the sponsor acknowledgment logo, all of the lettering shall be in upper-case letters as provided in the "Standard Highway Signs and Markings" book (see Section 1A.11);
- C. In order to keep the main focus on the highway-related service and not on the sponsor acknowledgment logo, the area reserved for the sponsor acknowledgment logo shall not exceed 1/3 of the total area of the sign and shall be a maximum of 8 square feet, and shall not be located at the top of the sign;
- D. The entire sign display area shall not exceed 24 square feet;
- E. The sign shall not contain any messages, lights, symbols, or trademarks that resemble any official traffic control devices;
- F. The sign shall not contain any external or internal illumination, light-emitting diodes, luminous tubing, fiber optics, luminescent panels, or other flashing, moving, or animated features; and
- G. The sign shall not distract from official traffic control messages such as regulatory, warning, or guidance messages.

Support:

10 Examples of acknowledgment sign designs are shown in Figure 2H-5.

Figure 2H-5. Examples of Acknowledgment Sign Designs



# Proposed Amendment 012

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## PROPOSED AMENDMENTS TO SENATE BILL NO. 2138

Page 1, line 1, after "to" insert "to create and enact section 24-01-12.4 of the North Dakota Century Code, relating to sponsorship agreements for litter control within a highway right of way; and to"

Page 1, line 1, remove ", 24-01-12, 24-02-01.5,"

Page 1, line 2, remove "subsection 3 of section 24-16-02, and subsection 6 of section 24-17-02"

Page 1, line 3, replace "the regulation of advertising signs on highways" with "the definitions of words and phrases"

Page 1, line 16, after "4." remove "Advertisement means a sign, display, or device of any kind or character including"

Page 1, remove lines 17 through 23

Page 2, line 1, remove "5."

Page 2, line 3, replace "6." with "5."

Page 2, line 5, replace "7." with "6."

Page 2, line 6, replace "8." with "7."

Page 2, line 7, replace "9." with "8."

Page 2, line 9, replace "10." with "9."

Page 2, line 11, replace "11." with "10."

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Page 2, line 16, replace "12." with "11."

Page 2, line 18, replace "13." with "12."

Page 2, line 20, replace "14." with "13."

Page 2, line 22, replace "15." with "14."

Page 2, line 24, replace "16." with "15."

Page 2, line 26, replace "17." with "16."

Page 2, line 28, replace "18." with "17."

Page 2, line 29, replace "19." with "18."

Page 3, line 1, replace "20." with "19."

Page 3, line 5, replace "21." with "20."

Page 3, line 6, replace "22." with "21."

Page 3, line 9, replace "23." with "22."

Page 3, line 12, replace "24." with "23."

Page 3, line 16, replace "25." with "24."

Page 3, line 18, replace "26." with "25."

Page 3, line 22, replace "27." with "26."

Page 3, line 24, replace "28." with "27."

Page 3, line 27, replace "29." with "28."

Page 3, line 30, replace "30." with "29."

Page 4, line 1, replace "31." with "30."

Page 4, line 3, replace "32." with "31."

Page 4, line 5, replace "33." with "32."

Page 4, line 6, replace "34." with "33."

Page 4, line 8, replace "35." with "34."

Page 4, line 9, replace "36." with "35."

Page 4, line 11, replace "37." with "36."

Page 4, line 13, replace "38." with "37."

Page 4, line 15, replace "39." with "38."

Page 4, line 17, replace "40." with "39."

Page 4, line 23, replace "41." with "40."

Page 4, line 25, replace "42." with "41."

Page 4, line 27, replace "43." with "42."

Page 5, line 1, replace "44." with "43."

Page 5, line 4, replace "45." with "44."

Page 5, line 6, replace "46." with "45."

Page 5, line 9, replace "47." with "46."

Page 5, line 9, replace "department" with "Department"

Page 5, line 9, replace "private" with "person"

Page 5, line 10, remove "entity"

Page 5, line 11, replace "48." with "47."

Page 5, line 13, replace "49." with "48."

Page 5, line 18, replace "50." with "49."

Page 5, line 20, replace "51." with "50."

Page 5, remove lines 22 through 31

Page 6, remove lines 1 through 31

Page 7, remove line 1

Page 7, line 2, replace "section 24-01-01.1" with:

"**SECTION 2.** Section 24-01-12.4 of the North Dakota Century Code is created and enacted as follows:

The director may enter into sponsorship agreements with a person to provide litter control within a highway right of way. The director may acknowledge a person who provides litter control under this section with acknowledgement signs within

a highway right of way. Acknowledgement signs must face oncoming traffic and must not be placed less than three miles [4.82803 kilometers] apart.  
Acknowledgement signs must comply with display requirements as set forth in the manual on uniform traffic-control devices as adopted by the Department."

**Comment [I21]:** This could use further clarification.

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**PROPOSED AMENDMENTS TO SENATE BILL NO. 2138**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-01-12.4 of the North Dakota Century Code, relating to sponsorship agreements for litter control within highway right of way pilot project; to provide for a report to the legislative management; and to provide an expiration date.

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

**SECTION 1. AMENDMENT.** Section 24-01-12.4 of the North Dakota Century Code is created and enacted as follows:

**24-01-12.4. (Effective through June 30, 2021) Sponsorship agreements for litter control within right of way pilot project – Legislative management report.**

The director, as a pilot project, may enter into sponsorship agreements with private entities or persons to provide litter control within highway right of way located within the northwestern part of North Dakota. The director may acknowledge sponsors who provide litter control under this section with acknowledgement signs within highway right of way. "Acknowledgement sign" under this section means a sign that is intended only to inform the traveling public a highway-related service has been sponsored by a private entity or person. Acknowledgment signs facing the same direction may not be placed less than 3 miles apart. Signs will meet all the requirements of the adopted manual on uniform traffic-control devices, and must be located near the outside highway right of way line.

**SECTION 2. REPORT TO LEGISLATIVE MANAGEMENT.** The director of the department of transportation shall report to the legislative management regarding the sponsorship for litter control within highway right of way pilot project with findings and recommendations as a result of any agreements entered into with any private entities or persons.

**SECTION 3. EXPIRATION DATE.** This act is effective through June 30, 2021, and after that date is ineffective.

Renumber accordingly.