

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2269

2001 SENATE TRANSPORTATION

SB 2269

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2269

Senate Transportation Committee

Conference Committee

Hearing Date 2-1-01;2-8-01

Tape Number	Side A	Side B	Meter #
1	x		0-55.5
2-8-01	x		9.0-12.6
Committee Clerk Signature 			

Minutes: SB 2269 relates to a logo sign program.

Senator Bowman: (District 39; Supports) States that this bill would provide ND businesses opportunity to expand. Competing for business and offering more services benefits everyone. Gives small businesses an opportunity to expand and allows everyone a chance to utilize these services as they travel. 47 other states have same program.

Senator D. Mathern: (District 45; Supports) Supports this bill. States that people will know ahead of time what is available ahead and will not have to do U-turns. Mom and Pop shops can't afford a billboard so this would help them out. Also, free enterprise would stay alive and well in ND. There is no cost to the state, this is maintained by the companies.

Mark (Olle) Goldberg: (Mayor of Medora; Supports) Medora is 1 tourist attraction. Has received many complaints that there is no signs to identify places of business in Medora. It's all small town ND problem. Tourists don't know what facilities are available. Everyone who pays for gas, pays for these rights. This would rejuvenate extra money for small towns.

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Senate Transportation Committee

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Ron Wanner: (President of West River Tourism Counsel; Supports) International travel is going to get very busy soon. Logo signs are like a welcome mat. This would bring positive effects to ND.

Bruce Kaye: (Theodore Roosevelt National Park; Supports) Strongly in favor. Tourism is vital to ND economy. If we don't take advantage of the number of tourists here, we've lost a great opportunity. These signs greatly assist foreigners and out-of-staters. Program where everyone seems to win.

Terri Thiel: (Executive Director Dickinson CVB; Supports) See attached testimony.

Harold Newman: (Newman Signs; Opposes) See attached pictures. come up 12 times over a period of 34 years. It's been rejected 12 times for a number of reasons. He states that he employees 300 employees and would like to keep them. It does cost the state of ND money. The state will need to go out and tell where sign can be placed, structure consistent with other highway signs, spaced accordingly, who's going to police that? State Highway Patrol will and so it will cost taxpayers money. There is also the issue of fairness. Who is going to get those six spots on sign and who is going to decide who gets those spots? It's not fair to some businesses. People also have a tendency to see the big McDonald's arch over the small Mom & Pop logos so this is not helping out small businesses. There are certain requirements to be able to be placed on the sign such as being open 16 hours a day. What happens to the business who is only open for 14 hours a day? This is not going to work in an orderly way.

Bernie Dardis: (Cook Sign Company; Opposes) See attached testimony.

Senator Trenbeath: The fiscal note indicates an impact of \$5000; comment please.

Bernie Dardis: \$5000 is expense of policing displays and is not enough money. The biggest thing I am concerned about is who is going to determine who is on the sign.

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Senate Transportation Committee
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Carol O'Meara:(Billboard Advertiser for Newman Signs; Opposes) She states that she called other states with this logo sign program and asked who gets the six spots. All stated the six businesses closest to the exit got the spaces. This isn't fair because large companies usually own businesses off the highway and does nothing for our small town businesses.

Tom Nelson: (Vice President of Indigo Sign Company; Opposes) Large companies use the logo signs, that's just the way it ends up working. We currently do have a program that shows what facilities are offered and this lets the consumers choose when they get into town.

Al Kovlin: (NDDOT Traffic Operations Engineer; Neutral) See testimony.

Hearing closed.

Committee reopened on SB 2269 on 2-8-01.

Senator O'Connell moves to Do Not Pass. Seconded by Senator Espegard. Roll call taken.

6-0-0 .Floor carrier is Senator O'Connell.

FISCAL NOTE

Requested by Legislative Council

01/22/2001

Bill/Resolution No.: SB 2269

Amendment to:

1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The fiscal impact of this bill would be less than \$5000 per biennium.

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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Jerry Horner	Agency:	NDDOT
Phone Number:	328-4443	Date Prepared:	01/24/2001

REPORT OF STANDING COMMITTEE (410)
February 8, 2001 4:22 p.m.

Module No: SR-23-2801
Carrier: O'Connell
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2269: Transportation Committee (Sen. Stenehjem, Chairman) recommends DO NOT PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2269 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2269

Business Logo Signs

A must for travelers on North Dakota highways!

Issue: Business Logo Signs (a.k.a. Specific Service Signs) provide travelers with business identification and directional information for essential motorists services.

Facts:

- Tourism is the third largest industry in ND and the fastest growing segment of the economy.
- Travelers are already following the Lewis & Clark Trail and this traffic will peak in 2004 through 2006.
- Logo signs will also help ND residents as they travel within the state, either on business or vacation.
- ND is 1 of few states that prohibit logo signs. All of the Midwest and Western states use them.

Action: Pass a state law authorizing the ND Department of Transportation (ND DOT) to establish the Business Logo Sign Program. Senator Bowman has introduced a Senate Bill to:

create and enact a new section to Chapter 39-13 of the North Dakota Century Code, authorizing the Director, ND DOT to establish a business logo sign program.

Benefits of Logo Signs:

- ✓ ND highway travelers know what specific services are available in towns/cities and that these businesses are open. General Service Icons used in ND are not adequate because these services may not be open.
- ✓ Logo signs are essential for small rural communities that are not immediately adjacent to the Interstate or highway. By use of logo signs the businesses in these communities can still attract highway travelers.
- ✓ Logo signs supplement the highway billboard advertisements by providing another *advertisement* at the specific exit.

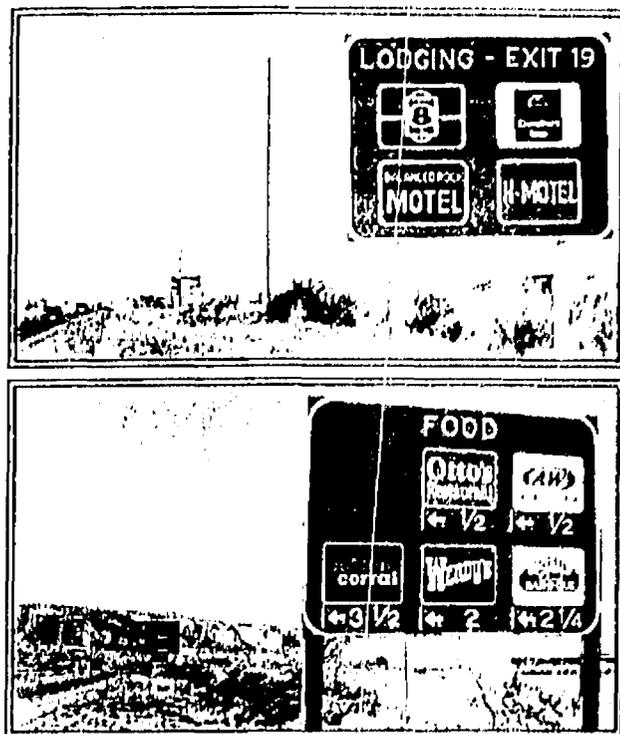
Logo Sign Details: If enacted, ND DOT would establish a Business Logo Sign Program using a selected committee for advice on specific guidelines that meet North Dakota needs. Items for committee input include: (1) selection of businesses; (2) distance to eligible services; (3) procedures for removal or covering of logo off season; (3) costs for permit, construction, installation, maintenance, and removal of logo signs; and (4) conformance with the following minimum federal guidelines.

- (a) eligible services should not exceed 3 miles except in rural areas where services may be 15 miles away;
- (b) use of GAS signs requires fuel, oil, tire repair, water, restrooms, and phone and that these services must be open 12 to 16 hours per day;
- (c) Use of FOOD signs requires 3 meals a day, 7 days a week and phone;
- (d) use of LODGING signs require adequate sleeping accommodations and phone;
- (e) use of CAMPING signs require adequate parking, sanitary facilities and water.

For more information contact:

Medora Mayor, Olie Golberg (701) 623-4828, e-mail olie@midstate.net

Theodore Roosevelt National Park Superintendent, Noel Poe (701) 623-4466, e-mail noel_poe@nps.gov



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Business Logo Signs

A must for travelers on North Dakota highways!

Questions and Answers

What are business logo signs?

Business Logo Signs (also known as Specific Service Signs) are located along Interstates and other major highways in every Midwestern and Western state. These signs provide travelers with business identification and directional information for essential motorists' services at the very exit where these services are available. The services that are permitted on these signs include gas, food, lodging and camping.

How much will this program cost the North Dakota taxpayer?

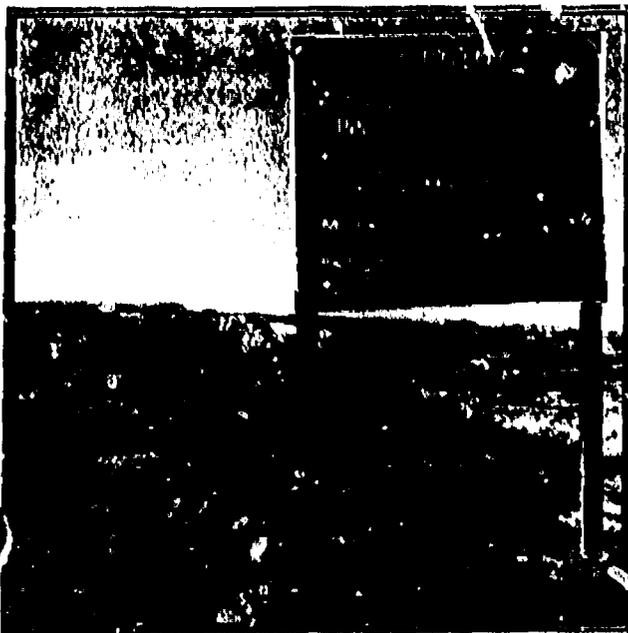
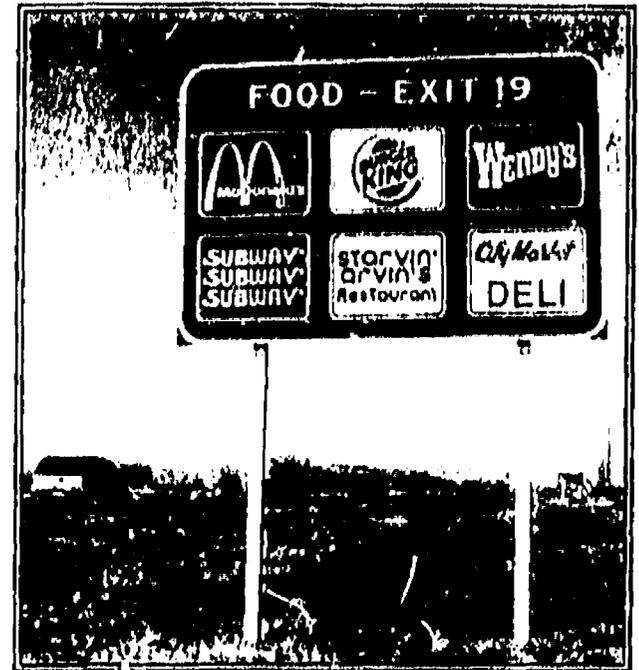
This program is paid for by the businesses that advertise the service. DOT contracts with a highway-advertising firm to furnish, install, maintain, and replace the logo signs. This firm seeks advertisers and pro-rates the cost according to number of signs.

What businesses get the opportunity to put their logo up? Is it only for the national franchises?

Any business, whether a national franchise or a "ma and pa" business, that meets the minimum eligibility requirements may have their logo or business name on the sign. The DOT Director will use a committee to provide advice on how this program would work to meet North Dakota needs. For example in urban areas, businesses within site of an exit would not have priority over the businesses that can not be seen from that exit. To be eligible, the business must meet federal and state requirements. For example to have a "food" logo, a restaurant or café must be open for 3 meals a day, 7 days a week and have a telephone.

Will business logo signs eliminate the billboards along the highways?

No, business logo signs are best used to enhance advertisements on highway billboards. If a motel advertises using a billboard, that same motel should have a logo sign at the specific exit where the traveler needs to turn off the highway. There are already federal and state laws that regulate the highway billboards. This proposal does not change the billboard regulations.



North Dakota already has the general service icons. Why do we need the specific business logo signs?

The disadvantage of General Service Icons is that there is no guarantee that service will be open. In order to qualify for a business logo sign, the service must be open a minimum number of hours each day. The business logo program can be developed that allows for seasonal services to be advertised, with the requirement that the logo is covered or removed during the off-season.

After all these years, why do we need business signs now?

Tourism is North Dakota's third largest and the fastest growing industry. Business logo signs will help pull travelers off the highway and into our communities. Once they pull off, we have the opportunity to make travelers aware of the state's recreational and historic sites. This is especially important in the small rural communities.



AMERICINN INTERNATIONAL, LLC

230 Lake Drive E. #1
Cloverleaf, MN 55317
Phone: 652-294-5000
Fax: 652-294-5001

Tuesday, January 30, 2001

To Whom It May Concern:

On behalf of the nine (9) Americinn[®]s in North Dakota, Americinn International, LLC is strongly supportive of the proposed North Dakota business logo signs program (or Senator Bill 2269, sponsored by Senator Bill Bowman).

The state logo programs are an effective marketing tool for the hotel/motel industry throughout the United States. Americinn[®]s are strong supporters of the programs in these states.

Best regards,

Jon Kennedy
Senior Vice President of Marketing
and Franchise Development

JK.js

Senate Bill – 2269 Logo Signs

I am testifying today in support of Senate Bill 2269, the logo signage bill.

As you have heard from the testimony today, the logo signs are a valuable tool that many states, not only around us, but also on each coast of the United States have adopted. Missouri, Tennessee, Pennsylvania, Kentucky, Minnesota, Michigan, New York, Ohio, Maryland, New Jersey, California and Hawaii are just a few of the states that I have found on the Internet that give information on their logo sign programs.

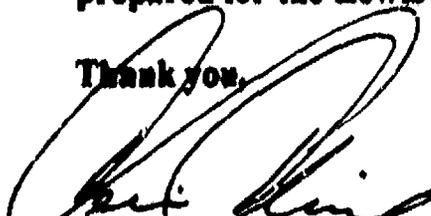
The Pennsylvania logo web site addresses some of the same issues that have been talked about today. Is there any money allocated to the program? No, this project is administered and paid for completely by the participating businesses. No state or federal highway funds are appropriated to the program. I'm not a "nationally recognized" business. Is this program something I should consider? Definitely! The logo program provides small businesses with an affordable opportunity to compete with the "big guys". These are some of the same concerns that you as legislatures are having today for our state.

Customer service is THE name of the game. Our hotels, restaurants, gas stations and campgrounds are in the hospitality industry. Logo signs provide customers, the traveler, information that convey the services that the automobile driver is looking for.

Billboards do a wonderful job and definitely have their place, but they are not able to be stacked next to each other at all exits, where the logo signs can do that. Logo signs are not a replacement for billboard advertising, but merely another tool for not only a business to advertise, but also for the consumer to use as information.

As North Dakota approaches the Lewis & Clark Celebration, our state needs to be ready to provide the information that our out of state visitors are accustomed to using. We need to be ready to direct the Lewis & Clark tourists to the hospitality services in our towns. Our State Parks are preparing, our ND Tourism Department is preparing, our CVB's are preparing, our small towns are preparing, our Native Americans are preparing, our legislature is preparing. Will our highways be prepared for the Lewis & Clark Celebration and beyond?

Thank you,



**Terri Thiel
Executive Director
Dickinson CVB**

PENNSYLVANIA'S LOGO SIGNING PROGRAM

- [HOME](#)
- [GET INVOLVED](#)
- [REGULATIONS](#)
- [APPLICATIONS](#)
- [E-MAIL](#)



Pennsylvania Logo Signing Trust
 c/o Pennsylvania Travel Council
 902 North Second Street
 Harrisburg, PA 17102
 717-232-8880
 FAX: 717-441-2386

Are programs like this offered in other states? If so, have they been effective?

Yes, our neighboring states of New York, New Jersey, Maryland and Ohio have had successful logo signing programs for many years. Many other states nationwide have adopted similar programs with much success.



What is the Pennsylvania Logo Signing Trust?

The Trust is a non-profit body governed by eight trustees. Five of these represent the logo classifications (food, lodging, gas, campgrounds, and attractions). In addition, one trustee represents the traveling public, one trustee represents PennDOT and one represents the interest of the state's outdoor advertising industry.

[Click here, for a list of PA Logo Signing Trust Meeting Dates.](#)

What is the Pennsylvania Travel Council's role in the program?

The Travel Council was selected by PennDOT as the administrator of the Trust and is responsible for the entire program from initial inventory to final construction. As the state-wide trade association representing Pennsylvania's hospitality industry, the Council's primary interest is to help you reach your market more effectively.

If the Travel Council is responsible for the entire program, what is PennDOT's role?

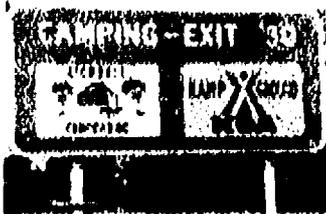
PennDOT provides necessary expertise and personnel to assure conformity with PennDOT and Federal Highway Administration guidelines. In addition PennDOT owns the signs, as all signs are on PennDOT's right-of-way.



Is there any tax money allocated to this program?

NO! This project is administered and paid for completely by the participating businesses. No state or federal highway funds are appropriated to the program.

What is the life expectancy of the sign?



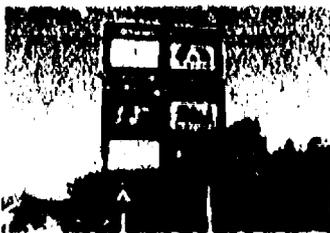
Based on the signs which are currently in place, we estimate the life-expectancy of the sign panel to be 15-18 years before full replacement is needed.

[Click here for more information.](#)

What if the sign is damaged or destroyed before the end of that period? Must the business pay another fee to reconstruct the sign?

Should a car or truck strike and damage a sign, as long as an accident report is filed by the Pennsylvania State Police, the Pennsylvania Logo Signing Trust will recover the cost of repair or replacement from the responsible party. A small annual maintenance fee is charged to each participating business to cover any damages caused by weather, vandalism or other required sign maintenance. Replacement of the logos are the responsibility of the business.

I'm not a "nationally recognized" business. Is this program something I should consider?



Definitely! The logo program provides small businesses with an affordable opportunity to compete with the "big guys". If you break down your investment over ten to fifteen years, you'll find the program much more cost effective than other advertising media.

[Click here to see what some participating businesses have to say about the program...](#)

SENATE TRANSPORTATION COMMITTEE

February 1, 2001

**North Dakota Transportation Department
Al Covlin, Traffic Operations Engineer**

Senate Bill 2269

Senate bill 2269 would provide the Director of the DOT the authority to establish a logo sign program. The purpose of the logo sign program is to benefit the motoring public by providing signs on the state highway system with specific information on gas, food, camping, and lodging.

Currently, North Dakota does not allow logo signs on its state highway right-of-way. North Dakota is one of four states which do not allow logo signs. The other states are Alaska, Hawaii, and Vermont. Of the remaining states, 26 contract out their logo sign activities and 20 states handle their own logo sign work.

The costs associated with contracting out logo signing varies greatly from state to state. According to information provided by Interstate Logos Inc., a private logo sign contractor, the average annual cost per business for logo signing ranges from a low of \$750 per interchange in Virginia to a high of about \$3300 per interchange in Indiana. When a state contracts the work with a private vendor, they typically receive a small amount each year ranging from \$50,000 - \$150,000. Montana and Minnesota which both contract out logo sign work receive about \$50,000. The proposed legislation provides the Director of the DOT with the authority to contract with a qualified business to erect, and maintain logo signs on state highway right-of-way. The cost of the signs is determined by the DOT and the contractor.

There are also 20 states that handle their own logo sign work. Once again, the costs vary greatly from state to state. For example, Wisconsin charges \$110 per month or \$1320 per year for per business for a full array of logo signs on an Interstate intersection. South Dakota also manages their own program. They charge \$155 annually per logo sign. At a typical diamond interchange there would be four logos per business, resulting in an annual cost of \$620 for each business. In addition, there is a one-time application fee of \$50 per direction or a total of \$100 for a typical diamond interchange.

The NDDOT estimates that the fiscal impact of Senate Bill 2269 would be less than \$5000 per biennium.

Some questions that may need to be addressed:

1. Should "attractions" be added to information on gas, food, camping, and lodging?
2. Should all state highways be included or should it just pertain to the Interstate System?
3. Should this bill be entitled Logo Signs or "Specific Services Signing"?

671
February 1, 2001

To: North Dakota Senate Transportation Committee
Senator Bob Stenehjem Chairman & Members of the committee

From: Bernie Dardis, Cook Sign Company Fargo, ND

Re: Testimony notes from hearing at 9:00 am on SB2269

With regard to senate bill 2269 it is our opinion that this bill is not good legislation in its present form. We respectfully request that you recommend this legislation as "do not pass". Enactment of this bill would allow a select few advertisers preferential advertising advantage. It would also cost much more money than stated to administer such a program. In other states this has proven to be the case. This program requires construction, site selection, inspection, logo position selection determinations, and constant monitoring of compliance by advertisers with regards to hours and days of operations. These signs are constructed on Federal and State right-of-way, and are subject to the same stringent construction scrutiny as are all other signs along these highways.

- Large companies with national logos spending millions of advertising dollars for logo recognition are at a distinct advantage. Additionally, the national franchisees can get coop ad dollars to pay for their highway logo signs. Local advertisers have no such advantage.
- Our company explored the possibility of getting into the logo sign business in Minnesota. After careful consideration, it was our opinion that these signs were a mess to administer, maintain, and erect. Tom Nelson, of Indigo signs echoed this sentiment based on experience in Minnesota, Illinois, and Wisconsin.
- Large corporations make adjustments to their business operations in order to take advantage of these signs in other states. For example, Target, with a coffee shop in their facility has logo signs in Moorhead and elsewhere under the food category. Small business does not have the where-with-all to accomplish such adjustments.
- Amoco is revamping all of their stations to serve food. In other areas, they are now using their logo under both the food, and the gas category. This is also a disadvantage to small business. National logo holders often "buy up" space to keep the competition out.
- The D.O.T representative stated in his testimony that he believed that the state could earn revenue of \$25.00 per month, per individual logo as a result of passage of this bill. This is not the intent of the logo legislation on a Federal level, and once again places the state "in the sign business".
- The selection process for logo positioning and eligibility is political and contentious in all states where these signs are utilized.
- Once again, we urge a "do not pass" recommendation by the transportation committee.



