

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 A.M. on February 15 in Room 120-S of the Capitol.

All members were present except:
Anthony Hensley- excused

Committee staff present:
Hank Avila, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Bruce Kinzie, Revisors of Statutes
Maggie Breen, Committee Secretary

Conferees appearing before the committee:
Deann Williams, Kansas Motor Carriers Association
Sally Howard, Chief Counsel, KDOT
Ron Sellers, Luminous Signs
Bart Thomas, Thomas Outdoor Advertising
Bob Fessler, Lamar Advertising
Matt Zielsdorf, Lamar Signs
John Lay, George Lay Signs

Others attending:
See attached list.

SB 252 - Dealer tags, transporting trailers

Proponent:

Deann Williams, Director of Industry Relations, Kansas Motor Carriers Association, representing 1200 member companies, testified in support of **SB 252** relating to dealer license plates. The bill was requested by a member who is having a problem with transporting the trailers they manufacture. Often trailers are purchased three or four at a time. Currently, you can only haul 2 tons on a dealer tag. Thus, they can't legally transport anything on the flatbed trailers they manufacture. And, if they were to license one of the trailers, it would become a used vehicle and lose value when sold. Section D would authorize a manufacturer to transport up to four trailers, as long as they continue to comply with the size, weight, and safety regulations we now have. (Attachment 1)

Senator O'Connor moved to pass the bill out favorably. Representative Wilson seconded the bill. Motion carried.

SB 253 - Highway advertising control act of 1972, amendments

Proponent:

Sally Howard, Chief Counsel, KDOT, advocated **SB 253** which is a substantial overhaul of the Outdoor Advertising Act adopted in 1972. The department met with the "Big 10" sign owners because there is no lobbying group or organizing group to meet with. Two-thirds of the licensees own only one or two signs and they're scattered throughout the state so were much more difficult to contact. They were sent a notice with an overview of the changes and they were referred to the proposed legislation that was posted on the web. They received about 35-40 calls from these efforts. The most substantial change in the bill is that sign owners will be required to get a permit from KDOT prior to erecting a sign. KDOT is required by federal law to enforce the Lady Bird Johnson Highway Beautification Act. If they don't, the Federal Highway Administration is authorized to take federal highway dollars from them. She doesn't think there is much opposition to this change. The other change is that they are now finally enacting a regulatory fee that is commensurate with the expense of administering the program. The current fee system is such that they charge \$5 for an application for a sign permit and \$10 per county in which you have a sign. It isn't tied to the number of signs at all. The bill proposes a tiering system because they believe it to be most equitable. The thought was that the bigger the sign, the more income generated. The fee would be more proportionate to the money raised off the sign. The numbers in the bill represent a compromise with the "Big 10." The

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numbers are divisible by twelve to make the fee more easily passed on to the advertiser. What was not done, that was requested by the "Big 10," was a three tiered system. KDOT is proposing a four tiered system and a higher application fee. She thinks there might be a difference in perspective from the larger sign company and the one or two sign company. Another significant area where agreement wasn't reached is in clarifying the confusion of where signs can be located. Things can get really blurry in areas that don't have comprehensive zoning. There are also some technical changes in the bill. (Attachment 2)

Opponents:

Ron Sellers, Luminous Signs, Hutchinson, who isn't sure if he is a member of the "Big 10," spoke against **SB 253**. He stated that one big problem is the fact that we've had an Act since 1972, about the time he started in the industry, and there are parts of this Act that he still doesn't have a good comprehension of today. On January 10, they found out that KDOT wanted to change the legislation. They met on January 18 and were told they need to keep this thing moving. It was the industry's point, at that time, that if they did want to change the Act, why didn't they start in June or July? On February 4, the group got back to KDOT and were advised that the bill had already been filed and some of his groups' suggestions would be included. And some were. Ron agrees that there is some updating that need to be done with the Act. He is very agreeable to some changes and would welcome the chance to continue to communicated back and forth. The Act, in his opinion, is very, very, complicated legislation. There are three areas his company is very concerned about. They don't understand why the bigger sign companies need to pay more than their share of the load. The proposed definition of "UNZONED COMMERCIAL" is too restrictive. And the proposed legislation allows KDOT too much power to go onto "PRIVATE LAND" to correct a violation. Due process and proper notification should not be eliminated. Many of the sign owners believe that if KDOT had come to them earlier than January 10, a bill could have been introduced that would have joint support of KDOT and the industry. (Attachment 3)

Bart Thomas, Thomas Outdoor Advertising, Inc., Manhattan, stated his company is Kansas based and has been in business since 1941. They currently have 10 full time employees and do business in over 40 counties in Kansas. They pay annual taxes to cities and counties and all of the license fees required. They are also partners with agricultural landowners across the state. Over 50% of his company's income is "imported" from out of state. Each year, over the last 15 years, land rents have increased averaging 5-15%. With regards to current Kansas licensing fees, **SB 253** would be at least a 500% increase. His company also feels that two weeks notice is not adequate time to respond. (Attachment 4)

Bob Fessler, Lamar Advertising, Kansas City, spoke against **SB 253** as it currently stands. The main reason for speaking against it is the speed with which it was put together. He thought they were making great headway yet were still in the resolving differences stage. They were asked to come back for a meeting and when they got there were suddenly told that the bill had been filed and amendments could be done later. He has much frustration as he has done several of these in different states for Lamar and he feels, that given the opportunity, they can reach some kind of agreement with KDOT to move forward. There are too many restrictions in where signs can be placed and the cost for the initial and renewal permit seem to be reversed as to the cost to regulate them. On conforming signs, they want to control cut-outs and extensions. He still firmly believes, that if they were given until next year, a good plan could be worked out. (Attachment 5)

Matt Zielsdorf, Lamar Signs, General Manager, Topeka Division, has about 600 billboards that will be affected by the bill. He very much agrees that the time was too short. He agrees with the other conferees and would like to add an additional concern. A lot of the inventory he has is in Western Kansas where there are grand-fathered wooden pole signs. He would like to propose including the addition of natural disaster relief, where if there is extreme weather that destroys some of these signs, they would be able to rebuild with like materials. (Attachment 6)

Neutral

John Lay, President of George Lay Signs Inc., Wichita, a business his father started about 50 years ago. He operates 350 billboards in 48 Kansas counties that will be affected by **SB 253**. For years he's known of a lot of abuses that have occurred under the statutes. He knows that KDOT is wanting stronger wording in the

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statutes to eliminate those abuses. He wholeheartedly supports that. But KDOT is going too far in several parts of the bill. When he's told that he has an expense that is going to jump from \$250 to \$15,000 a year it sinks in and get his attention very quickly. He, like many other people, is willing to pay his fair share but doesn't think that what's been set forth is a fair way to split up the fees. If the intent is to shift to a fee-for-service environment, the ongoing fees are too high, the bottom tier should be eliminated, and the new fee permit fee should be raised, as that's where the majority of staff time will be spent. They have come to agreement with KDOT on a lot of issues but there are others where they haven't. If it is the will of the committee to go forth with the bill, he will work with them. But his preference would be to have the committee hold the bill over until next year to provide adequate time to bring back a bill everyone can support. (Attachment 7)

The meeting adjourned at 9:30 a.m.

The next meeting is scheduled for February 22.