SUBJECT: Expanding use of commercial guide signs on public highways

COMMITTEE: Transportation — favorable, without amendment

VOTE: 8 ayes — Alexander, Bosse, Alonzo, Clemons, Moreno, Price, Siebert, Uher

0 nays

1 absent — Edwards

SENATE VOTE: On final passage, May 15 — 30-0

WITNESSES: For — None

Against — None

On — Gary Trietsch, Texas Department of Transportation (TxDOT)

BACKGROUND: Many states, including Texas, allow businesses to advertise services available near highways through roadside signs erected near highway interchanges. Known as logo signing, or specific services signing, the sign program is established by states under provisions set by the Federal Highway Administration.

Current Texas law allows commercial establishments in small-population counties to advertise the services of gas, food, lodging or camping and the name of the businesses offering the services. Logo signs are only allowed in counties with less than 20,000 population.

The Texas Transportation Commission contracts with a person, firm, group or association to erect and maintain the logo signs. The contractor markets the program to commercial establishments, ensures that commercial establishments comply with rules and regulations, erects and maintains logo signs, collects all fees from participating commercial establishments and pays 5 percent of gross income to TxDOT.

DIGEST:

SB 882 would expand the areas eligible for the logo sign program from counties with less than 20,000 population to include highways located outside an urbanized area with a population of 50,000 or more and to interstate highways located inside an urbanized area with a population of 200,000 or more. The bill also would expand the program to state highways that are eligible for a 65 mph speed limit.

The bill would allow use of specific brand names and establish a new sign classification for major shopping areas. A major shopping area guide sign would be allowed for a shopping area consisting of 30 acres or more of land that includes an enclosed retail shopping mall containing 1 million square feet or more of gross building area.

A major shopping area that had its name displayed on a major shopping area guide sign would be required to reimburse the commission for all costs associated with the composition, placement, erection and maintenance of the sign. These signs could be included as part of exit direction signs, advance guide signs and supplemental guide signs.

If no business closer than three miles of an interchange chose to participate in the program, the transportation commission could grant permits to businesses six miles distant, then continue in three-mile increments up to 15 miles distant from the interchange until the logo sign slots were sold. The bill also would increase the maximum number of business names per panel from four to six.

Major shopping area signs could be included as part of exit direction signs, advance guide signs and supplemental guide signs and must include guide signs for both directions of traffic.

The bill would specify that Government Code secs. 403.094(h) and 403.095, relating to the consolidation and dedication of funds, would not apply to the sign program, whose funds are dedicated to the state highway fund.

The bill would take effect immediately if approved by a two-thirds vote of the membership of each house.

SUPPORTERS SAY:

SB 882 would amend the overly restrictive and inconsistent nature of the state's logo sign program. Currently, the program is allowed only along rural highways in certain counties. This means that businesses in one county can have the state-authorized advertising, while businesses in the next county cannot. The 20,000 population limit is far too restrictive. This legislation proposes a much fairer system of program administration.

SB 882 would expand the program by increasing the number of logos per sign from four to six and allow major shopping malls to take advantage of additional signage. The requirement that a major shopping area have 1-million square feet of enclosed shopping area would exclude most retail outlets from participating in the new sign offerings. These restrictions are designed to limit the use of major shopping area signs to provide directions only to major shopping malls.

The standards for logo signs would remain quite restrictive, and the department does not anticipate any explosion of new road signs. Billboard advertising would continue to be the primary way retailers advertise to motorists, as this bill would in no way limit their use. But increased use of logo signs would let the state profit from selling rights to informational signs that benefit both motorists and businesses. The logo program allows the state to work in conjunction with the private sector to provide specific service information to the motoring public along interstate highways, specifically information concerning gas, food, lodging, camping and major shopping areas.

The highway beautification act of 1965 and the litter abatement act of 1982 encourage state agencies to manage roadsides and routes along the interstate highways with the goal of keeping highways beautiful. This legislation is in complete compliance with these federal laws.

OPPONENTS SAY:

This bill would cause an increase in the use of state-sanctioned signs along the roadside and circumvent efforts to reduce roadside visual pollution and clutter. Highway roadsides are cluttered enough without the state putting more commercial signs along the highway. Giant shopping malls are well-equipped to let motorists know how to find them, as are most other businesses. The state should stay out of the advertising business and let the free market work without interference.

In cities greater than 200,000 population, a little sign will not make any difference to the motoring public. The program was designed for rural areas and should be maintained for rural ares. The proposed expansion of highway advertising is a perfect example of how a program is sold to the Legislature one session by proponents who tout its firm limits and tough restrictions only to be gradually expanded in succeeding sessions to eliminate most of those restrictions.