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# Alaska State Legislature

SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, LEGISLATIVE COUNCIL  
CHAIRMAN, OIL AND GAS COMMITTEE  
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## Senate

### MEMORANDUM

TO: Senator Tim Kelly, Chairman  
Senate Labor & Commerce Committee

FROM: Senator Bettye Fahrenkamp

DATE: March 8, 1988

RE: SB 421 An Act relating to outdoor advertising within highway rights-of-way; and providing for an effective date.

SB 421 would allow advertising on bus benches and bus shelters within a right-of-way by permit. Last year, SB 4 passed and was signed into law. It authorized advertising on bus benches and shelters along rights-of-way. At that time, it was thought that advertising within rights-of-way would be allowable under existing law by permit. However, as DOT/PF implemented SB 4, it came to our attention that advertising that is visible from the roadway would not be allowable.

If this bill passes, DOT/PF would issue an Encroachment Permit under 17 AAC 10.010 as authorized by AS 19.25.200 to allow such advertising.

The bill has the support of DOT/PF and is allowable under federal law. Of the \$14.6 in the fiscal note, only \$4.6 is general funds, the rest is revenue from permit application fees.

### Sectional Analysis

Section 1. AS 19.25.080 Purpose is amended to include outdoor advertising within a right-of-way. Also, it clarifies that outdoor advertising can take place on secondary as well as primary or interstate roads.

Section 2. AS 29.25.105 Limitations of outdoor advertising signs, displays and devices. A new section is added to allow outdoor advertising within the right-of-way of an interstate, primary or secondary highway under the authority of a permit issued under the existing encroachment statutes.

Section 3 provides for an immediate effective date.

3/9/88  
S(LFC)  
Trans

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 421  
PUBLISH DATE:

REQUEST: FISCAL NOTE

Revision Date:  
Title: An Act relating to outdoor advertising within  
highway rights-of-way.  
Sponsor: Farenkamp  
Requestor: KELLY

Agency Affected: DOT&PF  
BRU: Engineering & Operations  
Standards  
Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	10.0	20.0	20.0	20.0	20.0
TRAVEL	0	1.5	0	0	0	0
CONTRACTURAL	0	3.1	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	14.6	20.0	20.0	20.0	20.0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	4.6	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	10.0	20.0	20.0	20.0	20.0
TOTAL	0	14.6	20.0	20.0	20.0	20.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See Attached.

Prepared by: *Milbo H. Leitz*  
Division: Engineering and Operations Standards

Phone: 465-2951  
Date: March 4, 1988

Approved by Commissioner: *W. Keith Rank*  
Agency: Department of Transportation and Public Facilities

Date: 3-7-88

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

RECEIVED  
MAR 8 1988

All outdoor advertising has been prohibited within highway rights-of-way by 17 AAC 20.010 since June 25, 1969 (Authority: AS 19.05.020). Recently, the Federal Highway Administration (FHWA) has informed the department that their restrictions under Code of Federal Regulations 23, §1.23, Right of Way, (e), has been somewhat lessened to allow certain types of outdoor advertising within the rights-of-way of Federal-aid projects.

Consistent with this new federal flexibility this bill would authorize advertising on bus stop benches and bus stop shelters as a public service, properly permitted as an encroachment within the right-of-way, and with FHWA approval. Consistent with other similar encroachments that are now permitted or anticipated, the department would envision a fee to address the initial and on-going administrative costs. Following is an analysis of the resource requirements for implementation and management of the program:

1. Program Development - Changes to the Alaska Administrative Code will be required to both bring it into compliance with this statute change and establish the ground rules for placement of outdoor advertising on bus stop benches and shelters. This requires funds for the contractual legal services, advertising and travel to public hearings required under the Alaska Administrative Procedures Act. Staff provided by the department to write the new regulations would be covered by existing budgets.

<u>Expense Item</u>	<u>Units</u>	<u>Cost</u>	<u>Funds Needed</u>
Legal Staff	25 Hours	\$100.	\$2,500.
Advertising (Pub. Notices)	All	600.	600.
Public Hearings Travel	All	1,500.	1,500.
<b>Total Development Costs:</b>			<u>\$4,600.</u>

2. DOT&PF Administrative Costs and Receipts - The department will be required to process each application for an encroachment permit, maintain an inventory and status of each permit, and provide overall management for the program in each Region. The regional and statewide Right-of-Way staff are adequate to undertake this role (with necessary coordination with Traffic Safety, Maintenance, and FHWA staff) through a fee, as these sections are funded principally from program receipts. A \$250 application fee is contemplated under the level of management involved, with a smaller annual renewal fee. This approach is consistent with the TODS signing proposal that is now being proposed to address another outdoor advertising requirement. The number of anticipated permits can not be accurately determined at this time as the department has no experience with the program. An estimate of 40 or fewer applications was made for 1989, and double thereafter. Funding for these on-going costs are shown as program receipts. However, estimates for the cost of the application fee is based on, in part, the time involved in processing encroachment permits for other activities.

*John  
figure out  
a way to FW.  
zero the \$*

REQUEST FINANCE REFERRAL

The following bill does not currently have a Finance Committee referral and a fiscal note with fiscal impact has been submitted:

SB 421            Relating to outdoor advertising within highway rights of way

Fiscal Note: DOT/PF 14.6  
Sponsor: Senator Kelly  
Status: Senate Labor and Commerce

Tim

*Can you get the department to cut this to a zero in some way so that I don't have to deal with it in finance. I don't want unnecessary hostages to be held against other members by the committee*

JEFF OTTENSEN

DOT/PF 2951

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 421  
PUBLISH DATE:

REQUEST: FISCAL NOTE

Revision Date:  
Title: An Act relating to outdoor advertising within highway rights-of-way.  
Sponsor: Farenkamp  
Requestor: KELLY

Agency Affected: DOT&PF  
BRU: Engineering & Operations Standards  
Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	10.0	20.0	20.0	20.0	20.0
TRAVEL	0	1.5	0	0	0	0
CONTRACTURAL	0	3.1	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	14.6	20.0	20.0	20.0	20.0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	4.6	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	10.0	20.0	20.0	20.0	20.0
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POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See Attached.

Prepared by:   
Division: Engineering and Operations Standards

Phone: 465-2951  
Date: March 4, 1988

Approved by Commissioner:   
Agency: Department of Transportation and Public Facilities

Date: 3-7-88

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

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STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 421  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: 3/9/88  
Title: An Act relating to outdoor advertising within highway r-o-w.  
Sponsor: Sen Fahrenkamp  
Requestor: Senate L & C

Agency Affected: DOT&PF  
BRU: Engineering & operation standards  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL		0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The department has adequate funds in the Governor's budget to cover the cost of implementing regulations.

Prepared by: *[Signature]* Phone: \_\_\_\_\_  
Division: Senate Labor & Commerce Committee Date: 3/9/88

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by preparer):  
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