

Date: 2-2-21

Senate Business and Labor Committee

Bill: 1st Sub. SB 61 Outdoor Advertising Amendments

Sponsor: Sen. Sandall

Floor Sponsor:

UASD Position: Oppose

This Bill: amends provisions related to billboard and other signage and electronic or mechanical changeable message signs.

Discussion: The bill was replaced with the first substitute. Sen. Sandall said this substitute clears up some concerns that the Utah Department of Transportation had with the bill. He introduced the bill by saying it centers around equality in advertising. Cities allow on-premise advertising to use digital billboards, but not off-premise advertising. He has been negotiating with the League of Cities and Towns (the League) to find a balance. The majority of this pertains to spaces where digital lighting is already allowed. Jared Johnson said he works for Media Resources, a digital display company. He said allowance for digital advertising has been arbitrary and inconsistently applied across the state. This bill will not create any new billboards, or limit a municipality's ability to reject or allow new billboards. It will prevent cities from discriminating against the billboard industry when it comes to lighted signs. This will establish a much more detailed brightness standard that many states and municipalities have implemented. Most of the digital signs you see using this lighting are operating under this standard. Sen. Sandall said this bill only applies to existing billboards. He is trying to balance fairness with local control. He said he hopes to continue the process of finding that balance.

Sen. Mayne said it's easy to pass bills like this when you live in rural areas. She wants local control and fairness for her communities. She asked if this will increase billboards, and if this will apply when contracts come up for new billboards. Sen. Sandall said this only applies to existing billboards. Sen. Mayne asked about contracts for billboards and whether this would apply when those contracts are up for renewal. Mr. Johnson said this bill does not address any changes that would coincide with contracts. Rather, this bill simply states that the state is the appropriate level to decide whether a billboard may display digital lighting. Sen. Mayne said there was a sign in front of her church that was moved to a different place. When a contract for a billboard is up, what does this bill do to the new sign? Could it be digital? Sen. Sandall said this bill does not address anything that would happen at the end of such a contract. That may be

addressed by future legislation. Sen. Mayne said she represents older communities and that is something important to look at. She said the entities she represents are pleased with the amendment and feel that Sen. Sandall is listening to their concerns. Sen. Sandall committed to continuing that discussion. He said the League brings very valid points, and he wants to try to maintain local control while advocating for fairness between on-premise and off-premise boards. Sen. Mayne said she has no problem with repeated amendments in order to make the best bill. Her vote is guided by the entities she represents.

Kate Kopischke with Scenic Utah said she has heard from many people that this bill is primarily about Salt Lake City, which is treating billboards unfairly. Scenic Utah represents people from all over the state, and they are sick of the proliferation and special treatment of billboards. They are concerned that billboards “pay to play” and lawmakers are indifferent to the concerns of everyday Utahns. She said current statutes are very confusing and many lawmakers don’t understand them. She also said the billboard industry receives special treatment. She agrees there is a blurry line between on-premise and off-premise signage, but that is not holding this industry back. Local control is important. Cameron Diehl spoke on behalf of the League. He said that Sen. Mayne’s questions got to the heart of the issues in this bill. This bill does not create equity; instead it provides additional rights to billboard companies because they could upgrade a sign anywhere, even if the local zoning does not allow digital signs. He is also concerned about the limited statewide curfew of 150 feet. That may be insufficient to mitigate the impacts on neighborhoods. Local governments need tools to mitigate those impacts. He asked the committee to hold the bill. Beth Holbrook with Utah Transit Authority (UTA) said they are concerned about this bill, particularly allowing the digital aspect to a conforming or non-confirming existing billboard. This will negatively affect UTA’s abilities to work with developers and cities and pull in affordable housing near transit stops, particularly the North Temple frontrunner site. If a billboard near that site became digital, it would limit their ability to build high-density housing. It is a property rights issue. Scott Howell said there are anti-billboard people who think billboards are a blight, and there are businesses who say they have a right when they buy a property to put up a sign to advertise. The only tax revenue left for local municipalities is sales tax. When a billboard advertises goods and services, it is an economic driver for the community and business owners. They have the technology to turn them on, turn them off, and turn down the brightness. It is important to respect these rights. Billboards also offer important social goods by advertising food drives or spreading information about Amber alerts. Sales tax revenue generated by billboards goes back to local municipalities. Jake Garfield spoke on behalf of the Utah Association of Counties in opposition to the bill. Counties want to treat businesses fairly and equitably and understand the value of the outdoor advertising industry. When a company feels they are being treated unfairly, they should contact the county government and work toward a solution. Cassidy Jones spoke on behalf of the National Parks Conservation Association and the Utah chapter of the National Dark Sky Association in opposition. Heber prohibits adding existing billboards, and this bill would take away their power to regulate billboards. This bill also

damages gateway towns by potentially degrading the scenic value of their communities. Increasing digital billboards emits unnecessary light in dark sky areas. Jeff Young with Young Electric Sign Company spoke in support of the bill. Signs are one of the cornerstones of the free enterprise system. They represent the interests of thousands of businesses, who invest significant money and resources into signs in order to save their businesses. Most of their business comes from on-premise signs. Their signs are all lit currently, but converting them to LEDs which are dimmable would be beneficial. A citizen spoke in opposition to the bill, saying it's important to protect residential areas.

Mr. Johnson said they are able to block light from going toward residential areas. Someone asked if these signs can also include a camera that can track license plates and cars. Mr. Johnson said he is not aware of that technology. Doug Dansie said off-premise signs are different from on-premise signs. Charles Stormont with the Utah Department of Transportation said they have worked with the sponsor on one issue in the bill and would like to work with him on another issue. Zach Bloxhom, council member in Layton, spoke in opposition to the bill. He said local control is better. Tom Stephens spoke in opposition to the bill, and said it should be held for further study over the interim. Dewey Reagan, president and general manager of Reagan Outdoor Advertising, spoke about two instances when they attempted to move billboards at the request of UTA and a church. He said these are not billboards, these are on-premise signs in municipalities that do not allow billboards to employ digital technology. He said some cities have been reasonable to work with, but the majority have allowed local business owners to use digital technology without allowing billboard companies to do so. He said there are not billboards in sensitive areas such as Capitol Reef National Park. He referred to concerns about residential areas and said local business owners are often allowed to use digital technologies, but they are willing to work on that issue in the future. Sen. Sandall said he has heard the concerns. He noted that this bill only deals with existing billboards. However, he understands that this bill probably would affect some areas where cities have rejected all digital boards. He said compromise can be reached. Sen. Davis said this is a difficult issue. He said he believes there will be compromise in the future of this bill, and that he would support it. Sen. Mayne said she is uncomfortable with "pay to play." Sen. McCay said he will vote to move the bill forward but has significant concerns. He said this bill is one-sided and believes the best legislation has everyone at the table. He said there are poor incentives in the code for sales tax generation. He spoke about billboards located very close to residential neighborhoods, and said he is concerned about authorizing a bill that allows zero to no protection for residential areas. He said he would like to do away with the retail sales tax dollar incentive, but until then cities are left trying to attract retail sales dollars to stay in business. He is concerned about backdooring that interest into this bill. He noted that without protections for residential neighborhoods, he will not support this bill on the floor. Sen. Cullimore said it is unfair to say that this is "pay to play."

Yeas: 6

Nays: 2

N/V: 1

Outcome: Passed with a favorable recommendation.