



March 7, 2017

Senate Committee on Business and Transportation  
ATT: Chair Beyer

This letter is on behalf of the Oregon Outdoor Advertising Association (OOAA) to express its support of Senate Bill 778. The OOAA represents the vast majority of sign companies holding ODOT sign permits in the state and is the unified voice of the industry. This bill is the culmination of years of work among the OOAA members and their many attempts to work with ODOT to modernize the Oregon Regulatory Statute in regards to advertising signs impacted by public projects.

The billboard industry has been a part of Oregon's DNA for over 100 years. In fact one of the earliest organized billboard operators in the country, Foster and Kleiser started in Portland around 1908. SB 778 continues the history of the public and private sector working together regarding outdoor advertising signs by reducing costs of public projects to the state, and subsequently taxpayers, while protecting a long and storied effective media outlet that helps businesses grow while providing valuable public service messages.

Unfortunately the current regulations regarding signs impacted by public projects does not hold the public or sign company's best interest at heart. Billboards are the industry's lifeline, and when a project impacts a sign the operator of that sign will always prefer to relocate the sign and continue its use. SB 778 creates the opportunity for the highway department and the sign company to engage early on in a project to accommodate this. In cases where it is not possible to relocate a sign, the entity acquiring the sign would then treat the sign in the same fashion as other real property and pay fair market value for it. This is a departure from the current approach by ODOT which is to treat signs as personal property despite the fact that companies are taxed on them as real property. ODOT refers to the right of way manual which classifies Outdoor Advertising signs separately from other types of signs. To reiterate, Outdoor Advertising signs which are taxed as real property are treated like personal property and other signs are valued as real property. In addition to this discrepancy between taxation and treatment of signs in acquisition, Federal guidelines require that Outdoor Advertising Signs taken as part of a federally funded project be paid just compensation. Without alteration of the ORS the state and sign industry are headed for costly litigation and case law is on the industry's side.

In the past 10 years ODOT has required the removal of 4 Outdoor Advertising Signs and relocated 2 signs. The combined cost of these 6 incidents together to ODOT was \$225,021. Unfortunately the uncompensated damage to the sign company under the current valuation was \$200,700. However, it is critical to note that of the 6 displaced signs, 4 could have remained at their existing locations, 1 could have been relocated on the same parcen and 1



removed at a direct cost to the state of \$58,680. Thus under the proposed legislation ODOT would have saved over \$165,000 or 73% of the total expense that was incurred.

Not only is SB 778 the fair and correct way for the state to treat sign companies through public projects, it will avoid additional cost for relocation and litigation at a further date.

Thank you for your time and consideration of these proposed changes and we hope to have your support in passing SB 778.

Sincerely,

Terry Sandblast  
Executive Director  
OOAA

