



Mr. Chairman and members of the Senate Transportation, Commerce, and Workforce committee, my name is Greg Churilla. I am the General Manager for Lamar Toledo, and I am currently the President of the Outdoor Advertising Association of Ohio (OAAO). The Outdoor Advertising Association of Ohio is comprised of 24 outdoor advertising companies that statewide provide both static and digital advertising media to hundreds of Ohio companies, national chains, and governmental entities, as well as provide thousands of dollars of donated ad space for government, non-profits, and various human service organizations. We are an \$80-million-dollar industry in Ohio that employ hundreds of Ohioans and pay well over a million dollars in income taxes, property taxes, and permit fees to the state.

Regulation of the off-premise advertising industry is handled by ODOT Advertising Device Control (ADC), pursuant to an agreement signed between the state and the federal government in 1968. Under the federal Highway Beautification Act of 1965, states were given the opportunity to regulate the outdoor advertising industry in their states if they signed an agreement, and adopted standards, regulations, and procedures for the industry, that complied with the HBA. Outdoor advertising in Ohio is regulated by ORC 5516 and OAC 5501.

The Outdoor Advertising Association of Ohio members have had a 49-year relationship with the state of Ohio Department of Transportation as our regulator. We have always had open dialogue with the department to resolve differences and enact sound public policy that has made Ohio's program a model across the country. Unfortunately, in recent years, we have seen ADC shrink from a very robust regulatory and enforcement entity, to an entity that, at its lowest point, was only staffed by 1-2 employees. In fairness to the agency, they have recently increased their numbers and are at 5-6 employees.

ODOT ADC is solely funded through permit fees charged to the outdoor advertising industry. The bulk of these funds are permit renewals that are filed in

June of odd numbered years, and take effect with the new biennial fiscal years that begin in July of the odd numbered years. New permit applications and modifications of existing permits are filed as required. Three years ago, the OAAO began working with Senator Gayle Manning, when she was chair of this committee, relative to fund balances in the ADC program being transferred to ODOT General Operating accounts at the end of the biennium. In the spring of 2015, it was estimated that ODOT ADC would end the fiscal year with a surplus of approximately \$490,000 out of a \$1.2 million budget. In the last transportation bill, Senator Manning offered an amendment that required ODOT to maintain all fees and fines collected for the ADC program within the program for purposes of administering ADC functions. We felt that it was reasonable that our industry, who paid these fees to fund the ADC program, would be doing so with the knowledge that these funds be used solely for that purpose. Through Senator Mannings efforts, we now have ORC 5516.15 that requires these funds stay with the program.

Recently, we had a meeting hosted by Senator Manning with Director Jerry Wray and his key staff. At the meeting we learned that there will be an approximate \$600,000.00 balance in the ADC program on June 30, 2017. At the meeting, we asked Director Wray to reduce the permit renewal fees. Current renewal rates are \$125.00 for single face signs and \$325.00 and are expected to generate around \$1.2 million in revenues. Additionally, for the next biennium, ODOT ADC will be adding another 1,750 permitted signs to their inventory with the addition of billboards on new routes recently added under MAP 21, resulting in an additional \$220,000 - \$300,000, depending on the type of sign permitted.

Again, it seems reasonable that with such a significant fund balance in the program, it should be the businesses paying their renewal fees who will benefit from this surplus. We are hopeful that ODOT will heed our request for fee reductions, but if not, we would ask the Senate for an amendment that would require ODOT to refund the surplus that will be carried over into FY 2018 -2019 to permit holders of record the prior two years.

Thank you Mr. Chairman and Members of the Committee for the opportunity to offer this testimony today. I would like to ask my colleagues Mr. Joe Panzica with Barnes Outdoor Advertising, and Mr. John Siegenthaler with Lind Media to offer some brief comments. We are available to answer any questions you may have.