Rest Stop Commercialization

Allow director to authorize placement of roadside acknowledgement signs for rest area private sector sponsorships in Nevada.

Mister Chair, members of the committee, my name is Anita Bush, chief maintenance and asset management engineer, representing the Nevada Department of Transportation. The department requested this bill to allow the NDOT director, with the approval of the transportation board, to authorize placement of roadside acknowledgement signs for rest area private sector sponsorships in Nevada. The department would like to be able to offer sponsorship opportunities for private enterprises in order to seek additional revenue for providing services critical to enhancing the safety and efficiency of Nevada’s highways.

The Federal Highway Administration (FHWA) on March 13, 2012 announced a policy revision authorizing the placement of roadside acknowledgement signs for rest area private sector sponsorship. In the context of the FHWA’s recent announcement permitting sponsored privatized operation of rest areas, modifications of NRS 408 as requested would authorize such rest area operations as may be approved by the director and the transportation board:

NRS 408.433 contains roadside park and rest area regulations. Proposed language addition “Except as otherwise provided in NRS 408.553” would exclude penalties for authorized use. This bill also proposes to increase the 1979 enacted fines to bring them up to 2013 levels (minimum $1000 to maximum $5000).

NRS 408.551 defines “Center” as facilities that provide information to highway users. The proposed language adds "including, without limitations, a safety rest area." It also adds the words “services or products” to be provided to travelers along with information.

NRS 408.553 authorizes NDOT to contract for the construction of signs or centers. We recommend the words "sponsored and operated" are inserted in the sentence preceding the list specifying the entities that may erect or construct or maintain signs or centers. We also propose to add to this list “A private person under contract with the Department, if the person has been authorized by the director, with the approval of the Board, to enter into such a contract.”
NRS 408.557 lists regulations adopted by the director. The proposed language adds authority to fix qualifications of a person or governmental agency to “erect or construct”, “Sponsor or maintain a center.” The proposed language adds “services or products” and “items designed to promote tourism in the State” in accordance with the new highway bill (MAP21) language. Propose adding applicable federal regulations section “§§ 111", regulations for agreements relating to use of and access to rights-of-way - Interstate System.

The proposed language adds “and services or products” to NRS 408.559 and 408.562 pursuant to the previously mentioned proposed language of NRS.408.443.

NRS 408.563 states the Department may contract or enter into other agreements with governmental agencies in this state or an adjoining State or with private persons to study various systems of providing information, “services or products” (added) to the traveling public and to erect or construct, sponsor, operate or maintain signs or “centers” which provide [that information.] such to the traveling public.

Finally, NRS 408.567 is amended to add “services or products” “and items designed to promote tourism in the State” to be consistent with the previously proposed language.

Sponsorship opportunities benefit the traveling public with an improved transportation system by providing flexibility for public agencies to pursue innovative sources of financing for maintenance and construction activities and other highway-related services. Sponsorship agreements may allow sponsors to provide products, services, or monetary contributions in accordance with federal law.

The Department is responsible for maintaining 34 rest areas and three visitor centers. The average annual cost for each of these facilities is about $28.5K (total cost of $1,055,000; excluding the capital improvement projects), funded by the state highway fund (gas tax). The Department anticipates an additional $100,000 in private sector sponsorship revenues with the enactment of this bill.