

BILL ANALYSIS

Senate Research Center
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H.B. 2135
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Intergovernmental Relations
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

During the 78th legislative interim, the Senate Intergovernmental Relations Committee (committee) was charged with examining the Texas wine producing industry and make recommendations to increase the impact of that industry on the state's economy.

Through this study, the committee found that tourism is the third largest industry in Texas. In 2000, rural tourism spending accounted for \$2.5 billion (nearly ten percent of statewide total spending) and created over 40,000 jobs. Agricultural tourism (agri-tourism), the act of visiting a working farm or any agricultural, horticultural or agribusiness operation for the purpose of enjoyment, education, or active involvement in the activities of the farm or operation, has become an extremely popular pastime for tourists worldwide.

In 2003, tourists visiting wineries in Texas spent an estimated \$26.7 million. These tourists purchased souvenir items at the wineries, food, lodging, and other items during their visits to the vineyards. During 2002, California wineries attracted 14.8 million visitors who are attributed with providing over \$1.3 billion boost to the state's economy. Although Texas does not have systems in place to track the annual total of winery visits statewide, testimony at the committee hearing provided some insight into the potential.

Many visits to wineries result from motorists cruising the highways and byways looking for an interesting place to stop. Testimony at the hearing revealed that one winery owner's business doubled after a sign was posted marking the exit to his vineyard. Current law allows for the construction of highway signs to mark the exits of certain state agricultural interest, including wineries. However, there are certain statutory provisions regarding eligibility criteria that prevent the location of signs that could be beneficial to some wineries.

The ability for wineries to construct directional signs under current law is so restrictive that the majority of wineries do not qualify. Restrictions placed on "major agricultural interest" signs, the category of sign currently authorized by current statute, the Texas Department of Transportation, and U.S. Department of Transportation regulations, prevent the location of these signs if the agricultural interest is not directly accessible from the highway or an intersecting crossroad. The vast majority of wineries in the state do not meet these criteria.

Current law authorizes the construction of "major agricultural interest" signs to assist travelers in locating agri-tourism facilities. H.B. 2135 creates a "Tourist-oriented directional" sign program within the state which will provide greater flexibility for the location of directional signs for wineries and other rural agricultural interests in the state.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Section 391.099, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 391, Transportation Code, by adding Section 391.099, as follows:

Sec. 391.099. TOURIST-ORIENTED DIRECTIONAL SIGN PROGRAM. (a) Defines "eligible facility," "eligible highway," "tourist-oriented directional sign," and "trailblazing."

(b) Requires the Texas Transportation Commission (commission) to administer the tourist-oriented directional sign program created under this section to erect and maintain tourist-oriented directional signs on eligible highways.

(c) Requires the commission, except as provided by Subsection (f), to regulate the content, composition, design, placement, erection, and maintenance of tourist-oriented directional signs and supports on eligible highway rights-of-way; and to adopt rules necessary to administer and enforce this section.

(d) Requires the commission to enter into one or more contracts to erect and maintain tourist-oriented directional signs at locations along eligible highways.

(e) Requires a contractor under this section to provide for the assessment of fees to be paid to a contractor by an eligible facility and remittance to the department of a certain amount.

(f) Prohibits the commission from adopting rules under this section that violate the Texas Manual on Uniform Traffic Control Devices issued by the United States Department of Transportation, Federal Highway Administration; or that prohibit an eligible facility from receiving a tourist-oriented directional sign based on trailblazing off of the state highway system.

(g) Requires the Texas Department of Transportation to notify an eligible facility submitting an application under this section, by a certain date, that the application has been received and the application is complete (or that additional information is required to complete the application); and to approve or disapprove the application by a certain date.

SECTION 2. Effective date: upon passage or September 1, 2005.