Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 388 (Substitute S-3 as reported)
Senate Bill 389 (Substitute S-3 as reported)
Sponsor: Senator George A. McManus, Jr.
Committee: Transportation and Tourism

Date Completed: 5-3-95

RATIONALE

Michigan residents who have driven through other states probably have seen at highway intersections and interchanges signs that bear the logotypes, or trademarks, of gas, food, lodging, and camping services available at highway exits. A logo sign generally measures 10 feet by 15 feet in size and includes up to six panels, which measure three feet by four feet, and display the logo of a restaurant, gas station, hotel or motel, or camping facility located near a highway intersection. The first logo signing program was implemented in the early 1970s along the Virginia interstate highway system. Since then, 42 additional states have established similar logo programs. Some people believe that a logo signing program should be implemented in Michigan on a limited basis to study the benefits of logo signs to the State's motoring public.

CONTENT

The bills would require the State Transportation Department to conduct a study for at least three years to evaluate the potential benefit to the traveling public of logo signing within the right-of-way of limited access highways. The study would have to include a pilot program for logo signing at up to 30 interchanges. At least 30 days before the pilot program's implementation date, any proposed agreement specifying a location for the pilot program would have to be reported to the Senate and House of Representatives standing committees that consider transportation-related legislation. The Department would have to issue a written report on the study, which would have to include the economic impact of logo signing on the outdoor advertising industry and the proposed standards for logo signing recommended by the State Transportation Commission. Any revenue received by the Department would have to be deposited in the State Trunk Line Fund.

Senate Bill 388 (S-3) would amend the Michigan Vehicle Code and 389 (S-3) would amend Public Act 205 of 1941, which provides for the construction and maintenance of limited access highways and facilities ancillary to them.

MCL 275.676a (S.B. 388)
252.52 (S.B. 389)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bills would require the Transportation Department to undertake a three-year pilot program to evaluate the potential benefit of a logo signing program for Michigan's motorists. Thus, the State could take the initial steps toward implementing such a program along Michigan's limited access highways. According to the Department of Transportation, logo signs would be placed at 30 interchanges along highways such as I-75, I-96, U.S. 10, U.S. 31, and U.S. 131. Logo signs at highway interchanges apparently help the motoring public locate restaurants, hotels and motels, and gasoline stations.

Response: Since 43 states allow logo signs to be placed along the rights-of-way of their limited access highways, it would seem that there already are sufficient data on these states' experiences that Michigan highway officials could study to determine the effectiveness of a similar program in this State. Thus, there may be no need for Michigan to take part in a pilot program.

Supporting Argument

Not only could logo signs aid tourists visiting the State locate various travel services, they also could serve as alternatives to large, obtrusive billboards that are a detriment to the State's scenic beauty.

Response: Persons familiar with the operation of logo sign programs in other states note that many of the businesses that advertise on a logo sign also use outdoor advertising to provide travelers with additional information on their businesses.

Legislative Analyst: L. Arasim

FISCAL IMPACT

Senate Bills 388 (S-3) and 389 (S-3) would result in additional revenue to the State Trunkline Fund. The amount would depend on the number of logo signs, the cost of the program, and the amount charged. Forty-three states allow for logo signs. Eighteen of those states have programs that are privatized. If this State privatized the pilot program, revenue would depend on the terms of the contract.

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.