



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bills 898 through 901 (as introduced 12-11-03)

Sponsor: Senator Patricia L. Birkholz (S.B. 898)

Senator Mark H. Schauer (S.B. 899)

Senator Tom George (S.B. 900 & 901)

Committee: Transportation

Date Completed: 9-21-04

CONTENT

Senate Bills 898, 899, and 901 would amend the Highway Advertising Act to do the following:

- Create a Billboard Advisory Council to define a best practice approach for the billboard industry.**
- Increase annual billboard permit fees and require that the additional revenue be deposited into the proposed "Billboard Cleanup Fund" to reimburse local governments for billboard removal expenses.**
- Institute a moratorium on billboard permits.**

Senate Bill 900 would amend Public Act 205 of 1941 (which governs limited access highways) to extend the logo signage program to tourist attractions.

The bills are described below in further detail.

Senate Bill 898

The bill would create the Billboard Advisory Council within the Michigan Department of Transportation (MDOT) to define a best practice approach for the billboard industry that would increase sensitivity to the State's natural resources. The Council would consist of 12 members appointed by the Governor. Members would serve two-year terms. The MDOT would have to administer the Council's meetings and activities. The membership would have to consist of one representative each from the Michigan Department of Agriculture, MDOT, the billboard industry, the Michigan United Conservation Clubs, Scenic Michigan, the Michigan Chamber of Commerce, Travel Michigan, the Michigan Townships Association, the Michigan Municipal League, and the Michigan Association of Counties. The Council also would have to include two members of the general public.

Senate Bill 899

The bill would increase the annual billboard permit fee and require the additional revenue to be deposited into the Billboard Cleanup Fund, which the bill would create. Beginning October 1, 2004, the fee for a sign between eight and 300 square feet would be increased from \$25 to \$50. The fee for a sign larger than 300 square feet would be increased from \$40 to \$100.

Currently, the entire amount of billboard permit fees is credited to the State Trunkline Fund. Under the bill, fees collected in excess of the current fees, calculated on a per-permit basis, would have to be determined and credited to the Billboard Cleanup Fund. Fund money could be spent only to remove billboards that were erected in violation of the Act or applicable regulations.

The Michigan Department of Transportation would have to administer the Fund. Cities, villages, townships, and charter townships could apply to MDOT, on a form prescribed by the Department, for reimbursement of expenses incurred while removing billboards under their jurisdiction.

Additionally, effective October 1, 2004, MDOT could not grant an additional renewal term to a party that already had received one permit renewal and had not erected a billboard during the permit term or the renewal term.

Senate Bill 900

The bill would require MDOT to apply to the Federal Highway Administration (FHA) of the U.S. Department of Transportation to receive permission to allow the category of "tourist attraction" in the logo signage program on limited access highways.

(Under the Act, "logo signage" means a sign containing the trademark or other symbol that identifies a business in a manner and at locations approved by MDOT. The Department may enter into agreements to allow logo signage. Revenue from the agreements must be deposited into the State Trunkline Fund.)

Within 30 days after the FHA approved the request, MDOT would have to add the category of "tourist attraction" to the program. The Department would have to establish qualification criteria for facilities, activities, and locations designated as tourist sites, including parking, restroom facilities, and public telephone access. The bill would define "tourist attraction" as a facility, activity, or location that is a site with natural phenomena; a historic, cultural, scientific, educational, religious, or agricultural site; an area of natural beauty; an area naturally suited for outdoor or indoor recreation; or a shopping mall or shopping area.

The bill is tie-barred to Senate Bill 901.

Senate Bill 901

The bill would prohibit MDOT from issuing a billboard permit after the bill's effective date, except for signs that existed on March 31, 1972.

Proposed MCL 252.324a (S.B. 898)
MCL 252.307 (S.B. 899)
252.52 (S.B. 900)
Proposed MCL 252.309a (S.B. 901)

Legislative Analyst: Julie Koval

FISCAL IMPACT

Senate Bills 898 & 900

The bills would have no fiscal impact on State or local government.

Senate Bill 899

The bill would result in additional State revenue credited to the Billboard Cleanup Fund. Currently, about \$500,000 is deposited in the State Trunkline Fund annually from billboard

permits. It is estimated that the increased fees proposed in the bill would generate an additional \$500,000. This revenue would be credited to the Billboard Cleanup Fund for the removal of illegal billboards. The portion of the billboard fee revenue deposited in the State Trunkline Fund would continue to be directed to the Fund under this bill.

Senate Bill 901

The bill would decrease State revenue deposited in the State Trunkline Fund due to the moratorium on new billboard permits. It is unknown exactly how much revenue would be lost from this provision.

Fiscal Analyst: Craig Thiel

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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.