



**House
Legislative
Analysis
Section**

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TOURIST DIRECTIONAL SIGNS

**House Bill 4770 as enrolled
Public Act 299 of 1996
Second Analysis (7-9-96)**

**Sponsor: Rep. Sandra Hill
House Committee: Transportation
Senate Committee: Transportation and
Tourism**

THE APPARENT PROBLEM:

Michigan's wealth of natural resources, including thousands of miles of Great Lakes shoreline, numerous national and state forests, several thousand inland lakes and streams, and a climate that makes it one of the best fruit-producing states in the country, draws millions of visitors annually from throughout the world. In fact, tourism is among the state's top revenue-producing industries, generating billions of dollars each year for the state and its local communities. In addition to the many national, state, and local parks and areas of interest, tourist attractions include lake resorts, ski slopes, wine-tasting festivals, cherry farms, cider mills, horse-riding stables and a plethora of other destinations that offer numerous recreational opportunities. Most who visit Michigan travel by motor vehicle, and those seeking a public tourist destination can easily find it by following road signs directing them to the location. However, the state generally does not provide travelers any directional signs for smaller, privately-owned tourist attractions, which often may be located in hard-to-find places. In an effort to guide tourists to attractions located in rural areas, legislation has been proposed to create a program involving the use of special tourist-oriented directional signs, administered by the Department of Transportation, that could help private operators of tourist attractions draw fun-seeking travelers to them.

THE CONTENT OF THE BILL:

The bill would create a new act to authorize the Department of Transportation to contract with a for-profit nongovernmental agency for the manufacture, installation, and maintenance of signs along rural roads in the state that could alert travelers to special tourist attractions. Under the bill, persons who operated tourist attractions could apply to the department for a permit to participate in the signage program as an "eligible attraction" and, if granted, would pay a fee. Revenue from fees would be used to implement and administer the bill's provisions.

"Eligible attraction". This term would mean a "tourist-oriented activity"--i.e., a "lawful cultural, historical, recreational, educational, or commercial activity" annually attended by at least 2,000 people who didn't live "within the [activity's] immediate area" and who provided a "major portion" of its income or business--that was 1) within 10 miles of a rural road for which a tourist sign was sought, unless otherwise restricted or permitted by rules promulgated by the department; 2) not visible from the road; and 3) in compliance with federal standards, criteria, and rules established for activities advertised by rural road signs.

Proposed rules. Within six months of the bill's effective date, the department would have to implement a program for the placement of tourist-oriented directional signs and markers within the right-of-way of those portions of rural roads within state jurisdiction. The program would have to include at least all of the following:

- * The form for applying for a permit to participate in the program;
- * The criteria for limiting the number of permits for a single site or area;
- * The criteria for issuing a permit for which multiple applications had been received;
- * The removal or covering of signs when an eligible attraction was not operating;
- * Criteria for including on a sign an eligible attraction's season and hours of operation;
- * Criteria for awarding contracts to non-governmental agencies to manufacture, install, or maintain signs;
- * A provision specifying that someone who obtained a permit would have to pay all costs incurred in replacing

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a sign, including costs to manufacture and install a replacement, and to cover it, if necessary; and

* Provision for the establishment of a five-member review board to consider and grant or deny applications for the waiver of distance requirements imposed under the bill for tourist signs, with one member representing the transportation department, one from the Department of Agriculture, one from the Michigan Travel Bureau, and two members from the general public who were engaged in tourist-oriented activities.

Permit application. fee. The operator of a tourist-oriented activity who wished to participate in a directional sign program would have to submit an application to the department for a permit to participate. The department would determine whether or not an application was complete and if an applicant had complied with the bill, and would have to notify the applicant in writing of its decision; if a permit was denied, the factual basis for the determination would have to be included. If an applicant who was approved paid the permit fee, the department would issue a permit. Someone aggrieved by a departmental determination could appeal it under the Administrative Procedures Act.

The department would establish the time period for which a permit issued or renewed under the bill would be valid, and criteria for which it could be canceled. The department or its designee could not issue permits allowing more signs to be installed at a single site than were allowed by the bill, and if multiple applications for a single site occurred permits would have to be issued according to criteria set forth in the program. The department or its designee could impose a reasonable fee for a permit which would be calculated to include reimbursement for its anticipated costs in implementing and administering the bill's provisions, including costs to install, repair, cover during the off-season, and remove signs. However, at least 60 days prior to imposing a fee or fee increase, the department would have to provide public notice to the general public of this and notify in writing the standing committees of the legislature that are primarily responsible for transportation and tourism issues.

Cause for cancellation. If an eligible attraction for which a permit was in effect ceased operation, its owner or operator would have to return the permit immediately to the department or its designee for cancellation. If the department or its designee had reasonable cause to believe an eligible attraction for which a permit had been issued ceased operation, he or she would have to issue an order canceling the permit and provide a copy of the order to the person holding the permit. If the order was not appealed on time, or if it was appealed and cancellation was affirmed, the department director would

have to order the sign(s) governed by the canceled permit to be removed.

Sign specifications. The department would have to develop optional, standardized symbols for different types of activities associated with eligible attractions, which could be used on signs in conjunction with other directional information. If more than one attraction required a sign at the same location, multiple signs could be combined on the same panel as allowed by the state Manual of Uniform Traffic Control Devices. Such signs could be erected at sites the department determined were appropriate to ensure adequate sight distance, intersection vehicle maneuvers, and public safety.

FISCAL IMPLICATIONS:

The Senate Fiscal Agency says revenues generated from the permit fee would depend on the demand for the signs. The fee would be set at a level to cover the Department of Transportation's costs, making the program revenue neutral to the department. (4-16-96)

ARGUMENTS:

For:

Tourism contributes enormously to Michigan's economy because this state has so much for people to see and experience. For instance, Lake Michigan alone offers opportunities for boating, waterskiing, swimming, fishing, scuba diving, rock collecting, and other related activities. Hundreds of businesses line the western Michigan coastline catering to the tourist trade by offering opportunities for travelers from far and near to stop and enjoy different aspects of Michigan's many attractions. But numerous activities and attractions exist throughout the state in hard-to-find places. These include cider mills, tree farms, fruit orchards, horse-back riding stables, inland lake resorts, and other attractions that many tourists may not be aware of. The bill would enable owners and operators of such businesses to apply for permits from the Department of Transportation to have signs erected on roads near them directing travelers to their location. In order to qualify for the program, a business would have to meet certain criteria set forth in the bill and pay a fee determined by MDOT to cover its costs to implement and administer the program. In addition, the bill provides for the creation of a five-member review board consisting of one person representing MDOT, one from the agriculture department, one from the travel bureau, and two from the general public who were engaged in tourist-related activities. For cases where a business fell outside of the distance requirement specified in the bill--e.g., if it was further than ten miles from a road for which a tourist directional sign was requested--the board could decide

whether to waive the requirement if the business otherwise met the bill's criteria. Persons aggrieved by a decision to deny a permit could appeal it pursuant to the Administrative Procedures Act, and MDOT could cancel a permit if it had reason to believe an attraction for which a permit was obtained was no longer operating. The bill should help improve Michigan's tourist industry by making it easier for travelers to find out-of-the-way and unknown attractions.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.