

BILLBOARD REGULATIONS

Senate Bill 445 with House Committee amendments First Analysis (12-9-98)

Sponsor: Sen. Leon Stille
House Committee: Transportation
**Senate Committee: Local, Urban and
State
Affairs**

THE APPARENT PROBLEM:

In recent years, advertising billboards have encroached on scenic routes and roadsides. The Department of Transportation reports that the number of signs has increased from 6,099 in 1972 to 12,058 in 1996.

As the billboards have proliferated, their record numbers have been tabulated by several groups that seek to conserve or improve the environment. For example, Scenic America reports that Michigan is eighth out of all 50 states in the total number of billboard sign faces. The national scenic conservation organization also reports that, on average, travelers see 13 billboards every 10 miles they are on federal aid highways in Michigan.

A September 1997 statewide poll conducted by EPIC/MRA indicated that the majority of the citizens surveyed are of the opinion that Michigan has too many billboards, and that the state should ban new ones. Of those polled, 67 percent thought there were too many billboards along Michigan's highways, and 60 percent favored a total ban on new billboards.

For these reasons and others, some have argued that a state whose second largest industry is tourism should not allow the proliferation of billboards to continue obliterating views of the Great Lakes, sand dunes, forests, and unique communities.

THE CONTENT OF THE BILL:

Senate Bill 445 would amend the Highway Advertising Act to do the following:

--Require a sign visible from more than one state highway or public road to comply with outdoor

advertising requirements for each highway and road from which the sign was visible.

--Increase from \$5 to \$100 the permit fee for the first year, and establish a \$25 renewal fee for signs up to 300 square feet and \$40 for signs greater than 300 square feet.

--Establish a felony penalty for a person who destroyed trees or shrubs within a highway right-of-way to make a proposed or existing sign more visible.

--Prohibit signs erected after the bill took effect from being stacked one on top of each other, and prohibit existing signs or sign structures from being modified to provide a stacked sign or structure.

--Increase the distances required between signs located along certain highways.

--Require the Department of Transportation to conduct a hearing to confirm that a sign was abandoned, that due process had been observed, and that the sign could be removed without payment of compensation and at the owner's expense.

--Describe additional activities, facilities, and structures that would not be considered commercial or industrial, for sign control purposes.

--Specify a legislative intent that the state fund a study to analyze the bill's effect and make recommendations of any additional changes to the act.

MCL 252.302

HOUSE COMMITTEE ACTION:

The House Transportation Committee adopted three technical amendments to the Senate-passed version of the bill. Those amendments clarify the definition of "primary highway" that appears in the act, bringing it into conformance with the definition that appears in section 131 of title 23 of the United States Code (23 U.S.C. 131).

BACKGROUND INFORMATION:

Scenic Michigan Initiative. Senate Bill 445 originally was part of a twelve-bill package called the Scenic Michigan Initiative, that was introduced in April 1997. The bills in the Scenic Michigan Initiative would have allowed for more local control of billboards by townships, villages, cities, and counties, and also would have altered permit requirements for signs that designate heritage routes. Those bills - - Senate Bills 446-455, and Senate Bill 465 - - were not reported by the Senate Committee on Local, Urban and State Affairs, because the outdoor advertising industry did not agree with their intent, and a compromises could not be reached.

To persuade elected officials of the need to increase billboard control, conservation and highway beautification advocates periodically report zoning violations by the outdoor advertising industry. For example, according to an October 1997 news release issued jointly by the Michigan Attorney General, the Michigan United Conservation Clubs, and Scenic Michigan, Adams Outdoor Advertising, a large outdoor advertiser in Michigan, at one time erected illegal billboards in the cities of Holland, East Lansing, and Meridian Township, in violation of local zoning laws. The outdoor advertiser also broke an oral agreement with the city of Kalamazoo, and erected a 672 square foot sign, although the company eventually took the sign down voluntarily, because of resident protest.

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, based on fiscal year 1997-98 data, the Department of Transportation received \$91,138 from the current \$5 permit charge. The amount of revenue generated by the new fees would depend on the number and size of the signs. Based on the current number of permits

issued, annual revenue would be approximately \$570,000. Costs would depend on the number of

signs removed under the act and the number of violations. (12-2-98)

ARGUMENTS:

For:

The number of billboards has nearly doubled in the past twenty-five years, from 6,099 in 1972 to 12,058 in 1996. In a recent statewide poll, 67 percent of Michigan residents say this is too many billboards. In fact, 79 percent surveyed favored limiting billboard advertising while increasing the use of smaller business logo signs and tourist oriented directional signs. Indeed, Michigan citizens polled also favored, by a margin of 60 percent, a statewide ban on the construction of new billboards, although no legislation has been introduced to do so since it likely would violate the constitutional right to free speech.

This legislation to regulate billboards is needed, however, in order to improve the scenic beauty along Michigan roadways. Billboards are forms of visual pollution that assault the eye and spoil the view of our beautiful state. Visitors and residents are tired of being assaulted with these large signs that block the view of Michigan's scenic roadsides, Great Lakes, forests, sand dunes, and communities. As the proliferation of billboards has become apparent, the citizens of Michigan have expressed their view in a statewide poll, and the results appear to indicate that the time has come for increased regulations on the outdoor advertising industry.

For:

The permit fee increase contained in this bill will allow the Department of Transportation to recover substantially more of the costs associated with the enforcement of this act. Under the current fee arrangement, the regulatory efforts that govern the outdoor advertising industry are subsidized by the taxpayers.

Against:

According to the National Federation of Independent Business/Michigan, outdoor advertising is vital to the livelihood of small businesses throughout Michigan. Business operations such as wineries, nurseries, restaurants, and many campgrounds that are small and

family-owned could not survive without outdoor advertising, a form of marketing on which the small companies rely in order to draw new customers who travel along Michigan's roadways. The NFIB/Michigan points out that any move to regulate the billboard industry could result, eventually, in a total ban of outdoor advertising, and that this progression from moderate regulation to environmental extremism starts with incremental increases in the regulatory burden -- the kinds of regulations contained in Senate Bill 445.

POSITIONS:

The Department of Transportation supports the bill.
(12-9-98)

The Michigan United Conservation Clubs supports the bill. (12-9-98)

Scenic Michigan supports the bill. (12-9-98)

The National Federation of Independent Business (NFIB)/Michigan does not oppose the bill. (12-9-98)

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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.