

Senate Fiscal Agency  
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**SFA**



**BILL ANALYSIS**

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Senate Bill 483 (as reported with amendment)  
Senate Bill 484 (as reported with amendment)  
Sponsor: Senator John J.H. Schwarz, M.D.  
Committee: Transportation and Tourism

Date Completed: 12-4-97

### **RATIONALE**

In 1995 both Public Act 205 of 1941 (which provides for the construction and maintenance of limited access highways) and the Michigan Vehicle Code were amended to 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 must include the economic impact of logo signing on the outdoor advertising industry, the benefits of logo signing to the motoring public and local businesses, the acceptance of logo signing by the motoring public, and the proposed standards for logo signing recommended by the State Transportation Commission. The study, which must be completed before 1999, includes a pilot program for logo signing at up to 30 interchanges. The City of Marshall, which is located close to the intersection of Interstate 94 and Interstate 69, has expressed a desire to be included in the pilot program; however, the limit of 30 interchanges has been filled. Since the city has a road that leads north to an interchange on I-94, and another that leads west to an interchange on I-69, it has been suggested that the maximum number of interchanges that allow logo signs be increased to 32, so that logo signs can be erected to advise travelers on either highway of the services and businesses available in Marshall.

### **CONTENT**

Senate Bill 483 would amend Public Act 205 of 1941, and Senate Bill 484 would amend the Michigan Vehicle Code, to increase from 30 to 32 the number of interchanges to be included in a pilot program for logo signing.

MCL 252.52 (S.B. 483)  
257.676a (S.B. 484)

### **BACKGROUND**

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, over 40 additional states have established similar logo programs.

### **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 allow the City of Marshall to participate in the logo sign pilot program, and thus have logo signs placed on I-69 and I-94, in order to alert travelers to the services and businesses in Marshall and near the interchanges that lead to Marshall. While the city has a traditionally strong tourism base, the bills would enhance efforts to expand that base.

#### **Supporting Argument**

Not only do logo signs aid tourists visiting the State to locate various travel services, they also serve as alternatives to large, obtrusive billboards that are a detriment to the State's scenic beauty. The State should do everything it can to encourage the use of logo signs.

**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. While the State can encourage the study of logo signs, it should not contemplate actions that would restrict the advertising industry. Logo signs cannot replace billboards, because travelers need more information than can be supplied on a logo sign.

### **Opposing Argument**

As originally introduced, the bill would have increased the number of interchanges allowed to have logo signs by 100%, to 60 interchanges. There is a question why the program needs to be limited at all. Since over 40 states allow logo signs to be placed along the rights-of-way of their limited access highways, it seems 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. Instead of limiting the increase in logo signs to two interchanges, the bills should allow logo signing at all interchanges and eliminate the pilot program.

**Response:** The pilot program is well under way, and the study is being conducted and must be completed in 1998. Doubling the number of interchanges in the pilot program, or eliminating any restrictions on the number of logo signs, would distort the pilot program and render the study useless. The pilot program and the study of it should be allowed to proceed without interference. The bill, while satisfying the needs of the City of Marshall, would not disrupt the study.

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bills would have a minimal fiscal impact on the State. Under the terms of this pilot project, highway logo signs are provided by a private contractor that incurs costs and generates revenue from their sale. No State money is used for sign construction or maintenance. It is estimated that the State would incur only minimal additional administrative costs by broadening the scope of this pilot study.

Fiscal Analyst: P. Alderfer

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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.