

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4343 (Substitute H-2 as passed by the House)
Sponsor: Representative Tom Alley
House Committee: Transportation
Senate Committee: Local, Urban and State Affairs

Date Completed: 11-17-98

CONTENT

The bill would amend the Highway Advertising Act to prohibit, beginning January 1, 2000, a billboard from advertising the purchase or consumption of tobacco products, notwithstanding any other provision of the Act. A person who violated the bill would be responsible for a civil fine of at least \$5,000 but not more than \$10,000 for each day of violation. A civil fine would have to be distributed to public libraries as provided under Public Act 59 of 1964, which provides for the distribution of penal fines to support public libraries.

("Billboard" would mean a sign separate from a premises erected for the advertising of a product, event, person, or subject not related to the premises on which the sign was located. Off-premises directional signs as permitted in the Act would not be considered billboards for the purpose of the bill. "Tobacco product" would mean any tobacco product sold to the general public and would include, but would not be limited to, cigarettes, cigars, tobacco snuff, and chewing tobacco.)

In addition, the bill specifies that if any part of the Act were found by a court to be invalid or unconstitutional, the remaining parts would not be affected but would have to remain in full force and effect.

The Act specifies that "...the legislature finds it appropriate to regulate and control outdoor advertising adjacent to the interstate highway, freeway, and primary highway systems within the state and that outdoor advertising is a legitimate commercial use of private property, is an integral part of the marketing function and an established segment of the economy of this state." The bill would revise this provision to specify that "...the legislature finds it appropriate to regulate and control outdoor advertising and outdoor advertising as it pertains to tobacco adjacent to the interstate highway, freeway, and primary highway systems, and outdoor advertising as it pertains to tobacco on secondary highway, major street, and local roads within this state." The bill would add that "...the legislature finds it appropriate to protect minors from exposure to advertising that encourages them to illegally possess tobacco."

MCL 252.303 et al.

Legislative Analyst: L. Arasim

FISCAL IMPACT

This bill would have no immediate fiscal impact on State or local governments. The State currently levies a \$5 fee for the placement of billboards within a road right-of-way. If approved, this bill would result in the loss of fee revenues generated by tobacco advertisements. However, the Department of Transportation estimates that tobacco billboard revenues would be replaced by other, nonprohibited billboard fee collections.

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.