



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 567 (Substitute S-1 as reported)
Senate Bill 568 (Substitute S-1 as reported)
Sponsor: Senator Tom George (S.B. 567)
 Senator Jud Gilbert, II (S.B. 568)
Committee: Transportation

CONTENT

Senate Bill 567 (S-1) would amend the Highway Advertising Act to prohibit the Michigan Department of Transportation (MDOT), until 2009, from issuing a permit for a sign unless the applicant surrendered a previously issued permit; and to allow the owner of a permitted sign that was removed to obtain an interim permit.

Senate Bill 568 (S-1) would amend the Highway Advertising Act to do the following:

- Delete a requirement that a sign owner apply for a separate sign permit for each sign for each highway subject to the Act from which the sign's facing is visible.
- Apply the prescribed \$25 permit renewal fee to all signs up to 300 square feet in size (rather than larger than eight square feet and up to 300 square feet).
- Authorize MDOT to issue vegetation management permits to sign owners until 2009.
- Require an applicant for a vegetation management permit to submit a vegetation management plan, a \$50 application fee, and a tree replacement fee.
- Prescribe an annual \$50 compliance fee for trimming in connection with a renewal vegetation management permit.
- Require a sign owner to pay MDOT twice the value of vegetation removed without authorization.
- Revise provisions regulating the illumination of signs.
- Prohibit signs involving motion, running animation, or flashing or moving lights, except for signs with messages that changed a maximum of once every four seconds and were consistent with agreements between MDOT and the U.S. Department of Transportation.
- Specify that a sign or sign structure erected or maintained in violation of the Act would be a nuisance per se; and allow MDOT to seek an injunction against use of the sign pending its removal.

The bills are tie-barred to each other.

Proposed MCL 252.307a (S.B. 567)
MCL 252.302 et al. (S.B.568)

Legislative Analyst: Julie Koval

FISCAL IMPACT

Senate Bill 567 (S-1) would reduce State revenue associated with the proposed moratorium on new highway sign permits issued by the Michigan Department of Transportation until 2009. Under the bill, MDOT would be prohibited from issuing any new highway sign permits, unless the applicant surrendered a previously issued permit. According to MDOT, approximately 272 new permits are issued each year. Under the bill, the revenue from

these new permits would not be received, which would reduce annual deposits in the State Trunkline Fund by approximately \$7,200 per year. As a point of reference, MDOT reports that, as of January 2006, there were 9,266 permits for signs less than or equal to 300 square feet and 5,518 permits for signs greater than 300 square feet.

Senate Bill 568 (S-1) would reduce State revenue associated with the requirement that a sign owner apply for a separate permit for each sign for each highway subject to the Act from which the sign's facing is visible. It is unknown how many signs would fall under the new single permit requirement.

The bill would increase State revenue by allowing MDOT to issue vegetation management permits to sign owners. This permit would cost \$50. It is unknown how many sign owners would apply for a vegetation management permit; therefore, the fiscal impact is indeterminate at this time. As part of the permit process, sign owners would be required to develop a vegetation management plan identifying vegetation to be removed, trimmed, or relocated, according to certain criteria. Sign owners would be responsible for paying a tree replacement fee for any approved tree removals under the management plan. This provision also would result in increased State revenue.

The contemplated new permit program would result in additional administrative costs to MDOT. The workload would be contingent on the number of permit requests and the activities associated with vegetation management plan review.

Furthermore, the bill would increase State revenue associated with the proposed penalty for removal of vegetation not identified for removal in a vegetation management plan. Again, it is unknown how many permit holders would be subject to the penalty of twice the value of the removed vegetation; therefore, the fiscal impact of this provision is indeterminate at this time.

Finally, the bill would increase State revenue by requiring the owners of signs equal to or less than eight square feet to pay the annual permit renewal fee of \$25. Currently, the annual permit renewal fee does not apply to these signs. According to MDOT, 135 signs would be subject to the fee. This would generate an additional \$3,375 annually.

Date Completed: 12-14-05

Fiscal Analyst: Craig Thiel

floor\sb567

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.