

Legislative Analysis



HIGHWAY ADVERTISING: RELIGIOUS AND SERVICE ORGANIZATIONS

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House Bill 5122 (Substitute H-2)
Sponsor: Rep. Andrew Kandrevas
Committee: Transportation

Complete to 6-23-09

A SUMMARY OF HOUSE BILL 5122 AS REPORTED FROM COMMITTEE

The bill would amend the Highway Advertising Act to allow the Department of Transportation to issue a permit for a new sign structure (billboard) if the sign is in the service club or religious organization sign categories and if the sign measures less than eight square feet. The act applies to signs along primary highways, freeways, and interstates.

Public Act 447 of 2006 amended the Highway Advertising Act, generally speaking, to prohibit the issuing of annual permits for new signs beginning in 2007. The effect of the 2006 law, according to MDOT, is that "no new billboard permits will be issued to an individual or company who does not currently hold a permit. If an individual or company does hold a permit, they have the option of removing their current sign (if built), receiving interim permits, and finding a more desirable location for a new sign. The maximum [number of] interim permits a permit holder can receive for removing a built structure is two." The effect of the law was to cap billboard permits at then-current levels. House Bill 5122 is an exception to this policy for service club signs and religious organization signs.

The bill specifies that the permits for new signs for service clubs and religious organizations could not be surrendered for an interim permit. A *religious organization sign* is defined as a sign that gives notice of religious services. A *service club sign* is defined as a sign that gives notice about nonprofit service clubs or charitable associations.

Penalties for late payment of fees. Currently, the act assesses a \$100 penalty for the delinquent payment of renewal fees for highway signs. The bill, instead, would increase the annual renewal fee by \$20 if the fee is not paid at least 30 days before the permit's expiration date. If the renewal fee remains unpaid 60 days or more after the expiration date, the Department of Transportation could cancel the permit without taking further administrative action, unless the permit holder requests a hearing during that 60 days. The maximum amount of increases for late payments against one permit holder would be \$10,000.

If MDOT had collected penalties in excess of \$10,000 from a permit holder from January 1, 2007 and the effective date of the bill, the excess amount would be credited against future renewal fees of the permit holder.

Sign visibility. The bill also makes amendments regarding the visibility of certain signs. One addresses the department's responsibility to prevent vegetation obstructing billboards. Another rewrites the provision that allows certain signs to contain messages or images that change. (Generally, signs involving motion or rotation or running animation or displays are prohibited. But there are exceptions if signs change below a certain speed and have limited luminescence.)

MCL 252.307a

FISCAL IMPACT:

A fiscal analysis is in process.

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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.