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BILL ANALYSIS

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House Bill 5122 (Substitute H-3 as passed by the House)
Sponsor: Representative Andrew Kandrevas
House Committee: Transportation
Senate Committee: Transportation

Date Completed: 8-18-09

CONTENT

The bill would amend the Highway Advertising Act to do the following:

- **Allow the Michigan Department of Transportation (MDOT) to issue a permit for a new sign structure for a religious organization sign or a service club sign measuring less than eight square feet.**
- **Revise the penalty for delinquent payment of an annual permit renewal fee, and permit MDOT to cancel a permit if the fee were not paid within 60 days after the permit expired.**
- **Revise the luminescence restrictions for signs that change between two or more static images.**

The bill is described in detail below.

Religious Org. & Service Club Signs

The Act generally prohibits MDOT from issuing annual permits for new highway signs, although permits issued before January 1, 2007, remain in force and valid.

The Department must issue an interim permit or permits to a holder of a valid permit or permits if the holder is otherwise in compliance with the Act and surrenders the permit or permits to MDOT upon the removal of the permitted sign structure or structures. An interim permit may be used only for the construction of a new sign structure and must remain in effect without expiration if the fees are renewed annually.

The bill would allow MDOT to issue a permit for a new sign structure that measured less than eight square feet for signs in the categories of service club signs and religious organization signs.

A permit issued under that provision could not be surrendered for an interim permit.

"Religious organization sign" would mean a sign that gives notice of religious services. "Service club sign" would mean a sign that gives notice about nonprofit service clubs or charitable associations. Both definitions would refer to signs not larger than eight square feet.

Delinquent Permit Renewal Fees

The Act requires the holder of a valid permit to pay an annual permit renewal fee. Currently, MDOT must assess a \$100 penalty for delinquent payment of renewal fees. The bill instead would require the annual renewal fee to be increased by an additional \$20 if the fee were not paid at least 30 days before the expiration date of the permit. If the annual renewal fee were not paid within 60 days after the permit expiration date, MDOT

could cancel the permit without taking further administrative action, unless the permit holder requested an administrative hearing within 60 days of the permit expiration date.

Notwithstanding that provision, for permits having the same expiration date, the maximum amount of increased annual renewal fees for late payments that could be assessed against one permit holder would be \$10,000.

If MDOT collected delinquent annual renewal fee penalties from a permit holder during the period from January 1, 2007, to the bill's enactment date and the total amount collected exceeded \$10,000, the excess amount would have to be credited against future renewal fees of the permit holder.

Vegetation Removal Application

The Act authorizes MDOT to issue vegetation management permits to the owner of a sign subject to the Act. An owner may apply to MDOT for a permit using an approved form, accompanied by an application fee of \$150. The application must be submitted during a specified application period.

The Act requires MDOT to issue its decision on an application within 30 days after the last day of the application period. The bill would retain that requirement, unless otherwise agreed to by the Department and the applicant.

Sign Luminescence Levels

The Act prohibits certain signs or sign structures, including those that involve motion or rotation of any part of the structure, running animation or displays, or flashing or moving lights. That restriction does not apply to a sign or sign structure with static messages or images that change if the rate of change between static images is less than one change per six seconds, each change is complete in one second or less, and the maximum luminence level does not exceed 62,000 candelas per meter squared at 40,000 lux lamination beginning one-half hour after sunrise until one-half hour before sunset, and 376 candelas per meter squared at four lux lamination at all other times.

The bill would delete that luminence level requirement, and instead require the sign to possess and use automatic dimming capabilities so that the maximum luminescence level was not more than 0.3 foot candle over ambient light levels, measured at the following distances according to the size of the sign face:

- 150 feet for sign faces of at least 300 square feet and not more than 378 square feet.
- 250 feet for sign faces measuring greater than 378 square feet and less than or equal to 672 square feet.
- 350 feet for sign faces measuring greater than 672 square feet.

MCL 252.302 et al.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would reduce State revenue by lowering the delinquency penalty on renewal fees from \$100 to \$20, assuming that delinquencies remain unchanged. Department expenses would potentially be reduced by a nominal amount because equipment used to enforce the proposed luminescence requirements is less expensive than equipment used to manage the current requirements.

Fiscal Analyst: David Zin

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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.