

Legislative Analysis



TOURIST-ORIENTED DIRECTIONAL SIGNS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 176 as passed by the Senate
Sponsor: Sen. Tom Casperson
House Committee: Transportation and Infrastructure
Senate Committee: Transportation
Complete to 4-24-17

Analysis available at
<http://www.legislature.mi.gov>

(Enrolled Version)

REVISED SUMMARY:

The bill would make an exception to current road sign requirements in order to allow a tourist-oriented directional sign to be placed on a rural road advertising a tourist attraction even though the attraction is visible from the road.

Under Public Act 299 of 1996—the Act to Regulate Tourist-Oriented Directional Signs—the Department of Transportation is required to operate a program for the placement of tourist-oriented directional signs and markers within the right-of-way of those portions of rural roads that are within state jurisdiction.

"Tourist-oriented directional sign" means a sign used to provide motorists with advanced notice of a tourist-oriented activity. "Tourist-oriented activity" means a cultural, historical, recreational, educational, or commercial activity that is annually attended by 2,000 or more people and for which a major portion of the activity's income or visitors are derived during the normal business season from motorists not residing in the immediate area of the activity.

The act has criteria for what constitutes an "eligible attraction" for such a sign. The term refers to a tourist-oriented activity that, in addition to meeting certain federal requirements, is both (1) within 10 miles of a rural road for which the sign is sought and (2) not visible from that rural road. Senate Bill 176 would amend the second criterion, so that it would read:

. . .not visible from the rural road for which a tourist-oriented directional sign is sought unless a sign for an eligible attraction is already in place in the vicinity for which the tourist-oriented directional sign is sought. The highlighted underlined text is the new language to be added by the bill.

(Under the act, owners of tourist attractions must apply to MDOT for the placing of signs and pay a fee. Local unit approval is also required, if the site is located in a city or village.)

FISCAL IMPACT:

The bill would have no direct fiscal impact on the state or local units of government.

BACKGROUND:

Public Act 299 of 1996 directed the Michigan Department of Transportation (MDOT) to implement a program of tourist-oriented directional signs and markers within the right of way of those portions of rural roads within state jurisdiction. The program, as authorized by the act, provides for the placement of Tourist Oriented Directional Signs (TODS), signs which provide business identification and directional information for tourist-related activities. There are currently 1,088 TODS sign panels in place across the state.

The TODS program is administered by a private contractor, Michigan Logos Inc. (MLI), under the direction of the department. Eligible businesses can contract with MLI for TODS sign placement. MLI is authorized to install a TODS sign at a specific location upon approval by MDOT. Specific information about sign program is found on the MDOT website, <http://www.michigan.gov/mdot/0,1607,7-151-9625-53460--,00.html>

The annual rental for the typical TODS sign is \$360. This fee has remained unchanged since the inception of the program. Under terms of the contract between MDOT and MLI, the contractor receives the revenue from the sign rental. The department receives no revenue under the TODS program, but does not incur any costs of administering the program. The current contract is in effect from January 1, 2014, through December 31, 2020.

Legislative Analyst: E. Best
Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.