



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 176 (as enacted)
Sponsor: Senator Tom Casperson
Senate Committee: Transportation
House Committee: Transportation and Infrastructure

PUBLIC ACT 45 of 2017

Date Completed: 8-17-17

RATIONALE

Public Act 299 of 1996 required the Michigan Department of Transportation (MDOT) to implement a program for the placement of tourist-oriented directional signs and markers within the right-of-way of the portions of rural roads that are under State jurisdiction. Currently referred to as the Tourist-Oriented Directional Sign (TODS) program, it must include, among other things, criteria for including on a sign the season and hours of an eligible attraction. The Department also must develop optional, standardized symbols for different types of activities associated with eligible attractions. An operator of a tourist-oriented activity who wishes to participate in a directional sign program must submit to MDOT or its designee a permit application and a fee.

One of the criteria for being considered an "eligible attraction" is not being visible from the rural road for which a tourist-oriented directional sign is sought. Some consider this requirement unfair, and believe that each attraction should have an opportunity to be on a TODS program sign, regardless of its visibility from the location of the sign. It was suggested that the program should include attractions that are visible from the roadway in the vicinity of an existing sign in the TODS program.

CONTENT

The bill amends Public Act 299 of 1996 to include in the definition of "eligible attraction" a tourist-oriented activity that is visible from the rural road for which a tourist-oriented directional sign is sought if a sign for an eligible attraction is already in place in the vicinity for which the tourist-oriented directional sign is sought.

The Act defines "tourist-oriented activity" as a lawful 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.

"Eligible attraction" means a tourist-oriented activity that is all of the following:

- Within 10 miles of the rural road for which a tourist-oriented directional sign is sought, unless otherwise restricted or permitted by the Department of Transportation.
- Not visible from the rural road for which a tourist-oriented directional sign is sought.
- In compliance with Section 131 of Title 23 of the United States Code (which regulates outdoor advertising), and the national standards, criteria, and rules established under the Code, if the activity is advertised by rural road signs.

The bill amends the definition of "eligible attraction" to create an exception to the requirement that a tourist-oriented activity is not visible from the rural road for which a tourist-oriented directional

sign is sought. Under the bill, this applies unless a sign for an eligible attraction is already in place in the vicinity for which the tourist-oriented directional sign is sought.

The bill will take effect on September 5, 2017.

MCL 247.401

BACKGROUND

According to the Michigan Department of Transportation website, the cost to participate in the TODS program is \$360 annually per sign, and \$120 annually per trailblazer; logos cost extra. The signs are blue, six feet wide, and two feet high. There is a maximum of four signs per assembly with a six-foot by one-foot header plaque. The signs may not be located inside incorporated cities or villages, or at interchanges on expressways or freeways. Signs may be placed up to 10 miles away from an eligible activity if it is located in the Lower Peninsula, and up to 15 miles away from an eligible activity in the Upper Peninsula. The Department also reports that there are about 1,100 sign panels.

The signs erected under the TODS program provide direction to eligible tourist attractions, such as small, privately owned businesses, that may be in hard-to-find places located off the State rural roadway system. The TODS program is different than the Specific Services Signing program (also known as "Logo Signing"), which permits eligible businesses to place their logos on signs that identify the businesses along designated freeways (usually near exits).

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The tourism industry is an important part of Michigan's economy. According to a Pure Michigan press release from 2015, 113.4 million visitors spent \$22.8 billion in the State in 2014. That spending supports thousands of Michigan jobs. For example, the release stated that Michigan's 2014 unemployment rate would have been 13.3%, instead of 7.3%, without tourism-related jobs. These figures display the importance of highlighting or advertising tourism destinations.

It is unfair to prevent an eligible attraction from participating in the TODS program if it is visible from the roadway where a TODS program sign is already in place. Attractions located along State rural roads should be allowed the same opportunity to be included in the TODS program as their competitors that meet the current condition. It is important to highlight tourist attractions and direct travelers safely toward those destinations, regardless of how visible they may be.

In addition, signs that have a uniform style across the State are easier for motorists to read and understand, and are safer than unconsolidated signs.

Opposing Argument

There are already many TODS program participants. By increasing the number of eligible businesses, the bill will increase visual clutter on Michigan roadways and erode scenic routes. There is nothing directional about a sign that points to an attraction that is clearly visible to motorists. Moreover, the signs have become a cheap source of advertising for many participants in the program. The signs should continue to guide visitors who are not familiar with an area toward small attractions that are not immediately visible or are not as well known as more widely advertised attractions.

By allowing businesses that do not qualify on their own to advertise on a TODS program sign merely because a qualifying business has one in the same vicinity, the bill negates the point of the

program: to direct motorists to tourist attractions that they would not otherwise see. In addition, the program is designed to help support small out-of-the way attractions, such as u-pick farms or wineries, that might not be able to afford to advertise on their own but contribute to Michigan's tourism industry.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill will have no fiscal impact on State or local government.

Fiscal Analyst: Michael Siracuse

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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.