

Legislative Analysis



TOURIST ORIENTED DIRECTIONAL SIGNS (TODS)

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Senate Bill 735 as passed by the Senate

Sponsor: Sen. Jason Allen

Senate Committee: Transportation

House Committee: Transportation

Complete to 11-30-04

A SUMMARY OF SENATE BILL 735 AS PASSED BY THE SENATE

The bill would amend Public Act 299 of 1996, to permit, under certain circumstances, tourist-oriented directional signs (TODS) within the boundaries of an incorporated city or village.

BACKGROUND INFORMATION:

Public Act 299 of 1996 directed the Michigan Department of Transportation 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.

Under current law, TODS signs may be placed only on a "rural road," which, as defined in the act, does not include a road or street within the boundaries of an incorporated city or village, a limited access highway, or an interstate highway. This restriction relates to provisions of the Manual on Uniform Traffic Control Devices (MUTCD) which limits use of TODS signs to rural conventional roads and prohibits use of the signs on roads in urban areas or on freeways or expressways. However, in some instances, there are rural, i.e. non-urban, roads within municipal boundaries.

The bill would allow placement of TODS signs within the boundaries of an incorporated city or village. However, the bill would require city or village approval of the placement of a TODS sign within the city or village boundary, and then only if the city or village had adopted an ordinance permitting TODS signs. If the city or village had not adopted an ordinance permitting TODS signs, the TODS sign could not be placed.

Eligible businesses can contract for TODS sign placement. For the typical TODS sign, the annual rental is \$360. The TODS program is administered by a private company under contract with the department. Under terms of the contract, the contractor receives the revenue from the sign rental. The department receives no revenue under the program, but does not incur any costs in administering the program or maintaining the signs. The contract will run through December 31, 2007.

The department indicates that there are approximately 1,104 TODS business panels on 900 sign structures placed in the state.

FISCAL IMPACT:

The bill would have no apparent state or local fiscal impact.

Fiscal Analyst: William Hamilton

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