

Senate Bill 524 (Substitute S-1 as reported)  
Sponsor: Senator Kimberly LaSata  
Committee: Transportation and Infrastructure

### **CONTENT**

The bill would amend the Michigan Transportation Fund law to require the Michigan Department of Transportation and a local road agency to place signage of appropriate dimensions at the beginning of a work site related to a construction or reconstruction project that satisfied criteria prescribed in the bill.

MCL 247.661c

Legislative Analyst: Tyler VanHuyse

### **FISCAL IMPACT**

The bill would have a minor fiscal impact on the Department and local units of government. The increased cost is associated with signage. The exact amount can be estimated, but not definitively determined.

In July 2014, the Department issued a report within which some discussion of signage costs was found. The Department reported then that full speed limit signage replacement would cost \$730 per mile on freeways and \$63 per mile on nonfreeways. In 2001, the House Fiscal Agency reported that fabrication and installation of signage can range between \$700 and \$1,000 per sign. The new signage requirements included within the bill would be different than those for speed limit sign changes. An assessment per sign also is more applicable than a "per mile" calculation. Taking into inflation since 2001, this analysis will apply a cost of \$1,500 per sign, regardless of trunkline or nontrunkline project.

According to the Department's reported fiscal year (FY) 2017-18 letting statistics, there was an average of 314 trunkline projects let per year between FY 2013-14 and FY 2017-18. For that same time period, there was an average of 452 local projects let per year. The Department projects an increase to 399 projects for the FY 2019-20 year. Under the bill, each project that exceeded the specified cost, length, and time qualifiers would require a sign before the beginning of construction, and completed limited access highway projects would require a sign that includes the expected life span of the pavement.

In consideration of the above factors, the bill would cost the Department between \$150,000 and \$450,000 per year. This amount represents less than 0.1% of the Department's current year appropriation for trunkline road and bridge construction and repair. The bill would cost local units of government between \$100,000 and \$450,000 per year. This amount also is less than 0.1% of the current year appropriation to county road commissions and cities/villages, combined, for road and bridge construction.

Date Completed: 12-6-19

Fiscal Analyst: Michael Siracuse