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PRIVATE FUNDS FOR HIGHWAYS SIGNS

House Bill 5050 (Substitute H-1) First Analysis (11-3-99)

Sponsor: Rep. Valde Garcia
Committee: Transportation

THE APPARENT PROBLEM:

When signs are erected along Michigan's roadways to honor noteworthy citizens, there is an expense for the tribute that is borne by taxpayers. For example, the House Fiscal Agency has noted that Department of Transportation sources estimate sign fabrication costs for a single four foot by eight foot sign at \$14 per square foot (or about \$450), and installation costs at \$1,200 to \$1,800 for each sign of that size, for a total expense of between \$3,300 and \$4,500 to fabricate and then install the customary two signs.

To save taxpayers the money that would be expended to place the signs and markers that honor citizens, the Department of Transportation has adopted a policy to prohibit the use of public funds for memorial highway signs. Legislation has been proposed to specify the department's policy in law, and to require that memorial markers be funded with private contributions.

THE CONTENT OF THE BILL:

House Bill 5050 would create a new act to regulate the cost of placing signs and markers that honor individuals or organizations.

Specifically, under the bill, the state transportation department could only provide for the erection of signs or markers whose purpose it is to name or rename a highway, street, or road (or a portion of a highway, street, or road) in honor of an individual, individuals, or an organization, if sufficient private contributions were received to completely cover the cost.

FISCAL IMPLICATIONS:

Fiscal information is not available.

ARGUMENTS:

For:

Although the total cost savings to taxpayers would depend on the actual size and number of signs that would be erected, the Department of Transportation's policy to require private contributions for memorial signs could save taxpayers more than \$4,000 for each sign placement. To ensure that the department's administrative policy continues into the future, it makes sense to enact the policy into statute, and thereby to make unlawful the expenditure of public funds for private memorials.

POSITIONS:

A representative of the Department of Transportation offered testimony in support of the bill. (11-2-99)

A representative of the Country Road Association of Michigan offered testimony in support of the bill. (11-2-99)

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Analyst: J. Hunault

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