



## Legislative Fiscal Bureau

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September 21, 2005

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 20: Eligibility of Attraction Owners to Advertise on Specific Information Signs

Assembly Bill 20 was introduced on January 20, 2005, and referred to the Committee on Transportation. On March 24, 2005, that Committee adopted Assembly Amendment 1 and recommended the bill for passage, as amended, both on a vote of 14 to 0. On April 15, 2005, the bill was referred to the Joint Committee on Finance.

### **BACKGROUND**

Under current law, the Department of Transportation administers a specific information sign program that, subject to various conditions, allows businesses offering gas, food, lodging, or camping facilities to advertise on designated signs within the highway right-of-way. Businesses pay an annual fee of \$40 to the Department, to cover administrative costs, for each business logo on the specific information signs and pay additional fees to a contractor for the manufacture, installation, and maintenance of the signs.

### **SUMMARY OF BILL**

Assembly Bill 20 would create a specific information sign category for establishments that are considered an "attraction". The bill would, for the purposes of the program, define the term "business" to include an attraction, whether public or private, that has all of the following: (a) a primary purpose of providing amusement, historical, cultural, or leisure activities to the public; (b) regional significance; and (c) adequate parking accommodations. The bill would modify a current law provision that establishes the order in which the specific sign categories appear preceding an

intersection, as seen by the traveling public (“camping”, “lodging”, “food”, and “gas”, in that order) to place “attractions” prior to the other categories. Finally, the bill would specify that a business that advertises an attraction on a specific information sign is not prohibited from advertising on any outdoor advertising sign, subject to current law limitations on such signs. The provisions of the bill would take effect on the first day of the seventh month beginning after publication of the bill.

## **ASSEMBLY AMENDMENT 1**

Assembly Amendment 1 to Assembly Bill 20 would modify the provision in the bill that specifies that an attraction that advertises on a specific information sign is not prohibited from also advertising on an outdoor advertising sign to specify that such an attraction is also not prohibited from displaying information on a sign regulated under outdoor advertising provisions.

## **FISCAL EFFECT**

In its fiscal estimate for the bill, DOT assumes that 50 attraction owners would take advantage of the bill’s provisions. Generally, advertising businesses purchase four panels for their business: one advance sign and one ramp sign for each direction of travel. For each panel, advertisers pay an annual fee to the Department of \$40, which is intended to cover administrative costs. Consequently, it is estimated that the 50 attraction owners who would choose to purchase specific information signs would generate \$8,000 in revenue and DOT would incur additional administrative costs of \$8,000. Businesses must pay separate fees to lease advertising space, which covers the manufacture, installation, and maintenance of the panels, but these fees are paid to the contractor that manages the program.

DOT indicates that some one-time costs would also be incurred to modify the program’s administrative rules, but that these costs could be absorbed within the existing base budget.

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