

Andrew Kleine

FROM	NAME & TITLE	Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of Budget and Management Research Room 432, City Hall (396-4941)
	SUBJECT	City Council Bill No.12-0073 Outdoor Advertising Excise Tax

CITY of
BALTIMORE
MEMO



DATE:

May 16, 2012

TO

Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

This bill proposes a \$15 per square foot excise tax on electronic outdoor advertising displays and \$5 per square foot for all other outdoor advertising displays. In Fiscal 2010, a similar Council Bill, 10-0503, was introduced and later favorably recommended by the Taxation, Finance and Economic Development committee.

Analysis

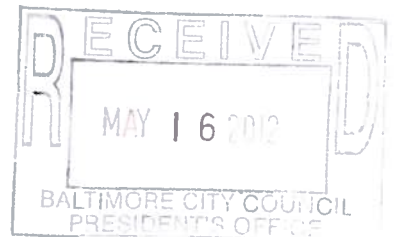
In 2000 the City of Baltimore passed a prohibition on new outdoor advertising displays within the City limits. Since that time the number of billboards in the City has been relatively static with a small attrition due to development. The last complete compilation of billboards in the City was done in 1990 with few new outdoor advertising displays being approved by the City since.

The taxing of outdoor advertising represents an untapped tax base for the City of Baltimore. A tax levy on this untapped revenue resource would require outdoor advertisers to permit each of their signs, resulting in a new inventory of signage.

Due to current restrictions on such signage within the City, growth of the revenue from the tax will be limited to small annual increases as non-digital signage is converted to digital signage which is taxed at a higher rate. Because of increased demand for such signage, coupled with City regulations limiting new signage, this tax should provide a stable, albeit small, revenue stream well into the future.

Fiscal Impact

The Department of Finance estimates that there are approximately 1,500 outdoor advertising displays in the City. Utilizing available data available, the Department of Finance estimates the tax will yield \$1.5 million in Fiscal 2013.



Recommendation

The Finance Department does not oppose CC Bill 12-0073.

CC: Harry Black
William Voorhees
Angela Gibson

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