

# Sign Control News

---

---

Newsletter of the Center for Sign Control • A project of the Coalition for Scenic Beauty

---

---

Special Report

November, 1985, Vol. 2, No. 5

## **WHY NOT A FEDERAL TAX ON BILLBOARDS TOO?**

In a recent guest editorial in the Christina Science Monitor, "Raise the Taxes on Alcohol and Tobacco," Michael Jacobson of the Center for Science in the Public Interest urges higher taxes on alcohol and tobacco in order to reduce the federal deficit and lessen the harm caused by these products.

Why not a federal tax on billboards too? They also represent a huge potential revenue source for government, and if, as Mr. Jacobson argues, higher taxes would reduce the use of alcohol and tobacco, there is no reason to believe that a tax on billboards would not likewise restrict their use.

The public would thus benefit not only from the reduction of this all-too-common form of visual pollution, but also from the diminished frequency of advertisements for alcoholic and tobacco products which constitute some 50% or more of the outdoor "messages" conveyed by billboards.

A stiff tax on billboards could also help rescue the Highway Beautification Program which in recent years has been derailed and immobilized by repeated adverse amendments tacked onto the 1965 statute at the urging of the billboard industry. In successive steps, the industry first forced Congress to mandate payment of cash "compensation" to both sign owner and landowner for each sign removed, though some courts had previously ruled that there was no inherent "right" to use the highways for outdoor advertising purposes.

They then procured passage of an amendment stating that if the federal share of the "compensation" funding was not available, sign removals could not take place. Subsequently, they saw to it that funds were not made available.

Finally, in 1978, the industry secured passage of an amendment requiring compensation for "any" sign removed -- whether the removal resulted from federal, state, or local regulation! As a consequence, sign removals in the United States have ground to a halt, while new signs continue to go up.

Members of the National Advisory Committee on Outdoor Advertising and Motorist Information who desired an effective beautification program (about half the Committee) recommended that a federal user tax on billboards be levied to generate the funds needed to pay the mandated "compensation" for removal of nonconforming signs. Such a tax is reasonable, for there is no doubt -- as a federal court ruled some sixty years ago -- that "outdoor advertising is essentially a use of the public highways, rather than a bona fide use of the

private property on which it may be situated." (Churchill & Tait v. Rafferty, 32 Philippine I, 580: appeal dismissed by the U.S. Supreme Court, 248 U.S. 591.)

Truckers and motorists pay gas and other taxes for their use of the highways. Why shouldn't the outdoor industry do likewise? As former Federal Highway Administrator Cox testified in 1979, "The billboard wouldn't be worth a dime if it weren't right next to the highway."

There are precedents for assessment of user taxes. Several California cities have levied such taxes. In 1973, a bulletin of the California Roadside Council noted that before 1967, billboards had been increasing in the city of Glendora at a rate of 18 per year, but by 1973 the total number of boards had decreased from over 100 to 8 as a result of an annual local tax of one dollar per square foot of billboard!

Would such a tax be acceptable to the American people? Documentation from fourteen polls regarding public attitudes toward billboards was read into the Hearings on the Federal Highway Beautification Assistance Act of 1979 on 18 July, 1979. The documentation disclosed that majorities in favor of stricter control of billboards comprised from 61% to 95% of those polled, depending on the group. Accompanying that documentation was a still relevant comment by the California Roadside Council, the organization which had compiled the information: "It would appear that wherever billboards continue to exist, they do so despite the contrary force of public opinion."

Coalition President Charles Floyd also has called for a user tax on billboards. His article, "Should Billboards be Subject to Road User Fees?," which appeared in Transportation Quarterly (October, 1982), is reproduced in this issue in full with the permission of Transportation Quarterly and the Eno Foundation of Westport, Connecticut.

**Sign Control News** is published by the Center for Sign Control, a project of the Coalition for Scenic Beauty. The center provides research, information, and counsel to associate members interested in improving the quality of America's urban and rural environments through the control of signs and billboards. **Sign Control News** is available free to members of the Coalition for Scenic Beauty. Coalition membership fees are as follows: Individual memberships start at \$20; for clubs, associations, organizations, private businesses, or government agencies fees are \$50 for local organizations, \$100 for state or regional organizations, and \$150 for national organizations. To join, send check payable to the "Coalition for Scenic Beauty" to Coalition for Scenic Beauty, 44 East Front St., Media, PA 19063. Phone: (215) 565-9131.