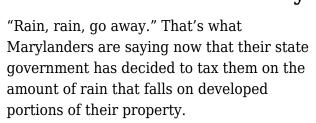
"Rain Tax" to Soak Maryland Taxpayers



Last week the Maryland legislature passed and Gov. Martin O'Malley signed a law that taxes property owners on the basis of "the square footage of impervious surfaces on a property," according to

MarylandReporter.com. "The rationale is that roofs, driveways and parking lots create more potential for drainage problems and water contamination. Local jurisdictions are supposed to determine how much to charge per square foot, but in general, the size of the fee would depend on the size of the buildings and paved surfaces on a property."

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How will the government determine a property owner's tax liability? "The amount of impervious surface a property owner has will be calculated using satellite and geographical information system technology," reports <u>Watchdog Wire</u>.

Government property is exempt from the tax, but religious and nonprofit organizations are subject to it. A bill to exempt nonprofits — including environmental organizations — was proposed but failed.

MarylandReporter.com writes that Senate Republican Leader E.J. Pipkin noted the "irony of ironies": Environmental groups tried to obtain an exemption from the tax that they themselves were pushing as a means of improving the environment. "He said that the groups' stance was particularly galling, since much of the money raised through stormwater fees would benefit them by subsidizing conservation projects."

Perhaps the major reason that religious and nonprofit groups were not exempted from the tax is that they tend to own large buildings with expansive parking lots, precisely the types of impervious surfaces that will rake in big bucks for the government. Residential owners are expected to pay about \$100 a year to start — a significant but not astronomical amount. Nonresidential owners, by contrast, are likely to be shelling out thousands of simoleons annually.

"But homeowners are going to pay the rain tax three times," observes *Gazette* columnist <u>Blair Lee</u>. "Once, on their homes. A second time because commercial leases force tenants [to] pay the landlord's property taxes, which the tenants will, then, pass on to their customers. And a third time as church members or supporters of nonprofit hospitals, private schools and charities."

All told, Maryland residents will have to cough up an additional \$300 million each year because of precipitation on their property, the conservative group <u>Change Maryland</u> estimates.

All of this is allegedly to comply with a 2010 U.S. Environmental Protection Agency (EPA) decree that









## **New American**

Written by Michael Tennant on April 16, 2013



the Old Line State reduce storm water runoff so as to shrink nitrogen and phosphorus levels in the Chesapeake Bay at a cost of \$14.8 billion. However, as Watchdog Wire points out, "Virginia fought the EPA storm water mandate arguing that the agency overstepped its authority under the Clean Water Act." Federal judge Liam O'Grady agreed, <u>ruling</u> in January that "stormwater runoff is not a pollutant, so EPA is not authorized to regulate it." Maryland, therefore, could easily slough off the EPA's order if its elected officials were so inclined.

There is thus good reason to suspect that the politicians in Annapolis simply used the EPA decree as an excuse to impose the rain tax. They have certainly been busy hiking taxes on various other pretexts in recent years. <u>Change Maryland</u> calculates that under Gov. O'Malley there have been 37 tax, fee, or toll increases costing Marylanders an additional \$3.1 billion per year — among them a three-year, 6.25-percent tax on annual incomes in excess of \$1 million that ended up <u>reducing state revenues by \$1.7</u> billion and likely contributing to a net loss of 31,000 residents.

That the law is, in Lee's words, "kind of squishy" as to how the revenue from the rain tax will be spent only adds to suspicions that it has little to do with complying with the EPA's directive. Writes Lee:

It can be spent to build and maintain stream and wetland restoration projects. And, of course, a lot of it will go to "monitoring, inspection, enforcement, review of stormwater management plans and permit applications and mapping of impervious surfaces." In other words, hiring more bureaucrats to administer the rain tax program.

It can also be spent on "public education and outreach" (whatever that means) and on "grants to nonprofit organizations" (i.e. to the greenies who pushed the tax through the various levels of government).

He notes that Montgomery County, which already has a rain tax, states that it "holds workshops and training events to help residents understand how various projects work. Projects such as rain gardens, conservation landscaping, rain barrels and cisterns, drywells and tree planting are then offered to be installed on properties that qualify, based on the County's assessment."

"So, I'm supposed to pay a rain tax so the county can train me how to plant a tree, which they'll give me if, in its view, I qualify?" Lee asks. "Have we all gone mad?"

Not all of us have lost our minds yet. Even some Maryland Democrats realize what a bad idea the rain tax is.

One of them, Sen. Edward Kasemeyer, sponsored an amendment that would have delayed the tax for two years. "Kasemeyer argued it was hard to justify adding another expense to Marylanders' budgets immediately after enacting a gas tax hike," reports MarylandReporter.com. "At a certain point, he said, the impact on people outweighs the impact on the environment, and it is unreasonable to expect people to sacrifice so much for the sake of conservation."

Likewise, Sen. Delores Kelley, also a Democrat, "said that she objected to the fees in spite of her conviction that it is vital to protect the Chesapeake Bay, because she feared causing economic hardship," writes MarylandReporter.com.

"We need to save the planet," she said, "but people can only do so much at one time."



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