

BARRY GLASSMAN
HARFORD COUNTY EXECUTIVE



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Harford County Executive Barry Glassman Proposes Rain Tax Repeal, Plan to Promote Tourism

BEL AIR, Md., (Dec. 10, 2014) - County Executive Barry Glassman proposed legislation Tuesday to repeal Harford County's stormwater remediation fee, or "rain tax", planning instead to meet federal mandates with existing county resources. The new county executive also proposed legislation to promote economic development and tourism by collecting a fee from travelers in local hotels.

Regarding the rain tax repeal, Mr. Glassman said:

"Harford County is committed to watershed protection and restoration, but the rain tax is not the answer. Not only does it pile another burden on the backs of our hardworking citizens and local businesses, regional disparities in funding stormwater remediation have put Harford County at a competitive disadvantage versus other jurisdictions. Rather than continuing this unfair tax, we can meet our obligations using revenue from the county's general fund with flexible credits and innovative planning."

State legislation enacted in 2012 required certain Maryland counties to enact a stormwater remediation fee, also known as the rain tax, to fund federal EPA requirements. Several of those counties, including Harford, have questioned the inequity and lack of clarity in the law, which is likely to be reviewed under incoming Gov.-elect Larry Hogan.

Despite serious concerns, Harford County complied with the law in 2013 by enacting a rain tax with rates that varied depending on a property's use and ownership. For improved properties with a residential (excluding apartment buildings), or agricultural use, a flat charge of \$125 was applied. The same charge also applied to properties owned by non-profit organizations. For properties with a business, commercial or industrial use, the tax was \$7.00 per 500 square feet of impervious surface area, with some exemptions. Collection of the tax was limited to 10% of the amount owned pending further review. County revenue from the tax was approximately \$1 million in each of the fiscal years 2014 and 2015.

(more)

“While the rain will no longer be taxed in Harford County, I look forward to working with Gov.-elect Hogan and the Maryland General Assembly to find common sense solutions that help protect the Chesapeake Bay,” Glassman said.

Mr. Glassman also proposed legislation Tuesday to collect a fee from travelers staying in local hotels, as part of an overall plan to spur economic development in the county.

Speaking about the plan, Mr. Glassman said:

“The proposed legislation does not tax Harford County residents. Instead, it levels the playing field for our citizens who are charged a hotel tax when they travel to every other Maryland jurisdiction, and throughout much of the nation, but do not benefit in kind when travelers come to Harford County and use taxpayer-funded roads and services. Since revenue from hotel taxes is often used to promote tourism, our taxpayers are subsidizing tourism in other locations and also funding local efforts, in essence, paying both ways. The legislation sets a reasonable rate of 6% of the cost of a room, which is in the mid-range of rates charged throughout the state. However, the legislation is only part of the plan.

Instead of using the additional revenue generated to grow county government, we plan to invest 100% of it to promote economic development through a competitive grant process with built-in accountability. This innovative process will require businesses, non-profits and museums promoting tourism and related activities to present a business plan justifying their one-year funding requests, and to demonstrate success in order to be funded in future years. Along with privatizing the county’s Tourism and Marketing Division in a previously announced shift to the non-profit Visit Harford!, this plan will create a new center of opportunity for tourism to drive economic growth in Harford County, and a natural synergy with our local small businesses.”

The proposed room charge applies for stays of 30 or fewer consecutive days. It does not apply to bed and breakfast establishments with three or fewer lodging rooms. For funds generated from hotels located within the municipalities of Aberdeen, Bel Air and Havre de Grace, revenue will be distributed in a 50-50 split between the municipality and the county. All of the funds generated from hotels outside of the municipalities will go to the county. Municipalities will also be able to apply for the county grants. Tourism-related activities are defined in the proposed legislation as relating to sports, festival, museum, agriculture and agriculture exposition and farm-to-table experiences.

Both the rain tax repeal and the hotel legislation were presented Tuesday evening to the Harford County Council, which will determine further action on each bill.

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