

MARYLAND TAXPAYERS ASSOCIATION

Spotlight on Annapolis-Week of Feb 16

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News of the Week—CORRUPTION

...and lack of oversight. The **Mass Transit Agency and Towson University** had training programs that appear either hopelessly inept or downright corrupt. An employee, on his sole authority, gave a \$200,000 contract to his wife's business. Payment records, involving millions of dollars, over a 3 year time period were woefully inadequate. It all came out in an audit. We suspect that such horrors exist elsewhere in state government as rumors of corruption in some departments and agencies have surfaced from time to time. Could it be that the state has far too much money to spend and so be so lax about waste?

In the General Assembly

...while many bills appear mild compared to previous years, Democrats still seem predisposed to more and more spending along with the inevitable tax increases. There are also various tax cut bills. But there is something very disorganized about it all. Governor Hogan was elected to get control of spending, "to roll back as many of the tax increases as possible," and to create the conditions for more jobs and a growth economy. Identifying which taxes to cut first is crucial, finding the right programs to cut, and getting rid of regulations that do no good except to hamper the economy.

Bills that encourage growth

The Governor has announced his intention to repeal the "**Rain Tax.**" This would not affect the EPA mandate nor would it affect state level revenues. The taxes are local and are imposed in water bills or property tax bills. The big hits, and they can be really big, are against businesses. Businesses employ people. Big expenses for businesses hurt, and it is the workers who often pay first. More details will come later.

Otherwise, there are not a lot of incentives. HB 161 (Ways & Means, Wed, Feb 18) is an attempt to lure business by **exemptions in the personal property tax**. This type of tax is known nationally to hurt the private sector. It is probably too soon, however, to see a series of real tax reforms to improve the economy.

Opening up Maryland to certain businesses is something that needs to be done badly. **Fracking in the Marcellus Shale** is the ticket to boosting Western Maryland's economy. It would bring badly needed jobs to the area. Yet, there is a bill that would delay fracking another year. A detailed report from the MD Department of Environment (courtesy Delegate Kathy Szeliga) seems to have comparatively little effect on the environment. It noted

increased truck traffic among others, but leftwing environmentalists will continue to fight fracking. Click [here](#) for actual report.

Bills that discourage growth

SB194 (Budget & Tax-Wed, Feb 18) would establish a **Supplemental Public School Construction Matching Fund Program**. \$20 million per year to each qualifying county is not a good idea for a state that, judging from some state comparisons of costs per square foot, already spends far more than necessary. On the same day in B&T, SB 237 would study a **Pay It Forward Pilot** so students could attend college free, then pay the bill back as a percent of future pay. It likely would increase tuitions and become a bureaucratic nightmare to collect as former students move around the country. HB4 (Economic Matters-Tue, Feb 17) would increase the **Minimum Wage** to \$10.10 right away as opposed to phasing it in by 2018 and cost the state government an additional \$16 million for its own employees, not to mention private business. Result: fewer jobs and possibly fewer businesses at a time when we are trying to increase both.

Other Highlights

SB161 (Education, Health & Environmental Affairs, Thu, Feb 19) would require **special elections for legislative vacancies**. It would do away with Central Committee nominating authority and the Governor's appointments. Dems like it, Reps don't.

Common Core institutes **detailed personal record keeping on every student from kindergarten into adult life**. There is no telling the damage these records could do to the lives of kids. Two bills attempt to curtail damage by limiting use of the records and keeping them private. Just the fact that they are being proposed suggests the dangers of this type of record. Instead the legislature should stop this intrusive record keeping in its tracks. The bills are SB266(Education, Health & Environmental Affairs, Wed, Feb 18) and HB298 (Ways & Means, Thu, Feb 19).

HB253 and 284 (Ways & Means, Wed, Feb 18) are attempts at **fair voting** by cleaning up the voter rolls and simplifying petition descriptions.