



Grover G. Norquist

President

February 19, 2004

The Honorable Bob Ehrlich
100 State Circle
Annapolis, MD 21401

Dear Gov. Ehrlich,

I am writing to you on behalf of the more than 1000 Maryland members of Americans for Tax Reform, and all Maryland taxpayers, to urge you to reconsider some of the revenue measures included in your budget proposal.

Though labeled as “fees,” several of the proposals would seem to be nothing other than tax increases. And tax increases would be bad for Maryland and her people.

To qualify as a fee, a charge must fund a specific service, with no excess going into a general fund; the charge must be paid only by those who use that specific government service; and individuals must have the choice whether to purchase the service from government (and thus pay the fee) or to purchase the service from a private business.

For example, if a community has a public swimming pool and a private swimming pool, the public pool may raise its entrance fee as costs go up. Consumers, then, can choose between the two services.

Your proposal to levy a charge on all sewage system customers to fund a new bureaucracy, tasked with implementing new wastewater treatment grants, with legislation calling for increased charges and expansion of scope in the out years, is a tax increase. There is little or no consumer choice or competition involved; a new charge is to fund a new program for the benefit of all. How is this different than a tax for police service or street cleaning?

Other “fees” that have been discussed, such as motor vehicle and boating fees, sound similarly tax-like. All would fund broad government operations, not merely pay for the administration of a specific service.

If you continue to press ahead on these revenue-raising proposals, you will be putting 11 of your state senators and 24 delegates in a very tough position – each of them has promised to the voters of his or her district to “oppose and vote against any and all efforts to increase taxes.”

Moreover, you will find yourself on the wrong side of political trends. Every recent effort to raise taxes on the state level ended in humiliation for proponents when the people got to vote. Oregon and Virginia in the winter of 2002-03 started the trend. Then Gov. Bob Riley tried to raise taxes in Alabama, and was voted down by a 68%-32% margin. Then Gov. Gray Davis was recalled for raising the car tax and spending irresponsibly. Then Gov. Kulongoski had his tax increase repealed by referendum by a vote of 60% to 40%.

But many governors have closed gaping budget holes without raising taxes. Gov. Perry of Texas closed a \$10 billion gap without tax increases. Gov. Pawlenty of Minnesota, Gov. Benson of New Hampshire, Gov. Romney of Massachusetts, Gov. Owens of Colorado, and others performed similar feats. They are the ones with the bright political futures, while Gray Davis and Bob Riley face political oblivion.

I urge you to rethink your proposed fees. And I offer all the resources of my staff to help you pass a no-tax-increase budget.

Sincerely,

Grover Norquist