

Follow-up Answers to Questions asked at the April 16, 2011, General Membership Meeting

Storm water Management

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I wanted to send a few points of follow-up regarding the questions about “Where do our other taxes and fees go and why don’t they pay for storm water management?” Here is more information about the four water-related taxes and fees in Ocean City and what they fund. – Megan Hughes

Property tax – For fiscal year 2011, about 2.7%, or less than \$100,000 was budgeted for storm water pipe maintenance from the Public Works Construction Division budget. Comprehensive storm water management in Ocean City is estimated to cost about \$1 million per year.

Bay Restoration Fee (also known as Maryland “Flush Tax”) - Every Maryland homeowner served by a wastewater treatment plant pays \$2.50 per month to support the Bay Restoration Fund, passed in 2004 and managed by the Maryland Department of the Environment. 50% of the Flush Tax goes to cover crop programs throughout Maryland. The rest of this tax goes to septic tank upgrades and the upgrade of waste water treatment plants to meet Enhanced Nutrient Removal standards for plants in Maryland that discharge into the Chesapeake Bay. The Town of Ocean City does not see any of these funds return to the town because our wastewater treatment plant discharges to the Atlantic Ocean and we do not have any septic tanks.

Water Fund – Each Ocean City resident pays into the water fund on their water utility bill. Residents are charged based on their metered water usage plus an additional fee of \$2.80 per fixture per quarter (2011 rate) and \$2.60 per fixture in 2012. This pays for things like water main upgrades, wells, water treatment plant improvements, water towers, and debt service on improvements made from 2001-2007.

Wastewater Fund – Each Ocean City resident pays into the wastewater fund on their utility bill. Residents are charged \$7.60 per fixture per quarter (2010 rate). The fee will be \$7.95 effective July 1, 2011. This fund pays for treatment of wastewater, operating expenses, wastewater main maintenance, pumping station maintenance, and plant improvements and debt service on improvements made from 2001-2010.