



MARYLAND LEAGUE
OF CONSERVATION VOTERS
EDUCATION FUND

Press Release

August 9, 2007
Embargoed until 10:30am

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Solutions to “Green” the State’s Budget Would Generate \$706 Million While Protecting Maryland’s Air, Land, and Water

Eight Strategies Would Ease Deficit While Shifting Burden from Taxpayers to Polluters

Annapolis, MD. Today the Maryland League of Conservation Voters Education Fund, along with Chesapeake Bay Foundation, Environment Maryland, Partners for Open Space, and other environmental organizations, released a report detailing eight strategies for reducing spending and raising revenue to ease Maryland’s deficit while protecting the environment. The group cited polling that shows Marylanders support changes to the tax structure that will protect the state’s air, land, and water.

Taken as an entire package, the eight proposals detailed in the *Greening the Budget* report would generate as much as \$706 million in fiscal year 2009. Some of this revenue would go toward the state’s unmet environmental needs, while others could help reduce the state’s \$1.5 billion deficit. The proposals are:

- Create a Green Fund through a fee on impervious surfaces = approximately \$100 million (revenue)
- Establish a wetlands permit fee for developers = \$3.6 million (revenue)
- Close the open space funding loophole for LLCs = \$14 million (revenue)
- Increase the agricultural transfer tax - \$2.5 million (revenue)
- Stop the Intercounty Connector - \$540 million (savings)
- Increase fees on air pollution violations - \$3.6 million (revenue)
- End the coal mining tax credit - \$7.7 million (savings)
- Increase solid waste fees - \$35 million (revenue)

“The environmental community came together to create this report because we wanted to make sure that Marylanders’ values, which include protecting the environment and cleaning up the Chesapeake Bay, are reflected in our state’s budget,” said Cindy Schwartz, Executive Director of the Maryland League of Conservation Voters Education Fund. “We wanted to be part of the solution and make sure that the environment is not sidelined in the debate about how to fix the state’s budget deficit.”

Some of the proposals in the *Greening the Budget* report represent a shift to taxing negative activities -- such as violating air pollution laws, relying on coal for energy, and filling in wetlands -- so that the polluter pays the costs of the impacts they have on the environment, and not the taxpayer. Currently, Marylanders subsidize the costs of many kinds of pollution.

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Ms. Schwartz continued: “These changes in the tax structure would make those responsible for damaging the environment -- the businesses and corporations that are developing our land, filling in wetlands, and violating air standards -- pay their share. Right now, Maryland families are the ones paying the true costs of pollution. Marylanders not only pay the price of breathing dirty air, sitting in traffic congestion, losing open space, and watching the Chesapeake Bay suffer, our tax dollars are also paying to monitor and clean up the polluters, and that’s not fair.”

Brad Heavner, of Environment Maryland, said: “We’re only going to have a revenue debate on this level once every ten years. We have to take the opportunity to establish sustainable funding for the bay and make polluters pay for the costs they create.”

Kim Coble, of the Chesapeake Bay Foundation, said: “The Bay needs help -- we have beach closures, dead zones, and fish kills. Cleaning our rivers, streams, and the Bay cannot simply be rhetoric. By investing in clean water, air, and land, our legislators will also provide health, environmental, and cost-savings benefits to Marylanders. Delaying this investment will only increase the cost and result in all of Maryland paying the ultimate price.”

Marcia Verploegen Lewis, of Partners for Open Space, said: “Every year, Maryland’s land conservation programs are denied funding because of a loophole allowing corporate interests to avoid paying real estate taxes that go toward land conservation. We must close this loophole. It’s not right that everyday homeowners pay the tax to fund land conservation, while wealthy corporate interests don’t pay their fair share and cost the state millions of dollars each year in lost revenue.”

According to the report, the state would save \$540 million in fiscal year 2009 alone by not putting any money toward the Intercounty Connector. Ms. Schwartz said: “We need to make sure our spending priorities are aligned with Marylanders’ values. The Intercounty Connector is a perfect example of how, as a state, we are investing money on a project that does not further our goals for protecting our air, land, and water. Why are we spending \$3 billion on a roadway that will do little to relieve our transportation issues but will, without a doubt, increase our global warming pollution?”

Cindy Schwartz said: “Over the coming weeks and months we plan to work closely with the O’Malley Administration and the General Assembly and ask them to not only adopt these strategies but also to shift their thinking -- we should be investing in Maryland’s future today while we still can. If we do not act now, the Governor and the members of the General Assembly will have failed the citizens of Maryland.”

The report was endorsed by 1000 Friends of Maryland, Assateague Coastkeeper, Audubon Naturalist Society, Chesapeake Bay Foundation, Choptank Riverkeeper, Clean Water Action, Environment Maryland, Environmental Integrity Project, Partners for Open Space, Patuxent Riverkeeper, Sierra Club, and West/Rhode Riverkeeper. The full report is available online at www.marylandconservation.org.

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The Maryland League of Conservation Voters Education Fund is dedicated to maximizing the participation of conservation-minded voters in public policy decisions made at the state and local levels regarding Maryland's environment and natural resources.

Maryland Education Fund uses training, technology and other tools to help state environmental organizations realize their overall capacity and to strengthen the state’s environmental community.

www.marylandconservation.org