

# What's being talked about?

Proposals include a higher gasoline tax to help pay for needed transportation improvements, slots to boost revenues, cuts in aid to counties, closing some tax loopholes and a progressive income tax — but still no plans for a special session

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ANNAPOLIS — Lawmakers are expressing frustration at the lack of specifics coming out of the governor's office on how to solve Maryland's budget deficit.

"You can only keep your finger in the wind for so long. Then you need to say what direction you're heading," Senate President Thomas V. Mike Miller Jr. said Wednesday.

Miller, of course, has been beating a drum since the end of the 2007 General Assembly for a special session to craft a package of tax increases to plug a projected \$1.5 billion gap between state spending and collections.

"I know the governor likes to govern by consensus. That's not the definition of executive branch politics," said Miller (D-Dist. 27) of Chesapeake Beach. "I don't know his staff understands the gravity of the situation."

In a speech before the Maryland Association of Counties in Ocean City on Saturday, Gov. Martin O'Malley (D) pledged more transportation funding without revealing whether the money would come from a gasoline tax hike or increases in automobile fees.

"I think the governor missed a real opportunity to give the counties some specifics on what he's thinking," said Senate Minority Whip Allan H. Kittleman, a former Howard County Council member.

A leading Republican on the House side feels similarly.

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"It [the speech] seemed a little light on specifics to me. I think the governor needs to give us some

specifics on what he plans on doing. He didn't say where or how," said House Minority Leader Anthony J. O'Donnell.



O'Donnell  
O'Malley "didn't say where or how"

House Republicans, however, were less than specific themselves when they unveiled their own budget-balancing solution last week. Their plan avoids tax increases, limits growth of the \$15 billion operating budget to 3.5 percent and legalizes slot machines.

GOP leaders have been reluctant to say where they would constrain spending because it provides a target for opponents.

"I think if we come out with a plan for more for transportation, more for health care and more for the environment, I think it would be incumbent on us to provide the details," said O'Donnell (R-Dist. 29C) of Lusby.

He said the GOP has a "road map" on solving the budget prob-



Kittleman  
A chance missed to give specifics



lem. It will reveal the details in due time, he said.

Barbara A. Hoffman, the former chairwoman of the Senate Budget and Taxation Committee, said O'Malley may not be sharing specifics of a plan, but he is "signaling" what a plan would contain: closing corporate tax loopholes, a tax bracket for wealthier Marylanders, bumping up the sales tax and legalizing slot machine gambling.



Hoffman  
 Governor is "signaling" a plan

A special session to approve a plan would require O'Malley, Miller and House Speaker Michael E. Busch (D-Dist. 30) of Annapolis to agree on the details first.

"When we come to an agreement, that's when you start talking publicly about the solution," said Steve Kearney, O'Malley's communications director. "It's complicated. That's why it takes time."

Nancy J. King, freshly minted as a senator for District 39, said no one likes any of the proposals.

King, who takes the Senate seat vacated by Patrick J. Hogan, is a former member of the House Ways and Means Committee and has been assigned to the Senate Budget and Taxation Committee.

Ways and Means this year floated several tax ideas to gauge reaction. Nearly all sparked strong, negative responses.

"I don't think there are any new ideas, it's just a matter of coming up with a package," said King (D) of Montgomery Village.

So has time passed for a special session? Some lawmakers say so.

"I think it's going to be hard to do because you can't have a special session on all these tax bills in one or two days," said Del. D. Page Elmore (R-Dist. 38A) of Salisbury, a member of the House Appropriations Committee.

"I'm not hearing that anybody

is agreeing on anything. It's getting later and later. I don't think they can get one together," said Kittleman (R-Dist. 9) of West Friendship.

Miller said there's time if the governor's staff moves quickly.

"I think there's still time," agreed Hoffman, now an Annapolis lobbyist. "Everyone's on a different timetable, and the only timetable that counts is the governor's."

Complicating a special session are the two openings in the House of Delegates. Replacements for King and retiring Del. Marilyn R. Goldwater (D-Dist. 16) of Bethesda would need to be selected.

Busch has opposed bringing lawmakers back to the state capital for a special session. He could not be reached for comment on Thursday.

O'Malley's discussion of transportation funding has sparked speculation of increasing the motor fuel tax, which is 23.5 cents per gallon. Miller earlier this year proposed a 12-cent per gallon increase, which budget analysts estimated would raise more than \$400 million a year. At MACo, consultant William S. Ratchford II pondered an 8-cent increase.

O'Donnell said the gas tax is a "non-starter" for his party, as are tax increases in general.

But on Wednesday, the **Greater Baltimore Committee**, the Maryland Chamber of Commerce and the Greater Washington Board of Trade said they commissioned the Texas Transportation Institute to compute the economic effect of Maryland traffic congestion. The institute also will measure the benefits of increasing transportation funding to \$400 million or \$600 million a year.

The study is expected to be released in September.

Maryland's Transportation Department estimates \$40 billion is needed to pay for needed construction projects, ranging from an expansion of Baltimore's rapid transit Red Line to 30 highway and

transit projects to address needs related to the Base Realignment and Closure process.

O'Malley already has made a \$128.4 million effort at balancing the budget, trimming state agencies' spending plans.

Hoffman and Miller said they believe O'Malley doesn't want to reveal the difficult decision that more cuts are on the way that will hit county aid.

"They [the counties] don't want to lose. I used to be a county commissioner. I didn't want to lose either. But times are tough and we have to get through this period," said Del. Galen R. Clagett (D-Dist. 3A) of Frederick.

Miller agreed. O'Malley is "from the counties. He's of the counties. He wants the counties to love him, but 40 percent of our budget goes to the counties. They'll have to absorb some portion of the pain," Miller said. "He's depending on the General Assembly to do the dirty work of cutting the counties."

