



BILL NO.: Senate Bill 65

TITLE: Dedicated Funds – Prohibition of Transfer – Chesapeake and Atlantic Coastal Bays 2010 Trust Fund and Bay Restoration Fund

POSITION: **SUPPORT**

DATE: February 1, 2012

COMMITTEE: Budget and Taxation

CONTACT: Les Knapp

The Maryland Association of Counties (MACo) **SUPPORTS** SB 65. This bill would constitutionally require the use of Chesapeake and Atlantic Coastal Bays 2010 Trust Funds and the Bay Restoration Fund to be used for the specific purposes that are set forth in State law on or after July 1, 2012 and prohibit the transfer of these funds to the General Fund.

The Funds allow for critical infrastructure and environmental improvements, including wastewater treatment upgrades, septic system upgrades, cover crops, and providing grants to local governments for agricultural, forestry, stream restoration, and stormwater control. Given the requirements imposed by the federally mandated Chesapeake Bay Total Maximum Daily Load (TMDL), it is more critical than ever that funding sources for these activities be preserved.

In recent years, the state's General Fund has faced significant shortfalls. To address these challenges, it has become common practice to transfer revenue from specially funded programs to the General Fund. SB 65 would prohibit these fund transfers from two funds with the purpose of protecting the Chesapeake Bay.

SB 65 will provide assurances to taxpayers that revenues are being used for their dedicated purpose. For this reason, MACo urges the Committee to give SB 65 a **FAVORABLE** report.