

BOTTLE TAX — Dead?... Dying?..... Resurrected???

By Alan Z. Forman, *Investigative Voice*, June 18, 2010

Despite the City Council's voting down the highly controversial non-reusable beverage-container tax proposed by Mayor Stephanie Rawlings-Blake to help resolve Baltimore's \$121 million budget deficit, council members on the losing side of the vote huddled at the end of Monday evening's meeting to try to find a way to resurrect the legislation.

The bill failed when Councilman Warren M. Branch (D-13th), who had widely been expected to vote in favor of the legislation because of his 23-year employment with the city's Department of Public Works, where 50 of his former colleagues will likely lose their jobs without it, unexpectedly voted No. Branch explained that even though he personally favored the legislation, which would benefit his former co-workers, he was acceding to the wishes of the people of his district.

"My constituents told me to vote No," Branch told the council as he cast his negative vote, resulting in a 7-7 tie, thereby killing the bill. Eight votes are needed on the 15-member council for passage.

HIGH-POWERED HIGH-PROFILE LOBBYIST

Proponents of the legislation speculated however that it was more likely Bruce Bereano, a high-powered high-profile lobbyist in the employ of local beverage distributors, who had convinced Branch, who was undecided how to vote as late as Thursday afternoon, just hours before the special council session.

A large Coca-Cola bottling plant is located in Branch's councilmanic district. However the councilman denied he had been influenced in any way by Bereano.

"This is a victory for the citizens of Baltimore," Bereano told *Investigative Voice* following the meeting. "People in the city can now keep their money in their pockets," he said.

The prominent lobbyist was called "Annapolis's first million dollar a year lobbyist,... once the state's top-earning lobbyist and still a fixture in Maryland's political world" by the *Washington Post* in a 1999 story about Bereano's difficulties following his federal conviction five years earlier for mail fraud and subsequent work-release sentence involving five months in a halfway house.

Councilman Robert Curran (D-3rd) noted Bereano's presence in the council chamber, indicating, "I can't be with you tonight. We need to save those jobs! This budget measure saves those jobs!" — a reference to the many city workers who will lose their employment if the mayor and City Council do not resolve the budget shortfall.

Said 11th District Councilman William H. Cole 4th: “If we don’t pass this bill — street cleaning, gone; property boarding and cleaning, gone; rotating firemen, gone.

“Those are jobs that we need. This isn’t an easy vote — but we need those services.”

The four-cent tax on non-reusable beverage containers, from which milk, juice and two-liter containers would be exempt, would prevent large numbers of city workers from losing their jobs.

PULLED OUT ALL THE STOPS

The bottled-beverage industry has pulled out all the stops in opposing the proposed tax — advertising and lobbying against it, along with owners of stores in the city that stand to lose business if the tax were to cause customers to cross into Baltimore County for their supermarket shopping.

Council President Bernard C. “Jack” Young, who might otherwise have been able to break the tie, had already abstained because of what he has said he considers a conflict of interest: Young’s cousin is a lobbyist for a beverage distributor who would benefit from the legislation’s failure.

However, Sharon Green Middleton (D-6th), whose husband, Glenard S. Middleton Sr., is the executive director of AFSCME (the American Federation of State, County and Municipal Employees) in Baltimore — the union that represents city workers, many of whom stand to lose their jobs if the council doesn’t come up with enough revenue to overcome the budget shortfall — voted in favor of the bill.

Some observers said they believed Middleton should have recused herself from the vote as Young did.

Another swing vote was considered to be Councilman Carl Stokes (D-12th), who replaced Council President Young when Young was elected to fill the top seat vacated by Rawlings-Blake after she became mayor upon the resignation of former Mayor Sheila Dixon in February.

Stokes had said Wednesday he was leaning against the bill; however on Thursday he voted for it.

“We have raised more regressive taxes on our citizens,” Stokes told his colleague on the council. “We are passing on our concerns and panic to our citizens.”

Said Helen L. Holton (D-8th), the committee chair whose Taxation, Finance and Economic Development Committee voted the bill out favorably last month — and who voted No on Thursday: “This has been a volatile issue since it was introduced.... 68 percent of our citizens say No,” compared to only 22 percent Yes, she said.

HAD PREVIOUSLY EXPRESSED ANNOYANCE

Holton had previously expressed annoyance at being pressed by the mayor to introduce her controversial legislation, the centerpiece being the much-criticized bottle tax.

Councilwoman Mary Pat Clarke (D-14th), who for weeks had been expressing opposition to the bill while acknowledging that she would vote for it only if it became “absolutely necessary,” voted Yes, because, she said, “it means so much to my district and the City of Baltimore.”

Without the legislation, she said, “It’s gonna be filthy dirty out there,” a reference to the curtailing of certain trash collection services that is expected to occur if the legislators are unable to raise enough revenue to bridge the \$121 million budget gap.

After passing other revenue proposals, and moving another piece of highly controversial legislation — proposed changes to the police and firefighters retirement system — for consideration at its next regular meeting on Monday, the council adjourned but immediately huddled around President Young to consider ways to resurrect the beverage-container legislation. After the vote was taken, one of the bill's major opponents became so overwhelmed with emotion he was unable to face the media to answer questions.

Ellen Valentino, who represents the Maryland Beverage Association, explained that her associate, Robert N. Santoni, Jr., controller of Santoni’s Super Market, and a major opponent of the bottle legislation, who has said his family's business stands to “lose a million dollars” if it were to be passed, was simply “overwhelmed,” adding that “we’re glad small business owners’ voices were heard.

“Small businesses spend so much money into the community,” she said.

It was not immediately clear how the council might resurrect the bill. However one city official, who asked not to be identified, said a motion to reconsider would have to come from a member on the winning side of the vote, presumably one of those who voted No, as the bill failed because the vote was tied.

MAYOR'S EMAIL STATEMENT

In an email statement following the vote on the bottle bill, but before the council meeting ended, the mayor said she “would like to thank the City Council for approving almost all of [her] Comprehensive Plan to fix the worst budget crisis in the City’s modern history with more than \$70 million in tough spending cuts and \$42.9 million in new revenue. The plan will fully fund our obligation to public schools, maintain every single police officer, reduce firehouse closures, and keep all community libraries open all without raising property taxes.”

However she noted, “Funding for some basic services — street sweeping, graffiti removal and waterway maintenance — will be significantly reduced as a result of the

Council's action, which is a win for the wealthy lobbyists against the working people of this City."

Although not mentioned in her statement, it was learned by *I.V.* that she later asked Council President Young to reconsider the bottle bill, to find some way to bring it back for another vote.

According to Councilman Cole, "There is a way to bring it back; it wouldn't be unprecedented.... I would never say never...."

"There's just no revenue; it's not like we've got some sort of money pot out there we can tap into.

Still in all, "whatever the stage is after life support, that's where it is."