

2-18-20 SB 902 Coal Tax Credits

Uploaded by: Bottegal, Robert

Position: FAV



ALLEGANY COUNTY, MARYLAND

The Board of County Commissioners

701 Kelly Road
Cumberland, MD 21502
T 301-777-5911 F 301-724-6970
www.alleganygov.org

Jacob C. Shade, *President*
Creade V. Brodie, Jr.
David J. Caporale

Brandon S. Butler, *Esq.*, *County Administrator*
William M. Rudd, *Attorney*

February 18, 2020

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

Dear Chairman Guzzone:

I am writing on behalf of the Board of County Commissioners of Allegany County to express our opposition to **Senate Bill 902: Coal - Tax Credits and Exemption - Repeal**, a bill aimed at eliminating the Maryland Mined Coal Tax Credit. The Board of County Commissioners remains committed to retaining the Maryland Mined Coal Tax Credit, as mining remains a source of employment for our region. In a region of the State where every job matters, and specifically with the closure of the Luke paper mill, our region cannot sustain the additional shock and trauma that would likely result from the elimination of the coal industry in our community.

As such, we respectfully ask that you deliver an **UNFAVORABLE** reporting of this job-killing piece of legislation. If you have any questions regarding the Board's position, please do not hesitate to contact me.

Sincerely,

Jacob C. Shade, President
Board of County Commissioners

cc: Senator George C. Edwards
Delegate Wendell R. Beitzel
Delegate Jason C. Buckel
Delegate Mike McKay

CCC to Edwards MD State Senate

Uploaded by: Campbell, James Campbell

Position: FAV

February 24th, 2020

Senator George C. Edwards and Members of the Budget and Taxation Committee
James Senate Office Building, Room 323
11 Bladen St., Annapolis, MD 21401

Dear Senator George C. Edwards and Members of the Budget and Taxation Committee:

I am writing in support of Senate Bill 0865, Public Service Company Franchise Tax – Credit for Purchase of Maryland–Mined Coal – Extension, and in opposition to Senate Bill 0902.

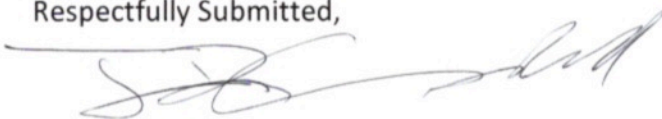
In the coal business in Maryland we understand that adjustments are required of energy producers moving forward. I ask that the legislature please keep in mind that there is a natural time horizon of a decade or slightly more for both the supply of Maryland thermal coal and the standing arrangements with power producers. It is also worth acknowledging that Warrior Run is a particularly efficient and clean coal plant. All of the inefficient coal power plants went out of business over the last decade.

The area's principal employers, the companies involved in coal in George's Creek, already face a myriad of challenges staying open, profitable and providing good jobs. Along with the recent closing of the paper mill in Luke, any effort to hasten the demise of the coal business is going to have severe consequences on the economy and the working population in the area.

Everyone involved is working towards a transition to a less fossil fuel intensive economy. We are looking at ash beneficiation, manufacturing in the energy sector, and repurposing the paper mill. These business development and jobs efforts will take time. Disrupting the local economy and the community by ending the tax credit now will have the effect of draining George's Creek of the people, talent, resources and revenues needed for the transition. What would instead be helpful is to extend the tax credit and then enact thoughtful legislation that further supports local economic development and a transition to a modern energy economy.

Going green should not involve abandoning the communities and that brought you this far.

Respectfully Submitted,



James R Campbell
Campbell Coal Company
970-417-2389 c
jamie1858@gmail.com

SB 865_BeechwoodCoal_Favorable_JohnCarey

Uploaded by: Carey, John

Position: FAV

BEECHWOOD COAL, LLC

February 25, 2020

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Building, Room 3
11 Bladen Street
Annapolis, MD 21401

RE: **SB 865**, Credit for Purchase of Maryland-Mined Coal - Extension
Position: FAVORABLE

Dear Chairman Guzzone:

On behalf of Beechwood Coal, LLC, this is written to recommend that the Senate Budget and Taxation Committee give a favorable report on Senate Bill 865, Credit for Purchase of Maryland-Mined Coal - Extension

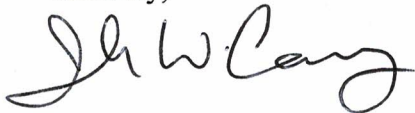
Beechwood Coal is a privately owned surface coal mining company located in Frostburg, MD. All of our operations are in Maryland and we only mine Maryland coal. We directly employ 65 individuals with an indirect effect on hundreds more individuals through contractors, truck drivers, parts and maintenance material suppliers etc. We provide above average wages for Garrett and Allegany Counties and offer full health insurance coverage and an employer matched 401k program.

Beechwood Coal's main sales contract is with AES Warrior Run power plant in Cumberland, MD. In 2019, coal sales to AES Warrior Run comprised 75% of our total coal sales for the year. The tax credit that we receive from selling this coal helps to directly offset the ever increasing cost of providing quality health insurance coverage and equipment maintenance. Our contract with AES Warrior Run is due to be renewed this year which will secure coal sales for Maryland-Mined coal for the next 3-5 years or longer. It is imperative that the coal tax credit remain in effect for us to be competitive from outside coal suppliers from West Virginia and Pennsylvania.

Garrett and Allegany Counties have already suffered a tremendous loss in quality higher paying jobs due to the recent closing of Verso Luke Paper Mill. The jobs that remain in this area don't need the additional stress of losing this coal tax credit that may jeopardize additional jobs. Let's keep these jobs in Maryland by helping Maryland businesses stay competitive.

In closing, Beechwood Coal respectfully requests that the Senate Budget and Taxation Committee give a favorable report on Senate Bill 865. Thank you for your consideration of our request.

Sincerely,



John W. Carey
Permits Manager
Beechwood Coal, LLC

*See Attached Sheet for Additional Points to Consider

BEECHWOOD COAL, LLC

February 25, 2020

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Building, Room 3
11 Bladen Street
Annapolis, MD 21401

RE: **SB 865**, Credit for Purchase of Maryland-Mined Coal - Extension
Position: FAVORABLE

SB 902, Maryland-Mined Coal Tax Credit – Repeal
Position: UNFAVORABLE

Additional Points to Consider:

- We would acknowledge that a reduction in the tax credit cap down to \$2.0 million annually for FY 2022 through 2031 would be sufficient to meet the tax credit that has been applied for in the previous three years.
- The industry representatives (Arch Coal, formerly Vindex Energy) that in 2006 negotiated the termination of the coal tax credit for 2020 are no longer mining coal in Maryland. They represented a large publicly owned company that would better be able to absorb the loss of the tax credit. The mining companies that currently remain in Maryland and would benefit from the tax credit are privately owned small businesses.
- AES Warrior Run in Cumberland, MD to my knowledge is the only public utility company that uses Maryland-Mined coal. They have a PURPA (Public Utility Regulatory Policies Act) contract to produce electric power through 2030. They will be burning coal under their current contract until 2030 regardless of whether it is Maryland-Mined coal or coal from out of state. AES Warrior Run is a clean coal technology facility producing electricity with emission rates 8-10 times cleaner than typical coal facilities.
- It is vital to the environment of Western Maryland to keep these coal mining companies in business. We are actively re-mining areas that were previously impacted by pre-law mining (Prior to Surface Mining Control and Reclamation Act of 1977).
 - In conjunction with the Maryland Department of the Environment, Bureau of Mines, active coal mining companies use BMP's (Best Management Practices) to help mitigate acid mine drainage from old pre-law mines and reclaim areas that were effected by old pre-law mining.
 - Should coal mining in Maryland cease to exist, the State would be responsible to reclaim and mitigate these pre-law mining sites which would be cost prohibitive to the order of tens of millions of dollars to the taxpayers of Maryland.

SB 865 - Maryland Mined Coal

Uploaded by: Edwards, Garrett County Commussioners

Position: FAV

THE BOARD OF GARRETT COUNTY COMMISSIONERS

203 South Fourth Street - Courthouse - Room 207 Oakland, Maryland 21550

www.garrettcounty.org countycommissioners@garrettcounty.org

301-334-8970

301-895-3188

FAX 301-334-5000

Board of Commissioners

Paul C. Edwards
James C. Hinebaugh, Jr.
S. Larry Tichnell

County Administrator

R. Lamont Pagenhardt

County Attorney

Gorman E. Getty III

February 26, 2020

The Honorable Guy J. Guzzone
Budget & Taxation Committee
James Senate Office Building, Room 121
11 Bladen Street
Annapolis, MD 21401

RE: SB 865 – PUBLIC SERVICE COMPANY FRANCHISE TAX – CREDIT FOR PURCHASE OF MARYLAND-MINED COAL – EXTENSION

Dear Senator Guzzone:

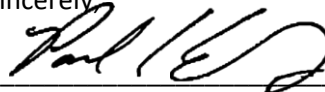
The Board of Garrett County Commissioners requests your continued support in preserving the tax-credit for Maryland-mined coal by extending the term until December 31, 2030, and authorizing the State Department of Assessments and Taxation to approve up to \$3,000,000 in total credits each year .

As you know, coal has been the cornerstone of the local economies of Allegany & Garrett Counties. The industry continues to provide jobs to many of Western Maryland's residents today. These jobs pay approximately double what other industries within our counties pay. Further, the industry contributes to our local tax bases. Its workforce frequents local establishments and utilizes services offered by other area businesses.

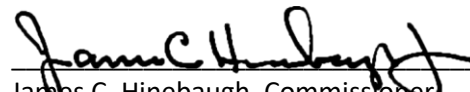
The Maryland-Mined Coal Tax Credit is utilized by Maryland's electricity providers who burn Maryland mined coal. These figures are reported on the electricity provider's franchise tax. These funds are then rebated to the producers through already provided for contractual obligations. The funds, in turn, are used to retain or add to the producer's workforce, or towards the purchase of new equipment. If the Maryland General Assembly repeals this credit, it will have harsh economic consequences for the farthest reaching counties of the state. The Board urges you to allow the coal tax credit for the purchase of Maryland-mined coal to remain in effect.

Thank you for your consideration.

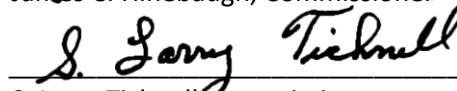
Sincerely,



Paul C. Edwards, Chairman



James C. Hinebaugh, Commissioner



S. Larry Tichnell, Commissioner

cc: Senator George Edwards
Delegate Wendell Beitzel

SB865_TIGHE_Favorable

Uploaded by: Tighe, Ray

Position: FAV

**TRI-STAR MINING, INC.
2278 MICHAEL ROAD
PO BOX 339
BARTON, MD 21521
PHONE (301) 463-6660
FAX (301) 463-2744**

February 17, 2020

Chairman
Senate Budget & Taxation Committee
3 West, Miller Senate Building
Annapolis, MD 21401

Without the Maryland Coal Tax Credit program Tri-Star Mining, Inc. will find it very hard to survive financially. With today's financial hardships, small businesses will be unable to meet the increasing demand of operating expenses. Every year the cost of insurance, taxes, fuel, blasting material, etc. increases. Without these extra perks to help with these demands, small businesses will find it very hard to operate.

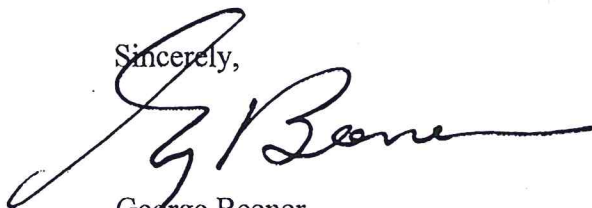
With so many businesses struggling today to stay afloat, we hope that you will consider the affect this will have not only on Tri-Star Mining, Inc. and their families, but also the many other businesses supported by Tri-Star Mining, Inc.

After factoring in all issues, we as a company hope that you will take all things into consideration before making a rash decision such as eliminating the Maryland Coal Tax Credit program. Such a decision could have major repercussions on today's already unstable economy.

Therefore if this Coal Tax Credit should go away; the door would be open for out of state businesses to sell their coal within Maryland. This would result in less and less taxes to be collected within the state which would take away from the up keep of multiple resources at County and State levels.

The Producers / Receivers o the Maryland Tax Credit is - MARYLAND HELPING MARYLAND.

Sincerely,



George Beener
President



Town of Midland
19823 Big Lane, SW
Midland, MD 21532

Mayor
Richard M. Blair

Town Meeting 7:30
1st Monday of Month

Member Maryland Municipal League

Town Council:
Gerald Gray
Michael McGowan, II
John R. Monahan
Nellie R. Tighe

Town Administrator
Craig W. Alexander

Town Clerk
Edward J. Baker

Town Treasurer
John G. Cullen

February 17, 2020

The Honorable Adrienne Jones, Speaker
Maryland House of Delegates
State House, H-101
100 State Circle
Annapolis, MD 21401

RE: Maryland -Mined Coal Tax Credit -Repeal

Dear Speaker Jones:

The Mayor and Town Council of the Town of Midland are strongly opposed to any attempt to advance the repeal of the Maryland Mined Coal Tax Credit. Coal mining in the George's Creek region of Allegany County is an essential component of our local economy, and provides many well paying jobs for our residents. Repealing the tax credit will have a negative impact on many small businesses in our community which depend on mining activity as their primary source of commercial support. As we have stated previously, this proposal not only threatens our local economy, but it will directly impact the funding method by which the state relies to restore properties which were once mined and never reclaimed.

Speaker Jones and House of Delegates members, the Mayor and Town Council respectfully request that you continue to support the Coal Tax Credit. We thank you for your thoughtful consideration of this important request to support businesses in Allegany County.

Sincerely,

Richard M. Blair, Mayor

CC: Governor Larry Hogan
Senator George C. Edwards
Delegate Wendell R. Beitzel
Delegate Jason Buckel
Delegate Mike McKay

February 17th, 2020

Representative Jason C. Buckel
Allegany County, District 1B
House Office Building, Room 309
6 Bladen St., Annapolis, MD 21401

Dear Representative Buckel:

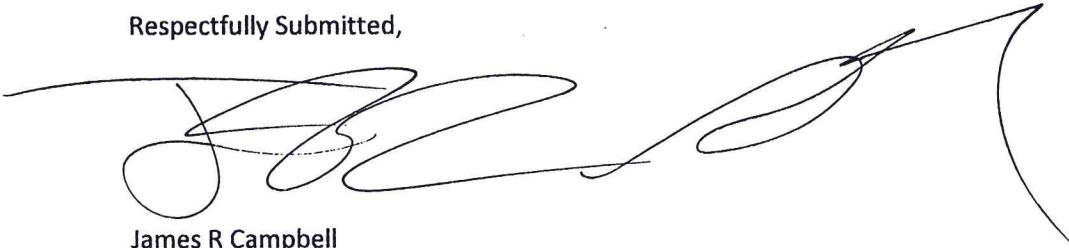
I am writing in support of House Bill 969, Public Service Company Franchise Tax – Credit for Purchase of Maryland–Mined Coal – Extension, and in opposition to House Bill 919.

In the coal business in Maryland we understand that adjustments are required of energy producers moving forward. I ask that the legislature please keep in mind that there is a natural time horizon of a decade or slightly more for both the supply of Maryland thermal coal and the standing arrangements with power producers. It is also worth acknowledging that Warrior Run is a particularly efficient and clean coal plant.

The area's principal employers, the companies involved in coal in George's Creek, already face a myriad of challenges staying open, profitable and providing good jobs. Along with the recent closing of the paper mill in Luke, any effort to hasten the demise of the coal business is going to have severe consequences on the economy and the working population in the area.

Everyone involved is working towards a transition to a less fossil fuel intensive economy. We are looking at ash beneficiation, manufacturing in the energy sector, and repurposing the paper mill. These jobs efforts will take time. Disrupting the local economy and the community by ending the tax credit now will have the effect of draining George's Creek of the people, talent, resources and revenues needed for the transition. What would instead be helpful is to extend the tax credit and then enact thoughtful legislation that further supports local economic development and a transition to a modern energy economy.

Respectfully Submitted,

A large, stylized handwritten signature in black ink, appearing to read 'James R Campbell', written over a horizontal line.

James R Campbell
Campbell Coal Company
970-417-2389 c
jamie1858@gmail.com

Town of Barton

19018 Legislative Road

PO Box 153

Barton, Maryland 21521

301-463-6347

town@townofbarton.comcastbiz.net

To The Maryland General Assembly:

It is with great concern that I write to you regarding the Maryland Coal Tax Credit. The Town of Barton and the residents within are in extreme favor for the continuation of this credit. The Coal Tax Credit is essential to the economy in our area of Allegany County. The coal industry is a huge employer in the Allegany County region. Not only does the coal industry provide jobs to miners, there are many indirect jobs associated with the mining business including truckers, mechanics, fuel station and restaurant workers, etc. In Allegany County, these are jobs we cannot afford to lose.

I urge you to strongly consider the continuation of the Maryland Coal Tax Credit. This credit is vital to our Allegany County communities and economy. Coal mining operations are critical to maintaining our economy and the area cannot afford to lose anymore major business/employers. In any wartime situation, these mines are essential to the steel manufacturing industry offering protection and support to our country through the production of war equipment and machinery.

The Town of Barton appreciates your consideration in this matter.

Respectfully,



Daniel A. Colmer, Mayor

Town of Barton



Town of Lonaconing
35 E Main St, Lonaconing, Maryland 21539
301.463.6266 / Fax 301.463.3150

COUNCIL

John W. Coburn Jr., Mayor
Robert S. Eakin
Charles F. Sloan III
Julie A. Hoffman
David S. Hershberger

Tyler P. Rayner, Administrator
Deborah A. Keller, Admin. Assistant

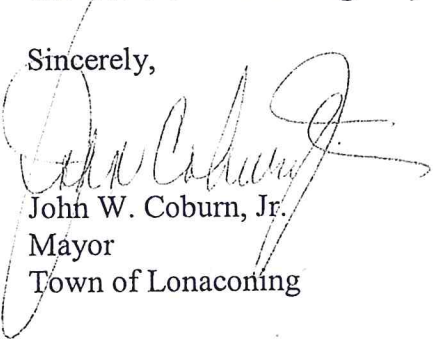
Dear Senator George Edwards:

The Mayor and Town Council of the Town of Lonaconing are in favor of the continuation of the Maryland Coal Tax Credit. We are opposed to any and all repeals against the Coal Tax Credit.

Coal mining is among the foundation of our region and is vital to jobs of our citizens. The local economy is dependent on coal mining. Any effort to hinder or stop the production of coal mining would severely threaten the local economy and change the landscape of the region. Citizens would be forced out of the region to search for new employment to support their family.

The Town of Lonaconing fully supports coal mining in the State of Maryland.

Sincerely,



John W. Coburn, Jr.
Mayor
Town of Lonaconing

MDSierraClub_UNF_SB0865

Uploaded by: Tulkin, Josh

Position: UNF



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Budget and Taxation

Testimony on: SB865 - “Public Service Company Franchise Tax - Credit for Purchase of Maryland-Mined Coal - Extension”

Position: Oppose

Hearing Date: February 26, 2020

The Maryland Sierra Club submits this testimony in opposition of SB865. Maryland should be ending state subsidies for coal mining rather than extending them for ten more years as this bill would do.

State tax subsidies for coal mining harm public health and environmental sustainability, and decrease available funds for more critical state needs, by incentivizing coal burning in Maryland. Over 85% of Marylanders live in counties that do not meet EPA healthy air standards for smog pollution. Coal-fired plants contribute to smog and high rates of asthma, especially among our most vulnerable citizens. Those plants are responsible for 44% of Maryland’s sulfur dioxide emissions, and their emissions of mercury and other toxic substances are an additional burden on public health. Coal also is a major cause of the climate crisis; in Maryland, the electricity sector is the second largest source of greenhouse gas emissions, and coal is responsible for about three-quarters of these emissions. Coal is declining as a fuel source due to less expensive alternatives; phasing out coal will save ratepayers money.

This session, the General Assembly has the opportunity to take major action to advance clean energy and protect public health by enacting bipartisan legislation (HB1545; SB887) to establish a firm timetable to retire Maryland’s six coal plants and provide transition assistance to affected workers and communities.

Continuing to directly subsidize coal mining by extending for ten more years the public service company franchise tax that benefits certain purchasers of Maryland-mined coal is unwarranted. We urge the Committee to issue an unfavorable report on this legislation.

Charles Skinner
Volunteer coal lead
cskinne@gmail.com

Josh Tulkin
Chapter Director
josh.tulkin@mdsierra.org

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has approximately 800,000 members.