

WILLIAM DONALD SCHAEFER, Governor

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1990.

May 25, 1990

The Honorable R. Clayton Mitchell, Jr.
Speaker of the House of Delegates
State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 134.

This bill directs the Comptroller to pay \$12,454,000 to four local governments: Allegany, Garrett, and Somerset Counties and Baltimore City. It conditions payment to each local government on the fiscal year 1991 property tax rate in the jurisdiction not being reduced below the rate for fiscal year 1990. The bill restricts the use of the funds to education and to limiting drug abuse.

I am vetoing House Bill 134 because it represents an expenditure of state funds by the General Assembly outside of the constitutionally established budget and appropriation processes. Fundamental issues of government are involved with this legislation.

In Section 52 of Article III, our Constitution establishes a system, known as the Executive Budget, under which I, as Governor, submit a budget to the General Assembly. The expenditures in my budget cannot exceed my estimates of the available revenues. In appropriating the funds under my budget, the General Assembly may reduce or eliminate any item of expenditure, but it may not add funds to any expenditure item in my budget, nor add any new expenditure item not included in my budget.

There is one exception sanctioned in the Constitution: If the General Assembly wishes to add an item of expenditure not included in my budget, it must provide an additional source of revenue to fund the new expenditure. The Attorney General has concluded, and I agree, that the Maryland Constitution does not permit House Bill 134 to be given effect without further action. An act of appropriation is required before this legislation could be implemented.

House Bill 134 circumvents this entire well-conceived budget system. By simply directing the Comptroller to pay funds to four local governments for certain purposes, the General Assembly is adding an item of expenditure not provided for in the budget, without having to vote for new taxes or other methods for raising additional revenues. In terms of precedent, my acquiescence to this budget making approach would be extremely dangerous.