

Being:

EXECUTIVE DEPARTMENT

ANNAPOLIS, MD., November 5, 1945.

Hon. John S. White,  
Speaker of the House,  
State House,  
Annapolis, Maryland.

*Dear Mr. Speaker:*

I take particular pleasure in addressing your Honorable Body through the medium of this communication in order to comment upon the reason for the call of the Special Session and, also, to report upon the condition of the State.

Repeated requests for the call of the Special Session were made by the Mayor of Baltimore City, later supported by the Board of Estimates of the municipality. In their request they described the fiscal condition of the City as grave and have asserted that it is essential for them to secure additional revenues. Otherwise, they aver, there will be an unprecedented increase in real estate taxation in the city.

It is respectfully suggested that the City of Baltimore be granted general taxing powers to meet this emergency situation. This recommendation is endorsed by the Mayor, the Board of Estimates and the City Council of Baltimore. It is suggested that a limitation be placed upon the exercise of these additional powers, as I propose to appoint a State-wide commission to study State and Local relationships and to report to the next session of the General Assembly.

The City officials of Cumberland, also, request consideration of legislation to meet an emergency and I request your attention to the proposals.

With your Honorable Body in session I am availing of the opportunity to suggest a reduction in taxes under the Unemployment Compensation Act. Because of the healthy condition of the State Fund, we feel that such a reduction can be made by affording the merit rating provisions generally instead of excluding those whose payrolls increased appreciably during the wartime period. This reduction will aggregate \$7,000,000.00 for the remainder of the fiscal year, the Commission advises, and for this reason we are recommending that the change be operative from September 1, 1945.

Fortunately, the affairs of our own State of Maryland are in excellent condition. Through legislation enacted by your Honorable Body, Maryland has been able to face the critical needs of war,