

The Montgomery County Council has used this tax power and its 1969-1970 budget relies on \$500,000 it anticipates receiving from this tax source. The Council has gone on record in opposition to this bill. I am attaching herewith a copy of the letter to me from the Montgomery County Attorney written upon the instructions of the County Council.

Supporters of the measure point out that there will be a one-half percent tax on such transfers effective July 1, 1969, pursuant to House Bill 29 which I have previously signed into law. They argue, persuasively, that the transfer tax imposed by the Montgomery County Council is burdensome on this type of realty and that it does not deal with problems of alleged loopholes in farmland assessment in suburban counties.

In view of the impact that Montgomery County would suffer if Senate Bill 429 were to become law, I have decided to veto it. However, I urge the General Assembly and the Montgomery County Council to address themselves more thoughtfully to this tax and to the implications of its level when Senate Bill 139, changing the formula on farmland assessments, takes effect. Future legislation and my evaluation of the situation should not be based on the fact that, under all the circumstances, I have vetoed this bill in this year.

Sincerely,

/s/ MARVIN MANDEL,

Governor.

Letter from Montgomery County Council

May 5, 1969.

The Honorable
Governor Marvin Mandel
State House
Annapolis, Maryland 21404

RE: Senate Bill 429

1969 General Assembly

Dear Governor Mandel:

By a vote of 4 to 3, at its meeting of April 29, the County Council for Montgomery County instructed me to request that you veto Senate Bill 429 enacted in the recent session of the General Assembly.

This Bill would repeal a section of the Public Local Law which authorizes the County Council to levy and impose taxes on the transfer of fee simple interest in real property. The present statute authorizes rates not to exceed specified amounts for three different classes of property: Six percent of the value of the consideration for any transfer of land which while owned by the transferor has been assessed at any time during the five years preceding transfer on the basis of being actively devoted to farm or agricultural use; six percent of the value of the consideration for any transfer of real property which has been rezoned to a more intensive use at the instance of the transferor or transferee excluding the value of improvements, construction, after event; one percent of value of the