

sixty per cent of value, then it seems to me that the basis for, absent the section on equalization, the basis for determining the taxes in the local political subdivision, would be greater. This would mean that the money coming to those political subdivisions would be less. It would have nothing to do with what Baltimore City would get, one way or the other. What you are really driving at is that since most of the tax powers are in Baltimore City and since they provide the other money, would they be called upon to pay more in other taxes? The answer to that is probably yes, but so would the people in Montgomery County and Prince George's County and Baltimore County. Do you follow what I am saying? The fact that you have an underassessment or overassessment does not mean that one political unit gets more or less. The point that is always made here and you should understand is who pays the county that gets more than it should. Now, by the same token, if this farm assessment provision is adopted as a part of the integral part of the state, then this coupled with section 8.02-1, the equalization section, will insure that each political subdivision will get exactly what it is entitled to per the constitution and that the people in your county will not be required to pay any more than the people in my county for conscious underassessment.

Delegate Macdonald, do you have a further question?

DELEGATE MACDONALD: Is it not a fact, Delegate Case, if one group, in this particular case, the farmers, are given a special tax break assessmentwise, that that increases the burden on other taxpayers and that that increase is reflected not only in the assessments themselves, but through the equalization formula.

DELEGATE CASE: As I answered earlier, of course, anytime you reduce an exemption or make an exemption, and I do not care what exemption it is, you necessarily increase the burden the other taxpayers share. This is as axiomatic as today is Tuesday. This is what Mr. Howse set out to prove and did prove in thirty pages of somewhat meaningless statistics in my judgment. So the first point you make is absolutely correct. There can be no question about it.

Now, the second point that you make stems, I think, from a misunderstanding of the way equalization works. Equalization does not mean that a political unit like Baltimore City gets less. What undervalua-

tion equalization means is that the undervalued county gets more. Now, the question then turns on where does the more come from and the more comes from the general funds of the State which are provided by and large by your county, by my county of Baltimore City and Prince George's County, but it is not a question of anybody getting less. Do I make that point clear?

THE CHAIRMAN: Delegate Macdonald.

DELEGATE MACDONALD: Is it not a fact if Carroll County gets more, some other political subdivision must get less?

DELEGATE CASE: No.

DELEGATE MACDONALD: Are we not dealing with one hundred per cent?

DELEGATE CASE: No, you are dealing with a requirement in the educational field. Let us say that there must be three hundred and seventy dollars multiplied by the number of students in that particular county. This is not one hundred per cent. This is open ended. It is open ended so an undervaluation or an underassessment means, let me state it again. Where you have a county, I do not like to pick any one county, but let us say County "X". If County "X" assesses it so that it is consciously undervalued and that valuation base is the determinative factor in the sharing of state revenues then because it is undervalued, it will receive more state revenues than it otherwise would. This is not to say that Baltimore City receives, or any other place receives, less. What it means is that there is more state money that has to be found somewhere and should be found and the taxpayers of the State and the general taxpayers are going to have to pay it.

THE CHAIRMAN: In other words, Delegate Macdonald, the appropriation for the state equalization fund must be greater.

Delegate Macdonald.

DELEGATE MACDONALD: And that would be collected from the other taxpayers.

DELEGATE CASE: General taxpayers. That is correct.

THE CHAIRMAN: Delegate Pullen.

DELEGATE PULLEN: Mr. Case, is it not true that the amount of money coming from the State goes to every county in accordance with the deeds in that particular county by a formula. In other