

and the counties have been prohibited from taxing the operation of all motor vehicles. The City, however, receives 30 percent of all revenue from motor vehicle operations all over the State, and the counties receive 20 percent. The City of Baltimore cannot expect to receive 30 percent of the State's revenue from motor vehicles and, at the same time, impose its own taxes on such operations in addition. It has been said that when the company changes its operations from rail to bus, the City loses revenues. This statement is erroneous. The fact is that more taxes, in proportion, are collected from bus operations than from rail operations, and that as conversions are made the company pays more both to the City and the State. The company is bound by contract to pay the City two percent of its gross receipts from bus operations, a rate almost equal to what it pays on rail operations, and in addition it pays gasoline, oil and seat mile taxes, not imposed on street cars.

In addition to these considerations, Senate Bills Nos. 127 and 380 contain exemptions in favor of passenger bus operations with a terminus more than fifteen miles from the City. This provision allows such buses to operate within the City free from City jurisdiction, while subjecting the buses operating within the prescribed area to any tax the City might decide to impose up to nine percent of gross receipts (under Senate Bill No. 127,) and without limitation as to conditions under Senate Bill No. 380. This last bill would also give the City the same right to issue franchises as is now vested in the Public Service Commission. There is no good reason why the State should retire from this field, and every reason why it should continue to exercise its authority; and there seems to be no valid argument in favor of creating overlapping authority, with resulting confusion and difficulty for Baltimore's mass transportation system and the riding public. Senate Bill No. 126 is an attempt by the City to interfere with the operation of its ordinance, passed in 1932, fixing gross and net income taxes on rail operations. That bill and also Senate Bill No. 127 contain sections attempting to change State policy and State law as provided in Articles 56, 66½ and 81 of the Code.

On March 25, 1947, I sent a letter to the General Assembly expressing my objections to all of these bills. Since then I have given further consideration to the questions involved, and I have given those interested full opportunity to present their arguments in favor and in opposition.

I have not changed my views, and the bills will therefore be vetoed.