

when our financial situation is more apparent, provision for increasing the incentive fund above the \$10 per pupil now provided."

I added, however, that "if such legislation is introduced, I shall reserve the right to veto it—and indeed would veto it—if it were not accompanied by assurance of more equitable assessments or authority for assuming equitable assessments in arriving at the final figures on distribution."

I had before me at that time—as did members of the General Assembly—the reports of the Maryland State Debt and Finance Commission and the Commission to Study Education and Finance.

Both Commissions recommended action at the State level to equalize assessments of property among the various subdivisions to eliminate existing inequalities and the disadvantages now suffered by subdivisions with the more realistic valuations.

The State Debt and Finance Commission, headed by Mr. W. Arthur Grotz, stated: "Measures should be taken to require an equalization of property values for all purposes related to the distribution of State funds in order to correct unjustified inequities which now exist."

The Commission to Study Education and Finance, of which Mr. Harry J. Green is Chairman, recommended that "no increase be made in the Incentive Fund without accompanying legislation which will effectively require the calculation of such increased aid to be made by the use of a minimum percentage of property assessments against fair market value."

The Legislature obviously gave no weight to those conclusions at which the separate bi-partisan commissions of public-spirited citizens arrived after arduous study and investigation.

When Senate Bill 340 was before the General Assembly, some proponents argued that it should not be considered in connection with the need for assessment equalization because the proposed Incentive Fund increase disregarded the established formula of \$10 per student in a subdivision, less the amount yielded by the assessment of 5 cents on each \$100 of property valuation, and merely sought to increase the payment per enrolled student by \$10.

That argument, in my opinion, has no sound basis. The bill, as passed, still condones the evil of assessment inequalities, and you can't cure an evil with a give-away program.

It should be noted here that Senate Bill 340, as passed by the General Assembly, would not become law, even if approved by me, until July 1, 1956.

The Legislature will convene in February, 1956, giving ample time to enact a properly considered measure to increase the Incentive Fund for school construction in connection with a sound revenue program and with workable procedures for the equalizing of property assessments for this purpose.

I assure you that Legislation passed under such circumstances would be considered by me on its merits and in view of the interim efforts of the political subdivisions to meet their school construction problems which must, as both the Grotz and Green Commissions pointed out, continue to be primarily the responsibilities of Baltimore City and the 23 counties.

Sincerely,

(s) THEODORE R. MCKELDIN,  
Governor