

As in the case of the tax on alcoholic beverages, if local taxation is ultimately sought to be merged with a State tax on a reimbursable basis, it is reasonable to expect that the rate of county reimbursement will be pegged at the highest existing level. This would have the unfortunate result of making the tax higher than it reasonably should be, or of precluding entirely or unwarrantedly minimizing the possible State tax. In short, this is a step toward entire pre-emption of the tobacco tax for local purposes at a widely varied rate. The alternatives which this bill presents are, in my opinion, unsound from the standpoint of general State policy, fiscal and otherwise, and I have therefore vetoed it.

Respectfully,

(s) THEODORE R. MCKELDIN,  
Governor

TRMcK/A

House Bill No. 574—Labor Dispute; Unemployment Compensation.

AN ACT to repeal and re-enact, with amendments, Section 5 (e) of Article 95A of the Annotated Code of Maryland (1951 Edition), title "Unemployment Compensation", sub-title "Disqualification for Benefits", relating to unemployment benefits due to persons not working because of a labor dispute.

May 9, 1955

Honorable John C. Luber  
Speaker of the House of Delegates  
State House  
Annapolis, Maryland

Dear Mr. Speaker:

House Bill 574 purports to amend the Unemployment Compensation law procedure with respect to disqualification from benefits of persons not working because of a labor dispute. The amendment would provide that "a finding of unemployment due to a labor dispute shall be as a result of a determination by the Board independent of mere notification".

Existing provisions of the Unemployment Compensation law provide the procedural machinery for full administrative determination of this question in an orderly manner. The proposed amendment will introduce ambiguity into the existing statutory provisions and will not in any manner facilitate administration of the law. I am advised that this amendment might possibly affect the present right of the Board to withhold payment of benefits in a labor dispute case, pending an investigation and hearing. Concern is expressed that it might become necessary to pay benefits for a period of time, pending determination, and with little or no chance of recovery of benefits paid if the determination is adverse to the claimant. For these reasons and in accordance with recommendations of the Employment Security Department that House Bill 574 not be signed, I have today vetoed it.

Respectfully,

(s) THEODORE R. MCKELDIN,  
Governor

TRMcK:TK