

(8) SUBMIT ANNUALLY A REPORT PREPARED IN COOPERATION WITH THE OFFICE OF THE COMPTROLLER AND THE DEPARTMENT OF BUDGET AND FISCAL PLANNING ON THE ADDITIONAL TAX REVENUES GENERATED BY THE OCEAN CITY CONVENTION CENTER FACILITY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1995.

May 24, 1995

The Honorable Casper R. Taylor, Jr.
Speaker of the House of Delegates
State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 21.

House Bill 21 raises the State maximum relocation payment resulting from an eminent domain proceeding for displaced businesses from \$20,000 to \$23,785. It also requires these payments to be calculated using an annually adjusted inflation or deflation factor. The Maryland Department of Transportation (MDOT) opposed this bill during Session because it is in conflict with federal provisions regarding displaced businesses. This bill is similar, although not identical to, House Bill 590 which was vetoed in 1994.

Although House Bill 21 does not violate federal law, it would create differences between the federal and State relocation provisions, resulting in inequitable treatment of property owners. Currently, most MDOT property acquisitions involve federal funds and the federal maximum relocation limit of \$20,000 applies. Future reductions in federal transportation aid, however, may increase the number of State-funded projects. The bifurcated reimbursement policy proposed in House Bill 21 could drive up State costs and exacerbate the inequitable treatment among property owners. Furthermore, the existing statutory limit on relocation payments is a sound fiscal policy that protects the State from unforeseen inflationary pressures.

Traditionally, State law has mirrored federal law, and that system has served both the State and the property owners well. In the past, the maximum relocation payment has been increased periodically to reflect changes in the Federal Uniform Relocation Assistance Act. In 1987, for example, the maximum limit in the Real Property Article was \$17,500 and was raised to \$20,000 in 1990.

Instead of amending State law, a more appropriate approach would be to push for a change in policy at the federal level. I have instructed the Maryland Department of Transportation to contact the Federal Highway Administration and our Congressional Delegation to inform them of the General Assembly's desire to change the maximum relocation limit. Until the federal policy changes, however, it is not advisable to create a new limit with an annual adjustment at the State level.