

6. the Economic Development Opportunities Program Fund, authorized under § 7-314 of this article; AND

7. THE MARYLAND COMPETITIVE ADVANTAGE FINANCING FUND, AUTHORIZED UNDER ARTICLE 83A, TITLE 5, SUBTITLE 13 OF THE CODE;

SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Business and Economic Development shall convene a study panel during the 1999 Interim, to be staffed by the Department, which includes members of the Senate of Maryland, appointed by the President of the Senate, members of the House of Delegates, appointed by the Speaker of the House, representatives of the Maryland Economic Development Commission, and representatives of the business community. The study panel shall review the consolidation of the Department's current financing funds and financing funding models. The Department shall report to the Senate Budget and Taxation Committee and the House Economic Matters Committee on the study panel's recommendations and provide draft legislation, as necessary, by December 1, 1999 to allow for consideration during the 2000 legislative session of the General Assembly.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1999. It shall remain effective for a period of 2 years and, at the end of June 30, 2001, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

May 26, 1999

The Honorable Casper R. Taylor, Jr.
Speaker of the House
State House
Annapolis MD 21401-1991

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I today vetoed House Bill 193 – Personal Property Tax – Lien for Unpaid Taxes.

House Bill 193 provides that any personal property tax liens placed on real property by a local government are subordinate to any previously filed liens. According to the Attorney General, a lien for personal property tax debt that attaches to the debtor's real property is currently given a priority over other debts, such as mortgages, when recorded. The preferential treatment of this tax lien represents "long-standing Maryland law" that has enabled counties and municipalities to collect millions of dollars in delinquent personal property taxes.

House Bill 193 is identical to legislation I vetoed after the 1998 Session. In the past two years, I have received letters from mayors, town officials, county executives and county commissioners throughout Maryland raising serious concerns regarding the impact of this legislation on local revenues. If the current lien priority is eliminated, local governments will lose critical leverage to collect unpaid personal property taxes. In most cases it is the mere existence of these liens, rather than their use, that results in the payment of delinquent taxes. The elimination of this enforcement tool will