

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1992.

May 26, 1992

The Honorable R. Clayton Mitchell, 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 426.

This bill authorizes the collectors of State, county, and municipal property taxes to grant to the Union Street United Methodist Church a refund of property taxes paid for the tax years July 1, 1980 through June 30, 1988.

Property owned by a religious group or organization is exempt from taxation if the property is used exclusively for public religious worship, a parsonage or convent, or educational purposes. A 1980 property inspection by the Department of Assessments and Taxation indicated that the Union Street United Methodist Church had razed its parsonage located on a parcel adjoining the church. The vacant parcel that remained was therefore made taxable. Although a social hall was later constructed, a property tax exemption application was not filed by the property owner until 1991. At that point, an exemption was granted from future taxation, and the property taxes paid for the most recent three years were refunded in accordance with current law.

Current law requires a person to submit a claim for a refund of property tax within three years from the date that the tax is paid. While the amount of State funds remaining at issue in this situation is only \$100, I am concerned that this bill would set a very bad precedent. By circumventing the three-year statute of limitations for refunds for one property owner, this bill would invite future legislation for any other taxpayer who failed to request a refund on a timely basis. The Department of Assessments and Taxation is not aware of any other bill that refunds property taxes to a taxpayer that was passed by the General Assembly and signed into law.

Statutes of limitations exist so that claims for refunds are filed when the records to judge the merits of the claim are still available. Statutes of limitations such as involved here also provide a degree of finality and certainty to the financial accounts of State and local government, ensuring that old claims will not arise beyond a defined period. I am reluctant to initiate a practice that would detract from the sound financial management of State and local government in Maryland. Despite the difficult fiscal problems that have faced this State, Maryland continues to receive high ratings for its fiscal management as evidenced by our retention of the AAA bond rating and by other national evaluations. I am concerned that if we engage in practices such as those contemplated by House Bill 426, we might begin to jeopardize the confidence that outside organizations have in our fiscal management.