

**MARYLAND TAXPAYERS ASSOCIATION**

**STATEMENT OF RICHARD FALKNOR**

TO THE HOUSE OF DELEGATES  
WAYS AND MEANS COMMITTEE  
IN BEHALF OF HB1444

PROPOSING AN AMENDMENT TO THE MARYLAND CONSTITUTION ESTABLISHING  
A TAXPAYERS' BILL OF RIGHTS  
**"GIVE VOTERS THE FINAL WORD ON TAX AND SPENDING HIKES"**

**MARCH 10, 2005**

Madam chairman, and committee members, my name is Richard Falknor, and I am executive vice president of the Maryland Taxpayers Association, Inc.

The Maryland Taxpayers Association is a 501(c) (4) non-partisan, not-for-profit, volunteer grass-roots organization which asks Maryland elected officials for their pledge not to raise taxes, acts to make Maryland government more efficient, and organizes and chairs the *Maryland Center-Right Coalition* and the *Maryland Leadership Conference*

In MTA's view, there has been a bi-partisan failure to control state spending which is documented by the very recent National Taxpayers Union Foundation study entitled *Maryland's Fiscal Folly: The Taxpayer's View*, and there has been a bi-partisan complicity in raising state and state-approved local taxes most recently highlighted by the \$2 billion in new 2004 taxes to which both the administration and many members of the General Assembly agreed.

Out of control local taxes, moreover, touch every property owner in Maryland, and property owners are in an uproar.

Here is the nub of what a Maryland TABOR does:

**TABOR GIVES MARYLAND VOTERS THE FINAL SIGN-OFF ON PROPOSED STATE AND LOCAL TAX HIKES, AND LIMITS STATE SPENDING INCREASES TO INFLATION AND POPULATION GROWTH.**

Here is an illustrative extract from the *Fiscal and Policy Note* accompanying HB 1444.

According to the following chart, from FY2000 through FY 2005 Maryland spending, in the aggregate, rose, in all but one year, significantly in excess of the rate of population growth and inflation:

**State Spending and Allowable Spending under HB 1444**

<b>Fiscal Year</b>	<b>State Expenditures (\$ in Millions)</b>	<b>Increase over Prior Fiscal Year</b>	<b>Allowable Increase under HB 1444</b>
2000	\$17,868.3	7.2%	2.9%
2001	20,064.8	12.3%	4.4%
2002	21,443.0	6.9%	3.9%
2003	22,454.1	4.7%	3.6%
2004	22,547.0	0.4%	4.1%
2005	24,045.1	6.6%	3.8%

***What about Maryland state and local taxes?***

Our research indicates that the Maryland General Assembly approved in 2004 over \$2.3 billion (calculated over several fiscal years) in increases in taxes, and taxes disguised as fees. Both parties bear responsibility here.

MTA hastens to point out that the same levy is not a sensible fee if proposed by Republicans, but a burdensome tax if proposed by Democrats, or vice versa.

According to Montgomery County’s Taxpayers League, that jurisdiction has the highest per person tax burden in the state with spending more than 32 per cent higher than the FY2003 average.

**Growth in Operating Budgets in 4 of 5 of Maryland’s Largest Counties, 2000-2004 (\$ millions)**

Jurisdiction	2000	2004	Change	Pop. Change
Montgomery	\$2.682	\$3.081	<b>+14.88%</b>	+7%
Prince George’s	\$1.908	\$2.160	<b>+13.21%</b>	+7%
Baltimore Co.	\$1.873	\$1.840	<b>-1.76%</b>	-4%
Baltimore City	\$1.660	\$1.794	<b>+8.07%</b>	-4%
Anne Arundel	\$1.159	\$1.314	<b>+13.37%</b>	+5%

Source: Maryland Association of Counties.

***But volunteer taxpayer and property-rights organizations are no lobbying match in the county courthouse or city hall for organized government employees, reinforced by municipal bond and public construction interests.***

Perhaps the dominant perspective of this committee is a different one than we share. But we would also point out that a TABOR is becoming a living issue in the legislatures or among the voters of other states. From Maine to Wisconsin to Oklahoma, proposed tax-and-expenditure limits are taking their place on the public agenda.

*Consequently MTA asks the Committee that the citizens of Maryland be given an opportunity to vote on this important proposed reform arising from our creative Federalist system.*

Our members strongly believe that Maryland's citizens themselves should be able to shape the future ground rules of Maryland's political economy.

Thank you.