



March 5, 2012

The Honorable Edward J. Kasemeyer
Budget and Taxation Committee
Miller Senate Office Building, 3West
Annapolis, MD 21401

RE: Senate Bill 152 - Budget Reconciliation and Financing Act of 2012 - **Oppose**

Dear Senator Kasemeyer:

This bill will transfer funds, change tax laws, suspend certain provisions of local aid formulas, alter the responsibility for funding certain local employee pension benefits, and make other changes necessary to balance the FY 2013 state budget. The Legislative Committee of the Carroll County Chamber of Commerce opposes SB 152. Increased government expenditures and increases in taxation and fees will have a negative impact on Maryland's business climate.

We oppose the bill largely because it fails to solve hereditary budget issues that are a result of covering Maryland revenue shortfalls with Federal stimulus funds. This strategy has resulted in an onslaught of legislation that proposes significant increases in taxes and fees with little or no movement toward reducing expenditures.

At this point Maryland can begin reversing the trends toward increasing the size and scope of government. As we have seen, many states are now experiencing hard budget cuts simply because they have reached a tax and regulatory ceiling. Also, we have seen some states make adjustments to government payroll and benefits in order to save jobs. Those latter states have had success in reversing their negative fiscal trends and in turn reduced taxation and regulation.

Maryland enjoys the financial impact of being located in the shadow of Washington DC; however, the trend going forward will be a contraction of federal spending. We should not depend so heavily on these fruits and prepare for this contraction.

Our choices are becoming clear. Citizens will flee the state because it fails to act now and become more fiscally responsible. If we make small adjustments now and in the near future we can retain our businesses and citizens. Moreover, we will take the path that makes us more attractive and a place to work and live. For these reasons we ask that you give this bill an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads 'Michael McMullin'.

Michael McMullin
President
Carroll County Chamber of Commerce

cc: Senator Joseph M. Getty
Delegate Susan W. Krebs