

R. E. Lee Marshall, Esq., City Solicitor (cont'd)

busses engaged in intrastate transportation of passengers for hire. Under Section 254 the Commissioner of Motor Vehicles and the State Treasurer were to act more or less as agents for the local governments in collecting and disbursing the registration fees. The Legislature originally recognized the claim of the local governments to these revenues and provided that they be disbursed by the State Treasurer on a mileage basis. Under the annual budget acts the claim of Baltimore City is still recognized but distribution is now made on a percentage basis rather than on a mileage basis.

In endeavoring to remedy the situation which is being presented by the change from street cars to busses the desirability of a uniform system of taxation cannot be overlooked. Three possible solutions are suggested.

1. Increase the registration fees imposed by Section 251-A of Article 56. However, this would not benefit Baltimore City to any great extent since it would only receive 20 or 30 per cent. of the increased revenue.

2. Eliminate the state tax on busses operating exclusively in Baltimore City and authorize Baltimore City to impose a tax on such busses. It is doubted if this would greatly benefit Baltimore City because - (a) Baltimore City would no longer be equitably entitled to any percentage of the registration fees received in connection with county busses; and (b) if the rates of taxation on City bus lines were increased such lines as the Charles Street Bus Line would most likely be extended so as to result in the busses operating partly in the city and partly in the county, and thereby oust the City of Baltimore from jurisdiction to tax such busses.

3. Put back in force the provisions of Section 254 of Article 56 which provide that distribution of these registration fees shall be on a mileage basis. At the present time figures are not available to show whether Baltimore City would be benefited by a mileage basis distribution instead of a percentage basis distribution.

Very truly yours,

(signed) CHARLES C. G. EVANS

Deputy City Solicitor

CCGE/RRS