

THOMAS V. MIKE MILLER, JR.
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27th Legislative District



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The Senate of Maryland

ANNAPOLIS, MARYLAND 21401-1991

December 15, 2015

The Honorable Peter Franchot
Office of the Comptroller
80 Calvert Street
Annapolis, Maryland 21404

Dear Comptroller Franchot:

I am in receipt of your recent correspondence and am puzzled by its overly dramatic and unnecessary adversarial tone. As you know the General Assembly is the policy making branch of State government. You cannot be shocked by that the legislative representatives would make the completely reasonable request that legislative leaders be given the opportunity to give input on a policy matter.

First and foremost, the merits of portable air conditioners is not the issue at hand. The policy issue is whether the State should take on a new spending responsibility to pay for something that has historically been a purely local responsibility. As you indicated, counties like Anne Arundel have already made these expenditures using local funds.

The State has very limited capital funds for school construction. Last year, there were almost \$600 million in requests for school construction projects with only \$300 million in available funds. This year, the requests exceeded \$600 million with only \$280 million in funds identified by the Governor for public school construction. With these limited funds, adding a new expenditure regardless of how meritorious creates a zero sum game and would require taking from one important need to give to another. These kinds of decisions are better left to be balanced among the competing needs at the local level in each county.

As the tax collector for the State, it is indeed fortunate for you that you do not have to worry about the bigger picture at either the State or local level and can simply harangue others about whatever pops into your head every other Wednesday at the Board of Public Works. While you can print press releases, you cannot print the money from your ivory tower on Calvert Street to address all of the issues or needs in the State.

What you can and were constitutionally elected to do however, is accurately collect taxes and expeditiously process tax returns and refunds. I read with great concern the recent report in the *Washington Post* that you misappropriated millions of dollars of local income tax revenue due to Montgomery County to municipalities within the county. While your spokesman accepted responsibility for your failure to execute the responsibilities of your office, the fact that you could

lose track of an estimated \$12 million to \$15 million raises legitimate anxieties about your stewardship of taxpayer funds. This will now force some Montgomery County municipalities to repay millions of dollars because of the sloppiness in your office.

The Maryland Constitution charges you with general superintendence of the fiscal affairs of the State, preparing plans for the improvement and management of State revenue, preparing and reporting estimates of the State's revenue and expenditures, superintending and enforcing the prompt collection of taxes and revenues, and attendant fiscal matters. Your attention to local government affairs in places like Baltimore County and Montgomery County is clearly distracting from your execution of your constitutionally mandated responsibilities.

Moreover, although anecdotes are not data, we have heard of numerous incidents with respect to your office and the 2014 State tax return process. This included many reports of significant delays in the timely opening of tax returns and the depositing of checks accompanying the returns. Furthermore, it is our understanding that the distribution of tax refunds was also unacceptably delayed with some refunds not being received until as late as June.

Given the severity of these issues, a hearing is indeed warranted early in the 2016 legislative session to examine the extent of the problems your office is experiencing in carrying out your responsibilities. First and foremost, how you lost track of an estimated \$12 million to \$15 million in taxpayer funds, whether the same mistake occurred with municipalities elsewhere, the costs incurred in correcting your error, and what steps you are taking to prevent such embarrassing mismanagement of public funds from occurring again.

You seem increasingly content to pursue your personal and political interests and seem to delight in basking in the glow of press releases while ignoring your constitutionally mandated duties. This lack of attention is coming at a great cost to the taxpayers of the State of Maryland who deserve a renewed focus from you and the timely, efficient and accurate processing of tax returns and refunds and proper accounting of distributions to local government.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas V. Mike Miller, Jr.", with a large, stylized flourish at the end.

Thomas V. Mike Miller, Jr.