

May 7, 2020

The Honorable Bill Ferguson
President of the Maryland Senate
H-107 State House
Annapolis, MD 21401

The Honorable Adrienne A. Jones
Speaker of the Maryland House of Delegates
H-101 State House
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones:

The COVID-19 pandemic wrought unprecedented and long-lasting damage to our national and state economies in just a matter of weeks. The pressures on state and local budgets from COVID-19 and the resulting economic fallout may be significantly worse than any experienced since the Great Depression .

Due to the early and unprecedented actions my Administration has taken, we are slowing the spread of the virus, saving lives, and moving towards beginning our economic recovery. However, it is increasingly clear that we will be facing significant fiscal and economic challenges for the foreseeable future as we recover from this global pandemic and the massive economic crash it caused.

The State Board of Revenue estimates Maryland will lose \$2.8 billion dollars, including nearly \$1 billion in income tax revenue in just three months, because of this virus. This represents a 50% decrease in revenue over the next 90 days. The total loss amounts to 15% of the state's entire general fund for fiscal year 2020. Revenue projections have the potential to fall even further. In addition to this grim forecast, the State will be spending much of the Rainy Day Fund.

In response to these projections, I immediately implemented a budget freeze, and instructed all agencies to stop discretionary purchases of items or services unrelated to addressing the COVID-19 pandemic. I also imposed a hiring freeze, and directed the Department of Budget and Management to determine options and make recommendations for budget cuts in all state agencies.

The economic fallout from this pandemic simply makes it impossible to fund any new programs, impose any new tax hikes, nor adopt any legislation having any significant fiscal impact, regardless of the merits of the legislation.

For these reasons, I am vetoing the following legislation:

- *House Bill 1260 - Historically Black Colleges and Universities - Funding*
- *House Bill 1300 - Blueprint for Maryland's Future - Implementation*
- *House Bill 737 - Local Government - Income Tax Disparity Grant - Amounts*
- *House Bill 1000 and Senate Bill 524 - Building Lifelong Library Learners Act*
- *House Bill 1658 and Senate Bill 1065 - Economic Development - Baltimore Symphony Orchestra - Funding and Reporting*

- *Senate Bill 465 - Maryland E-Innovation Initiative Program and Admissions and Amusement Tax Distributions – Extensions and Alterations*
- *House Bill 310 and Senate Bill 184 - University of Maryland, Baltimore - Study on the Health Effects on Air Traffic Noise*
- *Senate Bill 493 - Small Business Development Center Network Fund - Minimum Appropriation*
- *House Bill 498 - Department of Aging - Grants for Aging-in-Place Programs - Funding*
- *Senate Bill 452 - Family Investment Program - Temporary Cash Assistance - Funding*
- *Senate Bill 845 - Higher Education - Maryland Corps Program Fund - Alterations*
- *Senate Bill 907 - Public Safety - Crime Plan and Law Enforcement Councils (Maryland State Crime Plan)*
- *Senate Bill 929 - Public Safety - Baltimore City - P.R.O.T.E.C.T. (Public Resources Organizing to End Crime Together) Program*
- *House Bill 1488 and Senate Bill 985 - Certified Local Farm Enterprise Program and Certified Local Farm Enterprise Food Aggregation Grant Fund - Establishment*
- *House Bill 1659 - Maryland Stadium Authority - Youth and Amateur Sports Grant Program and Michael Erin Busch Sports Fund*
- *Senate Bill 407 - Office of the Attorney General - Senior and Vulnerable Adult Asset Recovery Unit*
- *Senate Bill 708 - Maryland Violence Intervention and Prevention Program Fund and Advisory Council - Alterations*
- *House Bill 1121 - Maryland Mental Health and Substance Use Disorder Registry and Referral System*
- *House Bill 514 and Senate Bill 398 - Maryland Small Business Innovation Research and Technology Transfer Incentive Program*
- *Senate Bill 684 - Correctional Services - Prerelease Unit for Women - Facilities and Services (Gender-Responsive Prerelease Act)*
- *Senate Bill 796 - Developmental Disabilities Administration - Program Changes and Required Reports*
- *Senate Bill 877 - Underground Facilities Damage Prevention - Revision*

We can and will continue our dialogue about these important issues in the years ahead once our economy recovers.

As we unite to face this crisis, we are making difficult choices. I look forward to working together with the Maryland General Assembly to develop a fiscally responsible path to recovery.

Sincerely,

Larwrence J. Hogan, Jr.
Governor