

HOUSE No. 2157

The Commonwealth of Massachusetts

EXECUTIVE DEPARTMENT,
STATE HOUSE, BOSTON, June 20, 1938.

To the Honorable Senate and House of Representatives:

I am returning herewith, without my approval, House Bill 2026, entitled, "AN ACT PROVIDING FOR THE DISTRIBUTION BY THE COMMONWEALTH TO ITS MUNICIPALITIES OF A SUM OF MONEY FROM THE HIGHWAY FUND", for the following reasons:

1. In its present form this bill is financially unsound. By its provisions \$8,000,000. would be added to the state tax. Therefore, the taxpayers of the various cities and towns would have to bear the additional burden in the nature of an increased local tax rate.

2. Under this bill a state tax of approximately \$16,000,000. would result. Under the figures submitted by my budget a state tax of \$8,000,000. would ensue. If this bill before me now were enacted into law the state tax would be doubled, and this deficit would have to be made up by the cities and towns next year. This would entail an increase of \$3.00 per thousand in local tax rates. I am sustained in this statement by the opinion of Theodore N. Waddell, Director of the State Division of Accounts, who is regarded as an outstanding authority on state and municipal finance.

3. Furthermore, I am of the opinion that my request for a bond issue, which is now before your Honorable Body for consideration, fairly, adequately and economically covers the situation. Under the terms of this issue, ten millions of dollars would be spent for state highway

construction or repair and five millions would be spent for local highway purposes. This would be financed from the Highway Fund in five years at a rate of three million dollars per year. It would not constitute diversion and accordingly there would be no penalty imposed by the federal government, nor would there be any additional burden imposed on the taxpayers.

The remaining eight and one-half million dollars could be met by a contribution of approximately forty-five per cent from the federal government and the balance paid by the state over a period of ten years.

Therefore, I am vetoing said House Bill 2026 for the above mentioned reasons.

CHARLES F. HURLEY,

Governor.