

TDR TALKS WITH HOWARD "PETE" RAWLINGS

DAILY RECORD 3.7.98

As one of Maryland's most powerful state delegates, Appropriations Committee Chairman Howard "Pete" Rawlings typically has a hand in the prominent issues facing the General Assembly in any given legislative session.

This year is no different. The Baltimore City Democrat is the lead sponsor on a bill that would let voters decide whether to allow slot machines at three state racetracks and several other specified locations, but would direct the resulting revenue to an education trust fund. He's also co-sponsor of a bill that would cut the state property tax and lead sponsor on another that puts the Baltimore City hotel funding issue before the voters.

The Daily Record recently talked with Rawlings about how he anticipates these bills playing out and also about his take on state Sen. Larry Young's expulsion from the General Assembly.

You're one of the sponsors of the House bill that seeks to offer residents some tax relief by reducing the state property tax. In the Senate are two other bills that aim to offer tax relief, but one proposes to accelerate the 10 percent income tax cut and the other proposes to bump the cut to 15 percent. Are you opposed to either of the Senate plans?

I'm for the House plan, which is a reasonable, fiscally prudent plan to reduce the state property tax for one time only by \$58 million — that's a reduction of 24 percent, from 21 cents per \$100 of evaluation down to 16 cents. That's a reasonable approach. The problem is that the economy moves in cycles, and while we're jumping for joy now, this was not the case a few years ago when we had a major recession in Maryland. Any further tax relief ought to be one-time-only.

If the idea is to return some of the state's current surplus to the taxpayers, wouldn't either of the Senate plans do that more so than the House plan, because not everyone owns property, but most everyone who works pays income taxes?

The property tax is much more focused, much more limited, and yes, it impacts the segment of the population that owns real property. But you could argue that an income-tax reduction doesn't help poor people — that we ought to share this bounty with people in the state who have very limited income or no income at all.

Regarding House Bill 317, which would require a voter referendum to allow more than \$5 million in public subsidies to go toward the proposed hotels [Wyndham and Grand Hyatt] in Baltimore. Are you optimistic that it will pass? We have a political strategy that will allow us to be successful in the House. We are hopeful that the bill will get out of the Senate. We'll have, on the ballot in November, several millions of dollars that must be approved by the voters for schools and other projects.

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And none will cost the public as much money as either one of these hotels — in particular the Wyndham, where the public subsidy approaches \$40 million to \$50 million.

It's my understanding that your interest in putting in HB 96, which would have relieved the state of its obligation to pay two-thirds of the Convention Center's operating deficits if the Wyndham were built, was to protect the state's investment in the Convention Center. It seems that the [Baltimore Development Corp.'s] approval of Peter Angelos' proposed [Grand Hyatt] directly next to the Convention Center would alleviate that concern.

That's why you haven't seen a vote taken on that bill.

Then why is this still an issue the state should be involved in? Isn't there now protection of the state's investment?

There are two different issues here. There's the responsibility I have as chairman of the Appropriations Committee, which is to protect the investment of the taxpayers. At the time this bill was introduced, there was no decision made about the [Grand Hyatt]. That [approval] certainly addresses the concerns that I have in my role as chairman of the Appropriations Committee. I have another role, and that's as a Baltimore City delegate — one who is concerned about the processes and the integrity of processes that involve communities and people. I have a responsibility to support efforts by the public to assure that these processes are credible and that they have integrity. One of the best ways to do that, in my judgment, is to have a referendum. But I don't think this ought to be applied to every planning and economic issue that's before the city. It could, to some extent, be disruptive of economic development efforts in Baltimore.

Let's say this issue goes to voter referendum, and the voters say, 'No, we don't want to publicly fund these two projects.' What happens then? Do you see this being the demise of the opportunity for Baltimore City to have even one new hotel to help the Convention Center?

I trust the people. I'm willing to live with their decision.

Couldn't that leave us back where we started then? Worrying about whether the Convention Center will remain viable without a headquarters hotel?

Yes, if you believe the [scenario] that you propose. But I don't believe that's going to happen. I believe you can make a very good case for the Grand Hyatt next to the Convention Center. I think it's going to be very difficult to make a strong public case for the Wyndham.

House Bill 678 would allow slot machines [at certain locations]. The intent of the bill, you've said, is to create a new source for education funding and not to line race-track owners' pockets. But one of the concerns about bringing slots to Maryland is that social problems will follow. Couldn't this bill be viewed as potentially creating one problem to solve another? Generally, people who have that view are not willing to look at history and reality. When I was a kid growing up in the Edgar Allan Poe Projects, the most popular and well-known gentleman who would come around every day

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was a numbers man. He would take bets from our parents. It was illegal. Then the state decided it wanted to take over. And the same arguments existed: It would bring about corruption. It would increase crime and so forth. But that hasn't happened. We have between 4,000 and 5,000 lottery terminals all over the state where people go to bet. I'm not aware of any major criminal activity fostered by the lottery in this state. In [this bill], we're not talking about 4,000 to 5,000 sites; we're talking about 10 sites — at eight of these sites gaming already is taking place. I don't believe this is something evil. Plus, this would generate an important source of new funding for public education and tourist promotion in the state.

In the [recent] hearing, [State Superintendent of Schools] Nancy Grasmick supported the concept of the education trust fund, but did not come out in support for or against the bill. Does the fact that education proponents would not support the bill say anything?

The positive side is that they would testify for a gaming bill that had a [relevant] education component — the Education Trust Fund. They came to support that, knowing the only way it is going to be funded is by this new revenue source. I think they were very clear about the desperate need the state has for additional education funds. As Dr. Grasmick said, her board did not give her permission to speak for or against the gaming provisions, but they certainly were cognizant of the fact that this component was a major element of this bill, and the only way it was going to exist was through this funding source.

With the opposition coming from Republicans, the slots bill faces a tough battle this session. If it does not pass, will you introduce it again?

If I get elected, I certainly will because I think there is a lot of public support for this bill, the way it's crafted. The polls show that 74 percent of Maryland residents would want to make this decision in a statewide vote.

Now that the attention surrounding [state Sen.] Larry Young's expulsion has diminished, in hindsight, do you feel as if the right action was taken, or was it too harsh?

I think the ethics committee made the right recommendation — but people forget that the committee did not recommend he be expelled. They just recommended that it be considered. I, along with a number of my colleagues in the House, wrote the Senate members and recommended that they not expel him. I think his behavior clearly was highly inappropriate and unethical and that he ought to have been stripped of his chairmanship and censured. I think to remove him from office was more of a political response on the part of the Senate, especially since he was under review for possible criminal charges.

Do you see any long-term repercussions from this situation, in terms of it reflecting poorly on local elected officials?

Well, if I'm an ordinary resident and I see elected officials with more than 20-some years of experience in the General Assembly charged with some of the kinds of ethical violations that Sen. Young and Del. [Gerald J.] Curran both were charged with, I would start thinking that maybe some of them stay [in the General Assembly] too long. So I do have some concern that despite the state having some of the strongest ethics laws in the country, the public probably will not look too kindly on many of us this upcoming election.

Interview by Sarah O'Brien