

# Duncan

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# Facing Challenge On Taxes

## *Majority on Council Would Abide by Cap*

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A majority of the Montgomery County Council says it will attempt to abide by a voter-imposed property tax cap for the first time in four years, cutting as much as \$84 million to bring tax rates in line with the legal limit.

The call for fiscal restraint, after a decade in which the county's budget rose nearly 90 percent, reflects growing concern on the nine-member council that this year's record increase in property assessments could produce a backlash at the ballot box in 2006.

While it is early in the budget process and it remains to be seen whether the council is willing to make the deep cuts necessary to offset the reduction in the tax rate, several members say County Executive Douglas M. Duncan's \$3.6 billion spending plan is too large.

"I can't explain why the budget is as big as it is," said council member

Nancy Floreen (D-At Large), who was elected in 2002 as part of a pro-Duncan slate. "We all would like to do a lot of good things in the county, but I think this is the year to be fiscally responsible."

"I think our challenge with this budget is to go back and really say, 'What is it we can afford?'" said council member Michael Knapp (D-Up County), who also was on the pro-Duncan slate.

Joining Floreen and Knapp in calling for cuts were Phil Andrews (D-Gaithersburg), Marilyn Praisner (D-Eastern County) and Michael L. Subin (D-At Large). They said in interviews that they want to offer broad tax relief before adopting a budget.

The split between Duncan and the



**County Executive Douglas Duncan seeks \$3.6 billion for budget.**

# Support for Tax Cap Grows on Montgomery Council

MONTGOMERY, *From B1*

Council members also reflects their interest in reaching different parts of the electorate.

Duncan, a likely Democratic candidate for governor in 2006, is trying to persuade a liberal state primary electorate that he is committed to funding government programs. Council members are more focused on Montgomery residents' desire for property tax relief.

Yesterday, Duncan seemed to dare the council members to follow through on their contemplated cuts.

"I am more than happy to work with them," Duncan said. "If they want to slash the schools budget and some other things, that is a choice they will have to make."

Duncan's budget for the fiscal year that begins July 1 calls for a 2-cent cut in the property tax rate. Spending in the part of the budget supported by local taxes, however, would increase by nearly 10 percent.

The budget includes more money for police officers, expanded access to health care for the uninsured, reduced school class sizes and accelerated growth of all-day kindergarten.

Duncan is also proposing several new senior positions in county government, including a higher education adviser and a minority business adviser. Skeptics on the council say the posts are attempts to boost his statewide image as he prepares to run for governor, affirming his commitment to policy areas where Democrats think Gov. Robert L. Ehrlich Jr. (R) is politically vulnerable.

In 1990, voters approved a charter amendment that limits the county to collecting property taxes equal to the previous year's total, plus inflation and the value of new construction. Seven of nine council members, however, can vote to override that limit, as they have for the past three years.

To abide by the cap this year, the council would have to approve Duncan's 2-cent rate reduction and then cut an additional \$62 million from Duncan's budget proposal or increase other taxes — such as the county's energy tax — or fees by that amount. Even if the county adhered to the charter limit, and revenue from other local sources was not increased, spending in the local-tax-supported budget could increase by 7.8 percent.

When asked why he chose to ignore the charter limit, Duncan said, "I got as close as I could." He added: "The choice facing me was: Do we not have police officers? Do we not fund our schools? And what are the long-term consequences of that?"

Duncan's argument echoes those he made last fall when he campaigned against a referendum that would have removed the council's ability to override the tax cap. After hearing arguments that the referendum would cripple government services, the vot-

ers rejected it by 59 to 41 percent. But Subin said Duncan should read those results as a mandate to raise the cap again this year.

"What the public signaled was a lack of confidence that we as a government should show some responsibility," he said.

Faced with overburdened schools, outdated fire equipment and \$100 million in maintenance projects, the council would still have to find a way to fund a large property tax cut. So far, the \$113,000 Duncan requested for the creation of higher education advisers is a reduction on which the council members have reached a consensus.

"I don't know anybody who has figured out a way to cut \$60 million from the budget," said council member Steve Subin (D-At Large), an opponent of the tax cap. "You are not talking about just cutting the higher education adviser."