



Maryland Citizens Defense League



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February 20, 2002

HB 27 - Income Tax - Credit for a Gun Safe

The Honorable Sheila E. Hixson
Chairman, House Ways and Means Committee
Lowe House Office Building, Room 110
Annapolis, MD 21401-1991

Dear Chairman Hixson,

The Maryland Citizens Defense League (MCDL) strongly supports HB 27 for several reasons. We are quite angry about the failure of the Legislature to enact this legislation in years past.

Bottom Line Facts. In recent years this Legislature has risked lives, including the lives of children, by aborting truly helpful legislation such as HB 27 and passing ineffective legislation. Crime in Maryland compared to other states has risen to horrific levels. Yet this Legislature continues to pass basically useless, feel good legislation which harasses law-abiding firearms owners and does very little else. Passage of HB 27 will help save the lives of Maryland children and adults, as well as preclude the easy theft of firearms by criminals. As you know, stolen firearms are likely to be used in violent crimes, either by those stealing the firearms, or by other criminals who purchase them illegally from the thieves. Maryland citizens have been the most robbed citizens of all the citizens in all the states for many years in a row now. See the attachment in this regard.

Let me repeat that for emphasis. For many years now, whenever a truly helpful bill has been proposed which would make real progress towards increasing safety and reducing crime, such as HB 27, this Legislature has consistently aborted those bills. Yet this same Legislature has often passed ineffective feel-good, politically-inspired legislation - sometimes going so far as to cave in to the Governor and pass obviously flawed legislation - legislation designed more to help him attain his political ambitions than to improve the safety of Maryland citizens or reduce Maryland's crime rates.

In his State of the State speech on January 19, 2000, Maryland Governor Parris Glendening openly shared his fantasy vision of the future:

"Four years ago, we came together and stood up to the gun lobby to make our families safer and our neighborhoods more secure. Together, we passed one of the nation's strongest anti-gun violence laws. And gun-related crime has dropped dramatically as a result. We can take this success further and do even more to protect our families and children. We can tell the NRA and the gun manufacturers that Maryland is setting the agenda now. We can tell them that we are putting our children's lives ahead of their profits. We can stand together and say: 'It is time to stop killing our children!' ... I can only share my hopes for the world our children will inherit from us. I hope the children of Maryland one day will think of handguns and cigarettes as relics of a past, unenlightened age."

The attachment shows the proof of the pudding about all the legislation enacted over the past several years - all that legislation did not reduce crime in Maryland one iota. Indeed, Maryland's relative crime rates have gotten worse, not improved. If the majority of the members of this Legislature passing such ineffective legislation had been corporate officers they would have been fired years ago.

Repeated Rejection of HB 27 Provisions. Bills similar to HB 27 offered in past years supposedly were killed due to financial considerations. Now comes the HB 27 fiscal note expressing great concern and uncertainty about the "potential significant decrease in general fund revenues." Yet heretofore this legislature has been willing to incur significant actual or potential costs in so-called "gun control measures" which supposedly were designed to save lives, particularly the lives of children. Indeed, it was often said about those misnamed "gun control" bills, "If it saves the life of just one child...."

HB 27 permits real gun control - that is, a citizen's ability to exercise personal control over the storage of his firearms. This involves personal choice by individual citizens and their freedom to decide. Citizens may

personally decide that in their circumstances, perhaps only at certain times, a safe is needed for storing one or more of their firearms. That is their right to decide, even if they need financial assistance in doing it. HB 27 might also encourage those sitting on the fence about the purchase of a safe to go and purchase one. Isn't their personal election to try to obtain a gun safe in such situations a demonstration of responsible citizenship which should be rewarded with financial help? Remember that not having a gun safe in the situations some of them face could lead to the theft or misuse of their firearms. And such theft or misuse, in turn, could lead directly to the deaths of decent citizens - citizens who never again would pay Maryland taxes (or in the case of a child, who would never even start to pay those taxes).

But rather than implement past similar bills, HB 33 in 2001 and HB 280 in 2000, and thereby help some citizens enhance their storage arrangements, this Legislature aborted those bills before they could see the full light of day. Indeed, this Legislature has been a serial abortionist as far as the financial help offered to citizens in this Bill is concerned. The Legislature's own fiscal note fully details its early killing of those prior bills. Yet at the same time this Legislature has incurred tremendous costs on ineffective "gun control" legislation.

Lack of Concern About Other, Ineffective Bills' Costs. Costs and a lack of a return on investment apparently did not matter when many of those so-called "gun control" bills were passed by this Legislature in prior years.

- For example, Maryland appears to have received no return on the past Legislation requiring costly bullet and shell casing "signatures" or "finger-printing." Elaborate and costly arrangements were established by the Maryland State Police (MSP), and have been in effect for some time now, but they had yielded absolutely nothing as of a short time ago towards solving crimes. Indeed, even if those "signatures" are maintained by the MSP, they become useless either from (1) immediate adjustments made on purpose to barrels or firing pins; or, (2) wear-and-tear changes which occur over time naturally. There was much testimony here warning this Legislature about these facts, but in spite of the costs and ineffectiveness of the legislation, this Legislature rammed it through over many objections.

- To paraphrase an article by Mr. Jim Purtilo, Maryland now requires gun locks to be transferred with all handguns in the State, assuming that one can find a new handgun that is compliant with the shell case mandate. By 2002 these inherent gun lock problems must be built into every new handgun in order to be legal for sale here. So Glendening's (and this Legislature's) SB 211 is the gun control bill that keeps on giving. In February 27, 2001, the Consumer Product Safety Commission came out with a report claiming virtually all gun locks are defective and should not be used. All this is exactly as we warned legislators during hearings in the spring of 2000, of course, but Cas Taylor and Mike Miller were much too interested in producing for Bill Clinton to listen to facts. When asked to comment on the CPSC's report, administration sources stated only that they favored stiffening standards for gun locks: "The only satisfactory gun lock is one that can never be opened."

- How much time and money has been wasted the dumb "smart gun" legislation - also rammed through by this Legislature, in spite of flaws? Be sure to include the costs to Maryland taxpayers of all those bogus task force meetings around Maryland where Glendening paraded his "yes-men" appointees. Yet the best qualified to sit on such a task force, real firearms experts and representatives of the firearms manufacturing industry, he purposely kept off of that task force. Truly incredible!

- What damage did Glendening's skills do to their personal health and self images by sitting through task force meeting after task force meeting, listening to some incisive warnings and hard fact testimony, and then totally disregarding it and rubber stamping the Governor's fantasy wishes? Do such things cause health problems to the extent of causing some early retirements of government officials for health reasons? Have those costs been considered?

- We, of course, realize that such costs to Maryland taxpayers must be reduced by increases in revenues which result. And we're willing to admit that some revenues were gained, such as the Maryland sales taxes on lunches by out-of-town press people here in Annapolis to cover Glendening's photo-op with President Clinton.

Frankly, we've had it with this Legislature running up costs to Maryland taxpayers for nonsense political games, but rejecting positive measures such as HB 27 based on costs. If you get the impression that we are hoping mad about this sort of thing continuing to go on in here in Annapolis, then you're reading us correctly. We wonder how long this Legislature can get away such expensive foolishness before the taxpayers wise up and undertake a major House cleaning.

Funding Considerations. The Governor's budget shows him planning to plunder Maryland's rainy day fund to the tune of millions. The President of the Maryland Taxpayers Association recently stated in part:

"As you know, the Maryland Taxpayers Association (MTA) tried last year to get legislators to adopt a

provision to Return the Tax Surplus to the taxpayers. Had we succeeded, the Governor and Lt. Gov. would not have been able to plunder the state coffers of \$1.85 billion last year alone. (That's the amount of the tax surplus and Rainy Day funds they spent on their pet political projects)."

(Governor Glendening and Lt. Gov. Townsend spent over \$900 million of taxpayer surplus payments last year, in addition to another \$900 million in Rainy Funds according to the Baltimore Sun (Feb. 12, 2002.)

"Now, the chickens are coming home to roost. In order to balance the state budget in a climate of economic uncertainty, the Governor and Lt. Gov. now want to repeal the last 2% of the state income tax cut they promised during their 1998 campaign. At the same time, they are increasing state spending a "modest" 2.2% (after last year's leap in spending of 8%)."

MCDL wonders if this Legislature will go along with yet another of Governor Glendening's pie-in-the-sky bogus schemes - this time a repeat of the sort of fast one he pulled on Wayne Curry before Glendening's initial election as Governor. HB 27 should be passed on its own merits and the funds to finance it found - perhaps revoking some wasteful and ineffective earlier alleged "gun control" legislation would free up sufficient funds. HB 27 especially should be enacted if you let Glendening continue to plunder the Rainy Day Fund and renege on his tax relief promises.

Fiscal Note Illustrative Calculations. This Legislature's failure to try to save lives as evidenced by the repeated rejection of this Bill is not only inhumane, it is also short sighted as to total Maryland revenues over the long term - notwithstanding the fact that a dollar value can not be put on the lives of children and citizens. There are also other difficulties with the calculations of costs in the fiscal note, which admittedly are highly unreliable and shown only for illustrative purposes. These illustrative calculations in the fiscal note need to be addressed.

- The fiscal note made available by the Legislature fails to identify the additional income flow into the Maryland treasury from the sales tax revenues on the sales of safes for firearms storage. Thus the potential costs stated in the sample are overstated.

The fiscal note stated: "For illustrative purposes only: (1) if 500 gun safes are sold annually, the cost of the credit would be \$500,000 per year (500 safes multiplied by \$1,000 credit); (2) if 1% (13,000) of Maryland's estimated 1.3 million gun owners purchased a gun safe each year, then the cost of the credit would increase to \$13 million annually."

However, for illustrative purposes only, assuming 80% of safe purchasers wouldn't have bought one without the tax credit, 500 safes sold would be 400 extra sales @\$2,000 each, which equals \$800,000 in sales. Maryland's 5% sales tax would result in \$40,000 in added revenues. So the cost of the credit for 500 safes would only be \$460,00 - not \$500,000.

- The fiscal note fails to identify the additional lost revenue from taxes on lawyer's income from legal fees in law suits that may be prevented by this Bill - because kids are not killed who might have been killed - which would tend to understate the potential overall lost revenue. This is rather crass even to consider, but it is a variable which should be addressed when fiscal notes contain illustrative samples which are not comprehensive, even if identified as totally speculative and unreliable.

So, to make the illustrated example more comprehensive we offer the following, also for illustrative purposes only. Assuming that 80% of the 1% of Maryland's estimated 1.3 million gun owners - or 13,000 as used in the fiscal note illustration - would not have purchased safes each year without the tax credit, then there would be 10,400 (80% of 13,000) in added sales @ \$2,000 each, or \$20,800,000 in added annual sales. Maryland's 5% sales tax in such case would be \$1,040,000 in added annual tax revenues, reducing the annual cost to \$11.96 million, not \$13 million.

- The fiscal note also does not address Maryland's gained revenue from the lifetime earnings of kids saved. This also is rather crass even to consider, but it also is a real variable and one which should be addressed in fully comprehensive fiscal notes.

So, to make the illustrated sample more comprehensive, we offer the following for illustration purposes only. If the estimated two kids killed due to accidents with firearms each year in Maryland are instead saved by this Bill's gun safe provisions, and each has a potential of a \$60,000 average annual earnings for 40 years, then the long term taxes on their earnings in Maryland could be illustrated as being \$288,000 (2 kids times \$60,000 annual salary times 40 years times a tax rate of .06 equal \$288,000 for that one year's worth of kids lives saved after 40 years.

Of course, as noted, that illustrative tax revenue would be spread over a 40 year period. But the

effects are cumulative each year as more and more kids would be saved. So at the 40 year mark, the annual savings would be at a rate per year of \$11,520,000 (40 times \$288,000) - not even counting the additional \$40,000 in annual tax revenue from safe sales, which would bring the total annual revenue to \$11,560,000. Thus over the long-term in this illustration there might be an annual cost of less than a million and a half dollars.

The figures in this illustration, like those in the fiscal note, are quite unreliable. However, one might reach the admittedly subjective conclusion that people seeking to purchase gun safes - but needing financial assistance to do so - could reasonably be expected to be parents with young children or adolescents rather than people without children.

Our Plea About Lives and Peace of Mind. We ask that you keep in mind ask you consider what action to take that a child or house-robbing thug would have much greater difficulty misusing or stealing a firearm from a quality gun safe than finding an unsecured but hidden firearm, or a poorly stored firearm. What value would you place on the saved lives and the peace of mind of Maryland citizens as a return on the investment of passing and funding HB 27?

Lottery Option. If truly interested in saving lives and limiting potential costs, then establish a maximum dollar limit and have citizens get into a lottery which would select "winners" (those who get help in protecting the lives of their firearms and loved ones until) until that dollar limit were reached. Some Maryland organization ought to be able to run such a lottery within existing staff and funding. Such a lottery would also help determine the extent of interest in Maryland in this program while limiting costs to what this legislature determine is the maximum which can be spent to save lives and thwart home robbers. We basically strongly urge passage of HB 27 as submitted, and are against this option because this option would deny some citizens financial help in protecting their firearms and loved ones. But protecting some citizens and children is better than protecting none.

For these reasons, MCDL strongly supports HB 27 and urges its passage as a positive step towards improving safety and protecting property in our "most robbed" and almost "most violent" State of Maryland.

Sincerely,

Lt. Colonel Robert M. T. Wilson (Retired) and Edward Patrick
for the Legislative Committee, Maryland Citizens Defense League

Attachment

Maryland Crime Rates vs. Other States*

<u>Year</u>	<u>Homicides</u>	<u>Crimes</u>	<u>Violent Robbery</u>
1992	6	4	2
1993	5	6	2
1994	8	8	2
1995	4	4	1
1996	3	3	1
1997	6	6	1
1998	4	5	1
1999	4	4	1
2000	3	3	1

The above shows the annual ranking of Maryland's rates of crime vs. the crime rates of all other states. For example, Maryland citizens have had the highest rate of being robbed than any other state - every year for the last several years as reported by the FBI.

*Source: FBI's annual Uniform Crime Reports (UCR)