



## Franchot seeks 'front line' perspective from businesses in Towson

*At Towson Chamber of Commerce meeting, comptroller urges dialogue on business matters*

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Maryland Comptroller Peter Franchot told a group of Towson business leaders on Nov. 29 that the state faces tough fiscal challenges in the new year, but Baltimore County is in a position of leadership to guide the way toward better economic times.

"Baltimore County has ... a better reputation for having its fiscal house in order," compared to other jurisdictions, Franchot said. "We really have great economic bones here once this (recession) turns."

Franchot met for a roundtable discussion with business leaders at the Towson Chamber of Commerce office on West Chesapeake Avenue.

Chamber President Nancy Hafford said the comptroller hosted a similar session in 2007, and "his staff called us again a week and a half ago. Apparently he does this with different chambers all around the state," she said.

"I have always gotten a great education from (small business owners), who are just great Marylanders providing jobs for citizens," said Franchot, who last month won his second term as comptroller.

"One of the flaws in Annapolis right now is that there are not enough members of the business community that are ... working closely with the legislative leaders who really make a lot of the decisions."

Those at Monday's gathering included Janet Farr, Jamie Lynch and Greg Shaffer of Greater Baltimore Medical Center, Dave Hinshaw of the Berkshire Marriott Conference Hotel at Towson University, Mort Schuchman of Taubman Properties/Dulaney Plaza and Jeff Rogyom, a tax attorney with Towson-based Bodie, Dolina, Smith & Hobbs.

Also on hand was Baltimore County Council member-elect Todd Huff of the 3rd District, representing North County.

Franchot said he believes the state continues to have a problem "looking to debt as a source of patching our operating fund deficits," and he said new taxes aren't the answer to resolve the state's deficit woes.

"New taxes get in the way of what we really need — spending reform," Franchot said. "We can not continue spending \$32 billion a year and only take in \$30 billion. It's just simple math.

"I think what we are dealing with is a hangover from the old days from the economy was really booming," he said, "and people could muddle through using one-time stimulus money and using money from different accounts to paper over the deficit in the operating budget."

Franchot said that in addition to its structural deficit, Maryland is facing looming issues with pension and health care costs and municipal debt from jurisdictions across the state.

Lynch, the director of Corporations, Foundations and Government Support at GBMC Healthcare, said she's concerned with the "shrinking corporate base in Maryland. More and more headquarters are leaving the state."

Franchot agreed.

"We are at such a disadvantage with northern Virginia as far as a corporate income tax rate, our sales tax and our personal income tax rate," he said. "When a big company looks at (Maryland or Virginia) they tend to go with northern Virginia."

He said Maryland must seek out new companies and help them grow, and also continue to partner with universities such as Johns Hopkins, the University of Maryland and Towson University as catalysts for job creation.

In the wake of the November election, Franchot encouraged business owners to get to know newly-elected officials at both the local and state levels, and "give them the benefit of your front line assessment."

After the meeting, Hafford said she thought the small group discussion was "a great idea, but I think for us in the future it would be better not to do this around the holidays. This is (business owners') make it or break it time."

"We are very thankful he gave us this time," she said, "but I think it would be more involved after the holiday season."

And regarding local issues affecting Towson's economic health, she said many of those issues are out of the hands of the comptroller's office.

"Businesses are concerned about getting loans, and that's in the hands of banks, (not government)," Hafford said.



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