

2d Session Is Mulled By Mandel

By Philip McCombs
Washington Post Staff Writer

ANNAPOLIS, Aug. 3—Gov. Marvin Mandel said today he will call the Maryland General Assembly into its second extraordinary session of the summer later this month to deal with the controversial issue of financial disclosure by public officials.

The session also may deal with the shortage of home mortgage money created by the 8 per cent interest limitation placed on lending institutions by the state's usury law, Mandel said through spokesman Frank A. DeFilippo.

Mandel met this morning with House of Delegates Speaker Thomas Hunter Lowe (D-Talbot) and Senate President William S. James (D-Harford) to make the arrangements for the special session.

Mandel met later in the morning with 15 bankers and members of the Maryland Bankers Association who urged him to support legislation that would either raise the 8 per cent mortgage lending limit to 10 per cent or eliminate it.

Both chambers of the General Assembly were packed with relaxed delegates and senators this afternoon as they approved technical revisions in three lengthy and complex sections of state law—the subject of the present legislative special session that convened July 30.

The preliminary approvals came at the end of a week of committee work on the bills, which affect laws governing agriculture, court processes and natural resources. Final passage of the bills revising these laws is expected when the legislature reconvenes Aug. 15, according to legislative leaders.

This so-called recodification of laws will eliminate some portions considered obsolete or redundant and rearrange laws that often are scattered in several parts of the existing state code into a coherent sequence, putting all the laws dealing with the same subject in the same place.

Speaker Lowe said the governor wants to declare a second special session in order not to disturb the tradition that special sessions should deal only with the specific problems for which they were called.

He said the current special session probably will end about Aug. 17 and that the second special session will then be declared for Aug. 20.

On July 30, Mandel signed the nation's most sweeping financial disclosure law for public officials, saying, however, that he felt it is unconstitutionally vague and possibly an invasion of privacy.

The governor said he signed the legislation because he is in favor of the principle of financial disclosure by public officials.

Earlier this week, Mandel unveiled a bill he plans to introduce in the second special session as a proposed substitute for the disclosure law now on the books. The Mandel substitute would weaken the law somewhat, for example by eliminating requirements that local Maryland officials and the state's members of Congress file disclosure statements.

Sen. Julian L. Lapidés (D-Baltimore), sponsor of the disclosure law, plans to introduce his own substitute version in the second special session. Lapidés says his bill would clarify the law without weakening it.

Interest rates for home mortgages in Virginia and other states with no interest rate limit are now close to 9 per cent. According to Maryland bankers, the 8 per cent limit in Maryland has resulted in the virtual disappearance of money for home mortgages from the state.

Several legislators, including some from Montgomery and Prince George's counties, are drafting legislation to eliminate or increase the 8 per cent limit, which is set out in the Maryland usury law. It has not yet been decided whether the General Assembly will be allowed to act on bills to eliminate or change the limit this summer.

Public hearings on the interest rate question are to be held in Annapolis on Aug. 14 by committees of both the House and Senate.

Legislative leaders said they will then advise the governor on whether the second special session should deal with the interest rate question as well as financial disclosure.