

"Of even greater practical import is the fact that the Court of Appeals has held that a statute of this type may be applied even to obligations in existence on the effective date of the bill. *Baughner v. Nelson*, 9 Gill 299; *Wilson v. Hardesty*, 1 Md. Ch. 66. In other words, legal obligations which have been in effect for many years may be affected if this law is approved.

"The case law in Maryland on this aspect of usury, while broadly stated, is not extensive. In addition, recent years have seen great proliferation of charges made by lending institutions. At least some of these are untested as to their relationship with the law of usury.

"In conclusion, let me say that there have been many grave doubts raised as to the constitutionality of this bill; and there is no question but that the meaning, effect and proper legal application of this bill are shrouded with ambiguity. I certainly do not attempt to advise you on matters of policy or question the economic philosophy which might have motivated the introduction and passage of this bill. However, since this bill does influence a cover a broad cross section of the commercial and financial interests operating within this State, I do feel that it is my obligation to point out to you its obvious shortcomings. It would further appear that the legislation presented in this bill is the type that might well receive extensive study from the Legislative Council, which it did not receive, and proper recommendations from that body. This is especially true, since our present laws pertaining to usury are of 18th and 19th century vintage.

"I am always prompt to encourage any legislative action which seeks to frustrate usurious financing. However, frankness compels me to state that, short of obtaining a declaratory decree on this bill, I do not believe that anyone can advise you with certainty that this bill goes beyond the present existing laws and, therefore, is unnecessary, or that it goes far beyond existing laws to the extent that it might well impair legitimate lenders."

In view of the foregoing opinion of the Attorney General, I feel that I have no alternative than to veto the Bill.

I agree with the Attorney General that the subject matter of this Bill deserves extensive study. As a matter of fact, in 1961 I appointed a Commission to Study Article 49 of the Maryland Code (Interest and Usury), and the Commission submitted its report to the 1963 Session of the General Assembly.

Since I concur in the recommendation of the Attorney General that the entire field deserves further study, I am, in accordance with his recommendation, requesting the Legislative Council to conduct such a study.

With kindest regards and best wishes, I am

Sincerely yours,

J. MILLARD TAWES,
Governor.

Which was read and journalized.