

Article I, Section 10, of the United States Constitution prohibits the States from passing laws which impair the obligation of contracts. A contract is impaired when the legislation in question deprives one party to the contract of the benefits due him under the contract. See *Northern Pacific RR. Co. v. Minnesota*, 208 U.S. 583 (1908). It could be argued that House Bill 1090, if it is construed to require the Port Administration to pay for marine fire protection, impairs the obligation of the contract by depriving the Port Authority of the benefit of the free marine fire protection which it was to receive under the lease."

"Finally, a question arises as to whether there can be an impairment of contract when the party whose rights have been impaired is an instrumentality of the very government which has enacted the impairing legislation. It certainly could be argued that the State and its instrumentality, the Authority, are one and therefore that the State, by the legislation in question, has waived its rights to the benefits due under the lease. It has been held in somewhat analogous situations that a State can impair contracts of a municipal corporation to which it has granted a franchise. See *McQuillen, Municipal Corporations*, Sections 19.50 and 19.51. On the other hand, it could be argued that the Authority, while a State instrumentality, is, in some respects, a quasi-independent agency and thus that a waiver of its contract rights by the State is not effective as to the Authority."

In light of the foregoing, I have decided to veto House Bill 1090.

Sincerely,

/s/ MARVIN MANDEL,
Governor.

House Bill No. 1120—Cecil County Trial Magistrates

AN ACT to repeal and re-enact, with amendments, Section 108(7) of Article 52 of the Annotated Code of Maryland (1970 Supplement), title, "Justices of the Peace," subtitle "Trial Magistrates System," to provide for an increase in the salaries of trial magistrates in Cecil County, and to provide for a substitute trial magistrate and his compensation.

May 28, 1971.

Honorable Thomas Hunter Lowe
Speaker of the House of Delegates
State House
Annapolis, Maryland 21404

Dear Mr. Speaker:

In accordance with Article II, Section 17, of the Maryland Constitution, I have today vetoed House Bill 1120.

This bill provides for an increase in the salaries of trial magistrates in Cecil County and for a substitute trial magistrate and his compensation.