

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed retroactively and shall be applied to and interpreted to affect all bills sent by the Department of Health and Mental Hygiene on or after October 1, 1990.

~~SECTION 2.~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1~~ June 1, 1992.

May 26, 1992

The Honorable R. Clayton Mitchell, Jr.
Speaker of the House of Delegates
State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 1484.

House Bill 1484 would require the Maryland Housing Fund to have an independent management consultant perform a study of the multi-family and single-family insurance programs of the Fund by December 31, 1992. The bill also requires that the Fund obtain an investment grade credit rating. However, the final authority to require the credit rating appears to reside ultimately with the Legislative Policy Committee.

The Attorney General has determined that he is unable to approve the bill for constitutionality and legal sufficiency and, consequently, I have vetoed the bill. The title of the bill is defective by not adequately reflecting the central issue of the bill; namely, the requirement that the Legislative Policy Committee determine if a credit rating must be sought by the Maryland Housing Fund. I am also advised by the Attorney General that the bill contains a nonseverable legislative veto of doubtful constitutionality. The provision reserving approval authority to the Legislative Policy Committee over whether a credit rating should be sought constitutes a legislative veto, which cannot be severed from House Bill 1484 because it is too integral to the purpose of the bill.

Even in the absence of a finding of unconstitutionality by the Attorney General, it is my view that House Bill 1484 provides for a decision-making process that is highly inefficient by deferring to a legislative committee a final determination as to whether the Maryland Housing Fund will be required to seek an investment grade credit rating. While the language of the bill is not completely clear, it suggests that the Fund must take substantial steps to achieve the credit rating prior to the final determination by the Committee. It is possible, therefore, that the Fund could devote months of energy and effort in order to seek a credit rating, only to be told by the Committee that the efforts were not necessary.

Finally, notwithstanding the technical and legal deficiencies in the bill, there has been no evidence presented that an investment grade credit rating is necessary or even appropriate for the Fund.

For these reasons, I have today vetoed House Bill 1484.