

SENATE BILL 1145

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8lr3754

By: **Senator Serafini**

Introduced and read first time: February 16, 2018

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **County Boards of Education – Leasing of School Property**

3 FOR the purpose of authorizing certain exceptions to the requirement that certain public
4 school property must be held in trust by a county board of education; authorizing a
5 county or a county board to lease certain property; excluding certain lease payments
6 made by a county board from the maintenance of effort calculation; and generally
7 relating to the leasing of school property by county boards of education.

8 BY repealing and reenacting, with amendments,

9 Article – Education

10 Section 4–114, 4–126(b), and 5–202(d)(3)(i)

11 Annotated Code of Maryland

12 (2014 Replacement Volume and 2017 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

14 That the Laws of Maryland read as follows:

15 **Article – Education**

16 4–114.

17 (a) All property granted, conveyed, devised, or bequeathed for the use of a
18 particular public school or school system:

19 (1) Except as provided in [subsection] **SUBSECTIONS (c) AND (D)** of this
20 section, shall be held in trust for the benefit of the school or school system by the
21 appropriate county board or, for real property in Baltimore City, by the Mayor and City
22 Council of Baltimore; and

23 (2) Is exempt from all State and local taxes.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) Money invested in trust for the benefit of the public schools for any county or
2 city is exempt from all State and local taxes.

3 (c) (1) A private entity may hold title to property used for a particular public
4 school or local school system if the private entity is contractually obligated to transfer title
5 to the appropriate county board on a specified date.

6 (2) The conveyance of title of school property to a private entity for a
7 specified term under this subsection may not be construed to prohibit the allocation of
8 construction funds to an approved school construction project under the Public School
9 Construction Program.

10 (3) A county or county board may convey or dispose of surplus land under
11 the jurisdiction of the county or county board in exchange for public school construction or
12 development services.

13 **(D) A COUNTY OR PRIVATE ENTITY MAY HOLD TITLE TO PROPERTY LEASED**
14 **BY A COUNTY BOARD TO BE USED FOR A PARTICULAR PUBLIC SCHOOL OR LOCAL**
15 **SCHOOL SYSTEM UNDER TERMS AGREED TO BY THE PARTIES.**

16 4–126.

17 (b) Except when prohibited by local law, in order to finance or to speed delivery
18 of, transfer risks of, or otherwise enhance the delivery of public school construction, a
19 county **OR COUNTY BOARD** may:

20 (1) Use alternative financing methods;

21 (2) Engage in competitive negotiation, rather than competitive bidding, in
22 limited circumstances, including construction management at-risk arrangements and
23 other alternative project delivery arrangements, as provided in regulations adopted by the
24 Board of Public Works;

25 (3) Accept unsolicited proposals for the development of public schools in
26 limited circumstances, as provided in regulations adopted by the Board of Public Works;
27 **[and]**

28 (4) Use quality-based selection, in which selection is based on a
29 combination of qualifications and cost factors, to select developers and builders, as provided
30 in regulations adopted by the Board of Public Works; **AND**

31 **(5) LEASE PROPERTY FROM A COUNTY OR A PRIVATE ENTITY FOR USE**
32 **AS A PUBLIC SCHOOL FACILITY.**

33 5–202.

1 (d) (3) (i) For purposes of this subsection, for fiscal year 1997 and each
2 subsequent fiscal year, the calculation of the county's highest local appropriation to its
3 school operating budget for the prior fiscal year shall exclude:

4 1. A nonrecurring cost that is supplemental to the regular
5 school operating budget, if the exclusion qualifies under regulations adopted by the State
6 Board;

7 2. A cost of a program that has been shifted from the county
8 school operating budget to the county operating budget;

9 3. The cost of debt service incurred for school construction
10 projects; [and]

11 4. For a county that shifts the recurring costs associated with
12 providing retiree health benefits for current retirees to the county board, any reduction in
13 those retiree health costs from the amount the county was required to appropriate in the
14 previous year; AND

15 **5. LEASE PAYMENTS MADE BY A COUNTY BOARD TO A**
16 **COUNTY OR PRIVATE ENTITY HOLDING TITLE TO PROPERTY USED FOR A**
17 **PARTICULAR PUBLIC SCHOOL BY A COUNTY BOARD AS DESCRIBED IN § 4-114(C)(1)**
18 **AND (D) OF THIS ARTICLE.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
20 1, 2018.