

Senate Bill No. 564

AN ACT concerning

**Capital Projects – Leases**

FOR the purpose of expanding the mechanisms for funding the planning, design, construction, and equipment of a capital project by including a mechanism known as a capital lease; defining a term; giving the Legislative Policy Committee a certain period of time to review and comment on a capital lease that is proposed to fund a capital project; making stylistic changes; and generally relating to the funding of capital projects and the review of those projects by the Legislative Policy Committee.

BY repealing and reenacting, with amendments,  
Article – State Finance and Procurement  
Section 3-602  
Annotated Code of Maryland  
(1988 Replacement Volume and 1993 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – State Finance and Procurement**

3-602.

(a) The Department shall study each capital project proposed by any unit of the State government.

(b) Except for a capital project designated as an emergency by the unit of the State government proposing the project, any unit of the State government requesting a capital project shall submit its request to the Department on or before June 30 of the fiscal year preceding the fiscal year in which the capital project is to begin.

(c) Each request for a capital project by a unit of the State government, including the University of Maryland System, shall include a detailed list of all proposed expenditures for capital improvements to be funded from grants or nonbudgeted revenues.

(d) (1) Before an appropriation may be authorized for preliminary planning of a proposed capital project:

(i) the unit of the State government requesting the appropriation shall submit to the Department a program describing, in detail, the scope and purpose of the project; and

(ii) the Secretary of Budget and Fiscal Planning must approve the program.