

(j) "Total project funding" means the funding for the planning, design, construction, and equipment of a capital project through a single appropriation or authorization or through a proposed capital lease.

(k) "Capital lease" means any lease, defined as a capital lease in accordance with generally accepted accounting principles, that is used to finance the acquisition, purchase, construction, and any related renovation or alteration of real property that is the subject of a capital project.

#### SUBTITLE 4. CAPITAL LEASES

8-401.

THE PURPOSE OF THIS SUBTITLE IS TO CODIFY THE AUTHORITY OF THE STATE TREASURER TO ENTER INTO A CAPITAL LEASE AGREEMENT AND TO ESTABLISH A METHOD FOR FINANCING A CAPITAL LEASE AS DEFINED IN THIS SUBTITLE.

8-402.

(A) IN THIS SUBTITLE THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

(B) "CAPITAL EQUIPMENT" MEANS ANY ITEM OF EQUIPMENT THAT, BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, IS CAPITALIZED FOR PURPOSES OF ACCOUNTING.

(C) "CAPITAL LEASE" MEANS ANY LEASE, CONDITIONAL SALE, INSTALLMENT SALE, OR SIMILAR AGREEMENT, DEFINED AS A CAPITAL LEASE IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, THAT IS USED TO FINANCE:

(1) THE ACQUISITION OR CONSTRUCTION OF IMPROVEMENTS TO REAL PROPERTY, UNDER § 3-602 OF THIS ARTICLE; OR

(2) THE ACQUISITION OF CAPITAL EQUIPMENT.

(D) "CAPITAL LEASE" INCLUDES A MASTER LEASE.

8-403.

(A) THE STATE TREASURER, WITH THE APPROVAL OF THE BOARD OF PUBLIC WORKS, MAY ENTER INTO A CAPITAL LEASE ON BEHALF OF ONE OR MORE UNITS OF STATE GOVERNMENT.

(B) PRIOR TO SUBMISSION OF A CAPITAL LEASE TO THE BOARD OF PUBLIC WORKS, THE TREASURER SHALL SUBMIT TO THE LEGISLATIVE POLICY COMMITTEE THE TOTAL PROJECT FUNDING FINANCING REQUEST AND ANY SUPPORTING INFORMATION. THE LEGISLATIVE POLICY COMMITTEE HAS 45 DAYS WITHIN WHICH TO REVIEW AND PROVIDE WRITTEN COMMENTS ON THE PROJECT FINANCING.