

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 5

(Delegate Shoemaker, *et al.*)

Health and Government Operations

Education, Health, and Environmental Affairs

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**Department of General Services - Declaration and Disposal of Excess and  
Surplus Property - Government House Furnishings**

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This bill specifies that the Government House Trust must approve the designation of any piece of furniture or other furnishing used in Government House as excess or surplus personal property. It also prevents the Secretary of General Services or a designee from selling, giving, or transferring ownership of such items directly to a Governor or former Governor unless the Governor or former Governor participates in an auction that is open to the public. This applies regardless of whether the furniture has been deemed unserviceable.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in general fund revenues. The bill has no fiscal or operational effect on the Department of General Services (DGS) or the Government House Trust. To the extent that future public auctions of Government House furniture yield higher proceeds than a direct sale, general fund revenues increase negligibly.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** “Excess personal property” is defined as an item of personal property in the possession of a State agency that is not necessary to the efficient operation of the agency or that has been replaced by a similar item. The head of a State agency may declare an item of personal property in its possession to be excess by submitting a declaration to DGS,

which must approve the designation. When feasible, the Secretary of General Services must dispose of excess personal property by transferring it to another State agency. However, DGS may declare excess personal property to be surplus property if it determines that it cannot be used by another State agency. In disposing of surplus property, the Secretary must seek to gain the maximum value for the State by (1) dismantling it for recovery of valuable parts; (2) trading it in; (3) transferring it to a local jurisdiction, public school system, or nonprofit organization; (4) auctioning or selling it; or (5) if no value can be realized, destroying it.

The Government House Trust is responsible for the oversight and management of Government House, which serves as the Governor's mansion. Statute designates seven rooms within Government House as "State rooms," and the trust is responsible for the:

- renovation of State rooms;
- supervision and direction of improvements or other changes in the internal design and furnishings of a State room;
- landscaping of the Government House grounds;
- conservation and restoration of objects in a State room; and
- maintenance of State rooms.

The trust has five voting members, with the Secretary of General Services serving as chair. The trust must approve any changes to the internal design and furnishings of State rooms. However, it is not given the same authority over changes to non-State rooms in Government House.

**Background:** According to a report by the *Baltimore Sun*, upon leaving office in January 2015, Governor O'Malley purchased multiple pieces of furniture from Government House for less than \$10,000; the pieces had been purchased eight years earlier for \$62,000, but they were declared surplus furniture by DGS and disposed of through the direct sale to Governor O'Malley. News reports following the sale indicated that Governor Ehrlich made similar purchases upon his departure from office.

The assistant Attorney General for DGS referred the matter to the State Ethics Commission to determine if the sale constituted a "preferential sale" to a public official. However, the commission responded that it lacked jurisdiction in the matter, and no further action was taken. The *Baltimore Sun* later reported that the Anne Arundel County State's Attorney was investigating the sale in response to a complaint filed with the office.

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of General Services, *Baltimore Sun*, Department of Legislative Services

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