

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 100 (Senator Kasemever)(Chairman, Joint Committee on Pensions)
Budget and Taxation

State Retirement and Pension System - Procurement Exemption

This pension bill exempts from State procurement law any real property that is owned and occupied by the Board of Trustees of the State Retirement and Pension System (SRPS).

This bill is effective July 1, 1999.

Fiscal Summary

State Effect: Minimal or no impact on governmental operations resulting from the SRPS's use of any outside property manager, rather than the Department of General Services, to manage its owner-occupied real property.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Effect: The proposed legislation repeals the exception for real property owned by and occupied by the board of the SRPS to the board's exemption from procurement law for its real property investments. In other words, the proposal exempts the board from State procurement law for management of its own building, and hence eliminates the requirement to use the Department of General Services (DGS) for its property maintenance. The board has recently acquired a building in downtown Baltimore. The board intends to use a private management company to operate the portion of the space leased to private tenants and believes that it is more efficient to use one private manager for the entire building, including the space used for its own personnel. Its own space would normally be subject to the State

procurement requirements, including the use of DGS for maintenance. Given the large number of State properties managed by DGS and the relatively small space to be occupied by the State Retirement Agency, the proposal should have minimal or no impact on DGS. The State Retirement Agency advises that it uses a real estate investment advisor who can select a property manager at a competitive rate.

Information Source(s): Department of General Services, State Retirement Agency,
Department of Legislative Services

Fiscal Note History: First Reader - January 25, 1999

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