

SENATE BILL 60

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P2

2001 Regular Session
1lr0114

(PRE-FILED)

By: **Chairman, Budget and Taxation Committee (Departmental - General Services)**

Requested: October 26, 2000

Introduced and read first time: January 10, 2001

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Finance - Capital Program - Construction Contingency Fund**

3 FOR the purpose of altering the limitation on appropriations or allocations to the
4 Construction Contingency Fund; and generally relating to the Construction
5 Contingency Fund.

6 BY repealing and reenacting, with amendments,
7 Article - State Finance and Procurement
8 Section 3-609
9 Annotated Code of Maryland
10 (1995 Replacement Volume and 2000 Supplement)

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

13 **Article - State Finance and Procurement**

14 3-609.

15 (a) There is a Construction Contingency Fund.

16 (b) The Fund is a continuing, nonlapsing, revolving fund that consists of:

17 (1) money appropriated to the Fund:

18 (i) in the annual budget; or

19 (ii) in an annual General Construction Loan Act or in a Maryland
20 Consolidated Capital Bond Loan Act; or

21 (2) unspent proceeds of an enabling act allocated to the Fund by the
22 Governor under § 8-129 of this article; or

(3) the amount of an appropriation in an annual General Construction Loan Act or in a Maryland Consolidated Capital Bond Loan Act that is in excess of the amount needed for a project included in the Act and that is allocated to the Fund by the Governor.

(c) An appropriation or allocation to the Fund may not be made if it would cause the total balance in the Fund to exceed [.75%] 1.25% of the capital debt affordability limit, determined under Title 8 of this article, for that year.

(d) With the advice and assistance of the Departments of Budget and Management and General Services, the Fund shall be administered by the Board of Public Works.

(e) With the approval of the Governor, the Secretaries of Budget and Management and General Services may request the Board of Public Works to authorize an expenditure from the Fund to supplement any capital appropriation or to conduct value engineering on a project:

(1) that is for a capital project to be owned by the State or a unit of the State government;

(2) that was contained in a capital appropriation of an annual budget, in an annual general construction loan, or in an annual Maryland consolidated capital bond loan; and

(3) (i) that is insufficient in amount to permit the initial award of a contract for the project to the bidder or offeror selected in accordance with applicable State law, or to cover change orders during construction of the project which do not increase the scope of the project; or

(ii) if, in the belief of the Department of General Services or at the request of the budget committees, the project cost could be reduced or quality improved through the use of value engineering.

(f) The Secretaries of Budget and Management and General Services shall evaluate any project for additional funding and certify in writing that the project meets the criteria in subsection (e) of this section and that:

(1) all reasonable attempts to reduce the cost of the project have been made;

(2) no practicable alternative exists for securing funding to complete the project; and

(3) the requested additional funding does not increase the scope of the project.

(g) (1) Prior to seeking approval from the Board of Public Works, the Department of General Services and the Department of Budget and Management shall:

1 (i) provide written notice to the budget committees on the planned
2 use of the funds; and

3 (ii) allow 45 days for review and comment by the budget
4 committees.

5 (2) Each time an expenditure from the Fund is authorized by the Board
6 of Public Works, the amount specified by the Board of Public Works may be
7 transferred from the account to the appropriate annuity bond account to supplement
8 the specified authorization.

9 (h) By January 1 of each year, the Secretaries of Budget and Management and
10 General Services shall submit a report, subject to § 2-1246 of the State Government
11 Article, to the General Assembly on the moneys:

12 (1) appropriated to the Fund;

13 (2) authorized for expenditure from the Fund; and

14 (3) expended from the Fund.

15 (i) Money in the Fund shall be deposited with the State Treasurer.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
17 effect June 1, 2001.