

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**

Senate Bill 69 (Chairman, Economic and Environmental Affairs Committee)  
(Departmental – General Services)

Economic and Environmental Affairs

Commerce and Government Matters

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**State Procurement - State Leasing of Real Property - Notice of Proposed Leases**

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This departmental bill alters the notification requirements for execution of a lease for real property by the State. The bill provides that for a proposed initial lease involving at least two possible sites from which one site is to be selected, a lease may be executed 31 days after the initial notification that two or more sites are being considered.

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**Fiscal Summary**

**State Effect:** Minor reduction in administrative costs associated with the lease process. No impact on revenues.

**Local Effect:** None.

**Small Business Effect:** The Department of General Services has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** The Department of General Services (DGS) must provide written notification to the appropriate governing body and General Assembly members (those in whose jurisdiction or district the property is located) for each proposed initial lease of real property. Local officials and members of the General Assembly have 30 days to provide written comments. If the initial proposed lease notification is for two or more sites from which one is to be chosen, DGS must provide a second written notification that

a specific site has been chosen. A lease for the site cannot be executed until at least 31 days after this second notification.

**State Fiscal Effect:** According to DGS, the current notification requirements for initial proposed leases of real property with two or more potential sites can result in a minimum period of 60 days after the initial selection before a lease can be executed. As a result, when the market for office space is tight and very competitive, the State has lost lease space because the lessor was able to have the space leased earlier to another entity. Consequently, DGS must repeat the lease process. By expediting the lease process, there may be a minor reduction in administrative costs associated with the process for leases with two or more potential sites, and gains in efficiency from not having to repeat the lease process.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – January 9, 2001  
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