

# HOUSE BILL 1592

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By: **Chair, Health and Government Operations Committee (By Request –  
Departmental – Military)**

Introduced and read first time: March 3, 2008

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Military Department – Sale of Superfluous Property and Disposition of**  
3 **Proceeds**

4 FOR the purpose of altering the process by which the Military Department sells  
5 superfluous property; altering the conditions under which certain counties or  
6 municipal corporations may exercise a right of first refusal to purchase certain  
7 armories; granting to the State a certain right of first refusal to purchase  
8 certain armories, subject to certain conditions; authorizing the Department of  
9 General Services, with the approval of the Board of Public Works, to sell certain  
10 property in a certain manner; establishing the Military Department  
11 Supplemental Capital Construction and Maintenance Fund as a special,  
12 nonlapsing fund; requiring that the proceeds of certain sales of property be  
13 placed in the Fund; providing for the purpose, administration, proceeds, use,  
14 and related requirements of the Fund; authorizing expenditures of a certain  
15 maximum amount to be authorized by the Adjutant General or a duly appointed  
16 designee; requiring proceeds from certain facilities to be reinvested in a certain  
17 manner, except as otherwise authorized by the Adjutant General; providing for  
18 the termination of this Act; and generally relating to the sale of superfluous  
19 property of the Military Department and the use of the proceeds.

20 BY repealing and reenacting, with amendments,  
21 Article – Public Safety  
22 Section 13–217  
23 Annotated Code of Maryland  
24 (2003 Volume and 2007 Supplement)

25 BY adding to  
26 Article – Public Safety  
27 Section 13–217.1  
28 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2003 Volume and 2007 Supplement)

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

4 **Article – Public Safety**

5 13–217.

6 (a) With the prior approval of the Board of Public Works, the Department  
7 may sell armories that are superfluous to the Department’s requirements.

8 (b) (1) [The] **AFTER THE DEPARTMENT HAS COMPLETED THE**  
9 **PROCESS FOR EXCESS PROPERTY AS PROVIDED IN § 5–310 OF THE STATE**  
10 **FINANCE AND PROCUREMENT ARTICLE, THE STATE OR THE** county or municipal  
11 corporation in which the armory is located has the right of first refusal to purchase the  
12 armory **AT A FAIR COMMERCIAL MARKET VALUE.**

13 (2) If the **STATE, [county] COUNTY,** or municipal corporation declines  
14 to purchase the property **AT FAIR COMMERCIAL MARKET VALUE,** the [Department]  
15 **DEPARTMENT OF GENERAL SERVICES, WITH THE APPROVAL OF THE BOARD OF**  
16 **PUBLIC WORKS,** shall sell the property [at public sale for the highest cash price  
17 obtainable] **FOR THE HIGHEST CASH PRICE OBTAINABLE BY A METHOD THAT IS**  
18 **TO THE BEST ADVANTAGE OF THE STATE, INCLUDING AUCTION, SEALED BID,**  
19 **PUBLIC SALE, AND, IF NECESSARY, BY PRIVATE SALE.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
21 read as follows:

22 **Article – Public Safety**

23 13–217.

24 (c) The proceeds of a sale shall be placed in the [Annuity Bond Fund under §  
25 8–132 of the State Finance and Procurement Article] **MILITARY DEPARTMENT**  
26 **SUPPLEMENTAL CAPITAL CONSTRUCTION AND MAINTENANCE FUND**  
27 **ESTABLISHED IN § 13–217.1 OF THIS SUBTITLE.**

28 **13–217.1.**

29 (A) **IN THIS SECTION, “FUND” MEANS THE MILITARY DEPARTMENT**  
30 **SUPPLEMENTAL CAPITAL CONSTRUCTION AND MAINTENANCE FUND.**

31 (B) **THERE IS A MILITARY DEPARTMENT SUPPLEMENTAL CAPITAL**  
32 **CONSTRUCTION AND MAINTENANCE FUND.**

1           (C)    **THE PURPOSE OF THE FUND IS TO ASSIST IN THE DEPARTMENT'S**  
2 **CAPITAL CONSTRUCTION PROGRAM AND TO DEFRAY THE COST OF CAPITAL**  
3 **REPAIR TO STATE-OWNED OR OTHER FACILITIES OCCUPIED BY THE**  
4 **DEPARTMENT.**

5           (D)    **THE ADJUTANT GENERAL OR APPOINTEE AS DESIGNATED IN**  
6 **WRITING BY THE ADJUTANT GENERAL SHALL ADMINISTER THE FUND.**

7           (E)    **(1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
8 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

9                   **(2) THE STATE TREASURER SHALL HOLD THE FUND**  
10 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

11           (F)    **THE FUND CONSISTS OF:**

12                   **(1) ALL PROCEEDS FROM THE SALE OF ANY PROPERTY, LAND, OR**  
13 **BUILDINGS OF THE DEPARTMENT, INCLUDING INVESTMENT INCOME ON THE**  
14 **SALE PROCEEDS OF THE PROPERTY;**

15                   **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

16                   **(3) AMOUNTS RECEIVED UNDER LEASING, RENTAL, OR SHORT**  
17 **TERM USE AGREEMENTS LESS ANY PERCENTAGE AMOUNT PROVIDED TO THE**  
18 **UNIT OR ARMORY AS SET BY THE ADJUTANT GENERAL;**

19                   **(4) INVESTMENT EARNINGS OF THE FUND; AND**

20                   **(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
21 **THE BENEFIT OF THE FUND.**

22           (G)    **THE FUND MAY BE USED ONLY FOR:**

23                   **(1) CAPITAL EXPENDITURES AS PROVIDED IN § 7-305 OF THE**  
24 **STATE FINANCE AND PROCUREMENT ARTICLE, IN SUPPORT OF THE**  
25 **DEPARTMENT;**

26                   **(2) FUNDING THE STATE SHARE OF FEDERALLY FUNDED**  
27 **MILITARY CONSTRUCTION AND SUSTAINMENT, RESTORATION, AND**  
28 **MODERNIZATION PROJECTS REQUIRING A STATE SHARE;**

29                   **(3) REIMBURSING THE FEDERAL GOVERNMENT THE PRORATED**  
30 **BALANCE OF FEDERAL CAPITAL FUNDS APPROPRIATED WITHIN 25 YEARS**

1 UNDER THE MASTER CONSTRUCTION COOPERATIVE AGREEMENT FOR CERTAIN  
2 PREVIOUS RENOVATION EXPENSES OF DEPARTMENTAL PROPERTY;

3 (4) RELOCATION EXPENSES ASSOCIATED WITH THE  
4 DEPARTMENT'S CONSTRUCTION PROGRAM; AND

5 (5) CAPITAL REPAIR AND RENOVATION PROJECTS.

6 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE  
7 FUND IN THE SAME MANNER AS OTHER STATE MONEY IS INVESTED.

8 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE  
9 CREDITED BACK INTO THE FUND.

10 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN  
11 ACCORDANCE WITH THE STATE BUDGET.

12 (J) EXPENDITURES OF \$250,000 OR LESS MAY BE AUTHORIZED BY THE  
13 ADJUTANT GENERAL, OR DULY APPOINTED DESIGNEE, IN ACCORDANCE WITH  
14 THIS SECTION.

15 (K) EXCEPT AS OTHERWISE AUTHORIZED BY THE ADJUTANT GENERAL,  
16 PROCEEDS FROM THE SALE OF A FACILITY SHALL BE REINVESTED IN THE  
17 SERVICE FROM WHICH THE PROCEEDS WERE GAINED.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2008. Section 2 of this Act shall remain effective for a period of 10 years  
20 and, at the end of September 30, 2018, with no further action required by the General  
21 Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.