

SENATE BILL 85

B5

9lr0618

(PRE-FILED)

By: Senator Kagan (Chair, Joint Committee on the Management of Public Funds)
and Senator Reilly

Requested: October 18, 2018

Introduced and read first time: January 9, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Capital Debt Affordability Committee – Annual Estimate**

3 FOR the purpose of altering the day by which the Capital Debt Affordability Committee
4 must submit a certain estimate to the Governor and the General Assembly; and
5 generally relating to a certain estimate of the Capital Debt Affordability Committee.

6 BY repealing and reenacting, with amendments,

7 Article – State Finance and Procurement

8 Section 8–112

9 Annotated Code of Maryland

10 (2015 Replacement Volume and 2018 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

12 That the Laws of Maryland read as follows:

13 **Article – State Finance and Procurement**

14 8–112.

15 (a) The Committee shall review on a continuing basis the size and condition of
16 the State tax supported debt as well as other debt of State units, including the University
17 System of Maryland, Morgan State University, St. Mary's College of Maryland, and the
18 Baltimore City Community College.

19 (b) On or before October [1] **20** of each year, the Committee shall submit to the
20 Governor and the General Assembly the Committee's estimate of the total amount of new
21 State debt that prudently may be authorized for the next fiscal year.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) In making the estimate, the Committee shall consider:

2 (1) the amount of State bonds that, during the next fiscal year:

3 (i) will be outstanding; and

4 (ii) will be authorized but unissued;

5 (2) the capital program prepared by the Department of Budget and

6 Management;

7 (3) capital improvement and school construction needs during the next 5

8 fiscal years, as projected by the Interagency Commission on School Construction;

9 (4) projections of debt service requirements during the next 10 fiscal years;

10 (5) the criteria that recognized bond rating agencies use to judge the

11 quality of issues of State bonds;

12 (6) any other factor that is relevant to:

13 (i) the ability of the State to meet its projected debt service

14 requirements for the next 5 fiscal years; or

15 (ii) the marketability of State bonds;

16 (7) the effect of authorizations of new State debt on each of the factors set

17 out in this subsection; and

18 (8) the amount of issuances, debt outstanding, and debt service

19 requirement of other classes of State tax supported debt as well as other debt of State units,

20 including the University System of Maryland, Morgan State University, St. Mary's College

21 of Maryland, and the Baltimore City Community College.

22 (d) The estimate of the Committee:

23 (1) is advisory; and

24 (2) does not bind the General Assembly, the Board, or the Governor.

25 (e) (1) In addition to its other duties under this section, the Committee shall

26 review on a continuing basis the size and condition of any debt of the University System of

27 Maryland, Morgan State University, St. Mary's College of Maryland, and the Baltimore

28 City Community College.

(2) In preparing an estimate with respect to the authorization of any new State debt, the Committee shall take into account as part of the affordability analysis any debt for academic facilities to be issued by a System.

10 (4) For purposes of this subtitle, the terms "System" and "academic
11 facilities" have the meanings stated in § 19-101 of the Education Article.

15 (6) This estimate:

16 (i) is advisory; and

17 (ii) does not bind the General Assembly, the Board, or the Governor.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
19 1, 2019.