

HB0458/433125/1

BY: Appropriations Committee

AMENDMENTS TO HOUSE BILL 458
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Grant**”; in line 6, after “Schools;” insert “altering provisions related to a public-private partnership agreement in Prince George’s County;”; in line 11, after “Classrooms;” insert “removing a requirement for a life cycles cost analysis for the Interagency Commission; requiring a county board of education to submit a certain evaluation under certain circumstances;”; in line 14, after “Education;” insert “altering payments in the Prince George’s County Public-Private Partnership Fund; altering payments into the Supplemental Public School Construction Financing Fund; authorizing the Governor to process a certain budget amendment;”; in the same line, strike “grant”; in line 23, after “(3),” insert “4-126.1, 4-126.2,”; and in the same line, after “5-313(c),” insert “5-325,”.

On page 2, after line 3, insert:

“BY repealing and reenacting, with amendments,

Article - Economic Development

Section 10-649(f) and (g) and 10-658

Annotated Code of Maryland

(2018 Replacement Volume and 2022 Supplement)”.

AMENDMENT NO. 2

On page 2, in line 17, strike “**\$500,000**” and substitute “**\$1,000,000**”.

On page 3, after line 24, insert:

“4-126.1.

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(a) In this section, “public-private partnership agreement” means an agreement in which [a county government and] a county board of education [contract] **CONTRACTS** with a private entity for the acquisition, design, construction, improvement, renovation, expansion, equipping, or financing of a public school, and may include provisions for operation and maintenance of a school, cooperative use of the school or an adjacent property, and generation of revenue to offset the cost of construction or use of the school.

(b) Except as otherwise provided in this section, § 4-126 of this subtitle applies to a public-private partnership agreement entered into in accordance with this section.

(c) (1) This section applies only if, on or before July 1, 2024, the [Prince George’s County government and] the Prince George’s County Board [enter] **ENTERS** into a public-private partnership agreement with a private entity to enhance the delivery of public school construction in Prince George’s County.

(2) (i) Subject to subparagraph (ii) of this paragraph, before entering into a public-private partnership agreement under paragraph (1) of this subsection, the public-private partnership agreement shall be reviewed by the Maryland Stadium Authority and approved by the Interagency Commission on School Construction.

(ii) The approval of the Interagency Commission on School Construction may not be unreasonably withheld or delayed as specified in the memorandum of understanding required under § 4-126 of this subtitle.

(d) (1) **IN FISCAL YEARS 2024 AND 2025, THE MARYLAND STADIUM AUTHORITY SHALL DEPOSIT THE AMOUNT UNDER § 10-658 OF THE ECONOMIC DEVELOPMENT ARTICLE FROM THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING FUND INTO THE PRINCE GEORGE’S COUNTY**

PUBLIC-PRIVATE PARTNERSHIP FUND ESTABLISHED UNDER § 4-126.2 OF THIS SUBTITLE.

(2) Subject to paragraph **[(2)] (3)** of this subsection, in fiscal year 2026 and each fiscal year thereafter through not later than fiscal year 2055, if the **[Prince George's County government,]** the Prince George's County Board**[,]** and the private entity remain in the public-private partnership agreement described under subsection (c) of this section, the Maryland Stadium Authority shall deposit the amount under § 10-658 of the Economic Development Article from the Supplemental Public School Construction Financing Fund established under § 10-658 of the Economic Development Article into the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of this subtitle.

[(2)] (3) Paragraph **[(1)] (2)** of this subsection applies only if the public-private partnership agreement described under subsection (c) of this section includes:

(i) A minimum of **[6] 8** schools that will be improved, constructed, or renovated and operated and maintained under the public-private partnership agreement, **INCLUDING ONE SCHOOL FOR WHICH A STRUCTURAL ENGINEER HAS IDENTIFIED TO THE COMMISSION THAT THE SCHOOL NEEDS A FULL REPLACEMENT BECAUSE OF FAULTY STEEL;** and

(ii) A commitment by the Prince George's County government and the Prince George's County Board to provide the local share of the total **[availability]** payment.

[(3)] (4) In fiscal year 2026 and each fiscal year thereafter through not later than fiscal year 2055, if **[the Prince George's County government,]** the Prince George's County Board**[,]** and the private entity remain in the public-private partnership agreement described under subsection (c) of this section, the Prince

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George's County government and the Prince George's County Board each shall deposit the [availability] payment amount required under the public-private partnership agreement into the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of this subtitle.

(e) In fiscal year 2026 and each fiscal year thereafter through not later than fiscal year 2055, if [the Prince George's County government,] the Prince George's County Board[,] and the private entity remain in the public-private partnership agreement described under subsection (c) of this section and the Prince George's County government and the Prince George's County Board deposit the [availability] payment in the manner described under subsection (d)(3) of this section, the Interagency Commission on School Construction shall pay the [private entity] **PRINCE GEORGE'S COUNTY BOARD** from the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of this subtitle for the [availability] payment required under the public-private partnership agreement.

(f) On January 15, 2025, and each January 15 thereafter, the Prince George's County government, the Prince George's County Board, the Maryland Stadium Authority, and the Interagency Commission on School Construction jointly shall report to the Governor and, in accordance with § 2-1257 of the State Government Article, the fiscal committees of the General Assembly on the progress of construction and renovations of public school facilities under the public-private partnership agreement described under subsection (c) of this section, including actions:

- (1) Taken during the previous fiscal year; and
- (2) Planned for the current fiscal year.

(g) (1) On or before July 1, 2029, the Interagency Commission on School Construction shall complete a 5-year evaluation of the effectiveness of the public-private partnership agreement described under subsection (c) of this section.

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(2) On or before December 31, 2029, the Interagency Commission on School Construction shall submit a report on the results of the evaluation required under paragraph (1) of this subsection to the Governor and, in accordance with § 2–1257 of the State Government Article, the fiscal committees of the General Assembly.

4–126.2.

(a) In this section, “Fund” means the Prince George’s County Public–Private Partnership Fund.

(b) There is a Prince George’s County Public–Private Partnership Fund.

(c) The purpose of the Fund is to provide funds to **THE** Prince George’s County **BOARD** for [Prince George’s County] **THE BOARD** to pay a public or private entity for the [availability] payment due under the Prince George’s County public–private partnership agreement entered into in accordance with § 4–126.1 of this subtitle.

(d) The Interagency Commission on School Construction shall administer the Fund as described in the four–party memorandum of understanding entered into under § 4–126(e)(3)(ii) of this subtitle.

(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(f) The Fund consists of:

(1) Money deposited into the Fund by Prince George’s County, the Prince George’s County Board, and the Maryland Stadium Authority;

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(2) Money deposited into the Fund by the State;

(3) Any investment earnings of the Fund; and

(4) Any other money from any other source accepted for the benefit of the Fund.

(g) (1) Except as provided in paragraph (2) of this subsection, the Fund may be used only to provide funding to Prince George's County for alternative financing methods under § 4-126 of this subtitle in Prince George's County.

(2) If **THE** Prince George's County **BOARD** receives State funding for an availability payment under § 4-126.1 of this subtitle, the funding received under § 4-126.1 of this subtitle may be used only to pay [an availability] A payment to a private entity under the public-private partnership agreement entered into and approved in accordance with § 4-126.1 of this subtitle.

(h) Any appropriation to the Fund shall be used to supplement, but not supplant, money appropriated to Prince George's County for public school construction under the Public School Construction Program established in Title 5, Subtitle 3 of this article.

(i) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any interest earnings of the Fund shall be credited to the Fund.

(j) If a memorandum of understanding is entered into under § 4-126 of this subtitle and State funding is provided for [an availability] A payment, the Prince George's County Board and Prince George's County shall deposit into the Fund the amounts required under the memorandum of understanding.”.

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On page 5, after line 4, insert:

“5-325.

(a) [The Interagency Commission or, if required under subsection (b) of this section, the Maryland Stadium Authority shall evaluate the life cycle costs of public school buildings over a 50-year period, including] **A COUNTY BOARD, DURING THE DESIGN DEVELOPMENT PHASE FOR THE CONSTRUCTION OR MAJOR RENOVATION OF A PUBLIC SCHOOL BUILDING, SHALL COMPLETE AN EVALUATION OF:**

(1) [An evaluation, based on a 50-year period, of the] **THE cost and efficiency, BASED ON A 50-YEAR PERIOD, of using AVAILABLE alternative energy systems, including geothermal, solar, wind, and energy storage compared to a traditional energy system;**

(2) **An energy consumption and systems replacement [analysis], based on a 50-year period, of each major piece of equipment in any of the following systems serving the public school building:**

(i) **The cooling system;**

(ii) **The heating system;**

(iii) **The hot water system;**

(iv) **The lighting system;**

(v) **The ventilation system; or**

(vi) **Any other major system that uses energy; and**

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(3) The impact of innovative building design and materials on energy consumption, including white roofs and green roofs.

[(b) The Interagency Commission or the Maryland Stadium Authority, as applicable, may contract with a third party to conduct the evaluation under subsection (a) of this section.

(c) (1) The evaluation required under subsection (a) of this section shall be conducted and submitted to the General Assembly in accordance with § 2-1257 of the State Government Article on or before October 1, 2023.

(2) On or before October 1, 2020, and each October 1 through 2022, the Interagency Commission or the Maryland Stadium Authority shall provide annual updates on the progress of the evaluation to the General Assembly, in accordance with § 2-1257 of the State Government Article.]

(B) IF THE COUNTY BOARD DETERMINES THAT NO ALTERNATIVE ENERGY SYSTEMS ARE APPROPRIATE FOR A CONSTRUCTION OR MAJOR RENOVATION PROJECT, THE COUNTY BOARD SHALL SUBMIT A REPORT TO THE INTERAGENCY COMMISSION THAT EXPLAINS WHY THE ALTERNATIVE ENERGY SYSTEMS WERE NOT APPROPRIATE.

(C) ON OR BEFORE DECEMBER 31 EACH YEAR, THE INTERAGENCY COMMISSION SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE NUMBER OF PUBLIC SCHOOL CONSTRUCTION AND MAJOR RENOVATION PROJECTS IN EACH JURISDICTION THAT USE ALTERNATIVE ENERGY SYSTEMS.”;

after line 7, insert:

“Article – Economic Development

10–649.

(f) (1) Except as provided in paragraph (2) of this subsection, the total debt service for any bond issue, when added to all prior outstanding bond issues related to improvements to public school facilities, may not exceed the total amount of the funds provided under subsection (g) of this section.

(2) If THE Prince George’s County BOARD enters into a public–private partnership agreement under § 4–126.1 of the Education Article, the total debt service for all bond issues may not exceed \$100,000,000.

(g) (1) In accordance with § 9–1A–30 of the State Government Article, the Comptroller shall deposit a portion of the money in the Education Trust Fund into the Supplemental Public School Construction Financing Fund for the program to be known as the Built to Learn Program.

(2) The funds under paragraph (1) of this subsection shall be deposited in the following amounts:

(i) in fiscal year 2022 – \$30,000,000;

(ii) in fiscal year 2023 – \$60,000,000; [and]

(iii) in fiscal year 2024 [and each fiscal year thereafter] – \$125,000,000; AND

(IV) IN FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER – \$127,000,000.

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(3) The Comptroller shall deposit 50% of the funds under paragraph (2) of this subsection on or before November 1 each year and the other 50% on or before May 1 each year.

10-658.

(a) There is a Supplemental Public School Construction Financing Fund.

(b) (1) The Supplemental Public School Construction Financing Fund is a continuing, nonlapsing fund that shall be available to implement this subtitle concerning public school facilities.

(2) The Authority shall:

(i) use the Supplemental Public School Construction Financing Fund as a revolving fund for carrying out this subtitle concerning public school facilities;

(ii) pay any and all expenses from the Supplemental Public School Construction Financing Fund that are incurred by the Authority related to any public school facilities; and

(iii) after all bonds have been issued, calculate the total amount allocated from the Supplemental Public School Construction Financing Fund to each county that received a percentage of bond proceeds under § 10-650(b)(1) of this subtitle.

(3) [(i) Subject to subparagraph (ii) of this paragraph, in] IN each fiscal year for which the provisions of § 4-126.1(d) of the Education Article remain applicable, the Authority shall deposit an amount equal to [\$25,000,000] **\$27,000,000 EACH YEAR** from the Supplemental Public School Construction Financing Fund into the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of the Education Article.

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[(ii) The total amount distributed from the Supplemental Public School Construction Financing Fund to the Prince George's County Public Private Partnership Fund in accordance with subparagraph (i) of this paragraph may not exceed the maximum total amount allocated to a county calculated in accordance with paragraph (2)(iii) of this subsection.]

(c) To the extent considered appropriate by the Authority, the money on deposit in the Supplemental Public School Construction Financing Fund shall be pledged to and used to pay the following related to public school facilities:

(1) debt service on Authority bonds;

(2) debt service reserves under a trust agreement;

(3) all reasonable charges and expenses related to Authority borrowing;

and

(4) all reasonable charges and expenses related to the Authority's administration of the Supplemental Public School Construction Financing Fund and management of the Authority's obligations.

(d) The Supplemental Public School Construction Financing Fund consists of:

(1) money deposited into the Supplemental Public School Construction Financing Fund;

(2) to the extent that the proceeds are not under a trust agreement, proceeds from the sale of bonds concerning public school facilities;

(3) revenues collected or received from any source under this subtitle related to public school facility projects;

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(4) any interest earnings of the Supplemental Public School Construction Financing Fund; and

(5) any additional money made available from any public source for the purposes established for the Supplemental Public School Construction Financing Fund.

(e) (1) The State Treasurer shall invest the money of the Supplemental Public School Construction Financing Fund in the same manner as other State funds.

(2) Any investment earnings shall be credited to the Supplemental Public School Construction Financing Fund.

(3) No part of the Supplemental Public School Construction Financing Fund may revert or be credited to the General Fund or any special fund of the State.

(f) The money in the Supplemental Public School Construction Financing Fund shall be used to supplement, and may not supplant, money appropriated to the Public School Construction Program established under Title 5, Subtitle 3 of the Education Article.

SECTION 3. AND BE IT FURTHER ENACTED, That notwithstanding any other provision of law, on or before June 30, 2024, the Governor may process a budget amendment to transfer from the Supplemental Public School Construction Financing Fund under § 10–658 of the Economic Development Article to the Prince George’s County Public–Private Partnership Fund under § 4–126.2 of the Education Article for \$25,000,000.”;

in line 8, strike “3.” and substitute “4.”; in line 10, strike “4.” and substitute “5.”; and in line 11, strike “3” and substitute “4”.