

HOUSE BILL 1557

P2

6lr3599

By: **Delegate Solomon (By Request – Joint Audit and Evaluation Committee)**

Introduced and read first time: February 13, 2026

Assigned to: Government, Labor, and Elections

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement – Department of General Services – Real Estate Advisory**
3 **Committee**

4 FOR the purpose of establishing a Real Estate Advisory Committee in the Department of
5 General Services to conduct a review of certain real estate transactions and make
6 certain recommendations; requiring certain real estate transactions submitted to the
7 Board of Public Works for approval to include certain information; and generally
8 relating to real estate transactions in State government.

9 BY adding to

10 Article – State Finance and Procurement
11 Section 4–417
12 Annotated Code of Maryland
13 (2021 Replacement Volume and 2025 Supplement)

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

16 **Article – State Finance and Procurement**

17 **4–417.**

18 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
19 **INDICATED.**

20 **(2) “ADVISORY COMMITTEE” MEANS THE REAL ESTATE ADVISORY**
21 **COMMITTEE.**

22 **(3) “BOARD” MEANS THE BOARD OF PUBLIC WORKS.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(4) "REAL ESTATE TRANSACTION" MEANS A LEASE, LEASE RENEWAL,**
2 **OR PURCHASE OF PROPERTY BY THE STATE GOVERNED BY §§ 4-411 THROUGH**
3 **4-416 OF THIS SUBTITLE WITH A TOTAL EXPECTED COST GREATER THAN \$500,000**
4 **PER YEAR.**

5 **(B) THERE IS A REAL ESTATE ADVISORY COMMITTEE IN THE**
6 **DEPARTMENT.**

7 **(C) THE ADVISORY COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:**

8 **(1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;**

9 **(2) SIX MEMBERS WITH EXPERTISE IN REAL ESTATE PURCHASES,**
10 **LEASES, AND LEASE RENEWALS:**

11 **(I) TWO OF WHOM SHALL BE APPOINTED BY THE GOVERNOR;**

12 **(II) TWO OF WHOM SHALL BE APPOINTED BY THE PRESIDENT OF**
13 **THE SENATE; AND**

14 **(III) TWO OF WHOM SHALL BE APPOINTED BY THE SPEAKER OF**
15 **THE HOUSE; AND**

16 **(3) AS EX OFFICIO, NONVOTING MEMBERS:**

17 **(I) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED**
18 **BY THE PRESIDENT OF THE SENATE; AND**

19 **(II) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED**
20 **BY THE SPEAKER OF THE HOUSE.**

21 **(D) THE SECRETARY SHALL DESIGNATE THE CHAIR OF THE ADVISORY**
22 **COMMITTEE.**

23 **(E) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE ADVISORY**
24 **COMMITTEE.**

25 **(F) A MEMBER OF THE ADVISORY COMMITTEE:**

26 **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**
27 **ADVISORY COMMITTEE; BUT**

1 **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**
2 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

3 **(G) THE ADVISORY COMMITTEE SHALL:**

4 **(1) PRIOR TO ANY FORMAL ACTION ON A REAL ESTATE TRANSACTION**
5 **BY A STATE AGENCY, ADVISE THE STATE AGENCY OF ANY ISSUES OF CONCERN**
6 **REGARDING THE REAL ESTATE TRANSACTION;**

7 **(2) ON THE SELECTION BY THE DEPARTMENT OF A LEAD OFFEROR,**
8 **IMMEDIATELY BEGIN REAL ESTATE TRANSACTION REVIEW;**

9 **(3) NOT LESS THAN 1 YEAR PRIOR TO THE EXPIRATION OF A LEASE OF**
10 **PROPERTY UNDER ITEM (1) OF THIS SUBSECTION, VOTE TO:**

11 **(I) MAKE A RECOMMENDATION AS TO WHETHER THE REAL**
12 **ESTATE TRANSACTION SHOULD MOVE FORWARD FOR SUBMISSION TO THE BOARD;**
13 **OR**

14 **(II) MAKE A RECOMMENDATION AS TO WHETHER A REAL ESTATE**
15 **TRANSACTION OR SPECIFIC PROVISIONS OF A REAL ESTATE TRANSACTION SHOULD**
16 **BE REJECTED, REVISED, OR REMOVED PRIOR TO SUBMISSION TO THE BOARD FOR**
17 **APPROVAL; AND**

18 **(4) ADVISE THE DEPARTMENT ON THE DEPARTMENT'S LEASE**
19 **PROCUREMENT PROCEDURES.**

20 **(H) A REAL ESTATE TRANSACTION OR SPECIFIC PROVISIONS NOT**
21 **RECOMMENDED FOR APPROVAL BY THE ADVISORY COMMITTEE UNDER**
22 **SUBSECTION (G) OF THIS SECTION MAY BE RESUBMITTED TO THE ADVISORY**
23 **COMMITTEE FOR ADDITIONAL REVIEW.**

24 **(I) EACH STATE AGENCY THAT SUBMITS A REQUEST FOR PROPOSALS FOR**
25 **A REAL ESTATE TRANSACTION TO THE ADVISORY COMMITTEE SHALL INCLUDE WITH**
26 **THE AGENCY'S SUBMISSION:**

27 **(1) A FULL COST BENEFIT ANALYSIS COMPARING SIMILAR OR**
28 **COMPARABLE PROPERTIES AND PURCHASE OPTIONS, INCLUDING A COMPARISON**
29 **OF LEASE OPTIONS WITH PURCHASE OPTIONS, AND LEASE CONSOLIDATION**
30 **OPTIONS;**

31 **(2) AN ANALYSIS OF STATE AGENCY PARKING NEEDS AND COSTS,**
32 **INCLUDING ANY RELATED CONSIDERATIONS REGARDING THE PROPERTY;**

1 **(3) DOCUMENTS THAT JUSTIFY:**

2 **(I) REAL ESTATE TERMS IN EXCESS OF TIME OR COST IN EXCESS**
3 **OF ORDINARY AND REGULAR STATE CONTRACT TERMS;**

4 **(II) RENT ESCALATION RATES IN EXCESS OF MARKET RATES;**

5 **(III) CONSTRUCTION COSTS AND COSTS FOR ANY OTHER PART OF**
6 **THE REAL ESTATE TRANSACTION, WITH CONSIDERATION FOR THE**
7 **REASONABLENESS AND COST COMPETITIVENESS OF EACH ITEM;**

8 **(IV) REMOVAL OF ANY STANDARD REAL ESTATE PROVISIONS,**
9 **INCLUDING THE RIGHT TO TERMINATE THE LEASE OR TRANSACTION; AND**

10 **(V) ANY ISSUES REGARDING NONCOMPETITIVE**
11 **PROCUREMENTS;**

12 **(4) A FULL OR SIGNIFICANT RENOVATION COST ANALYSIS, DISTINCT**
13 **FROM THE OVERALL LEASE COST BENEFIT ANALYSIS, INCLUDING:**

14 **(I) A JUSTIFICATION FOR NONCOMPETITIVE PROCUREMENT**
15 **OF GOODS AND SERVICES;**

16 **(II) A DEMONSTRATION THAT COSTS ARE NECESSARY,**
17 **REASONABLE, AND APPROPRIATE; AND**

18 **(III) A DEMONSTRATION THAT FULL FUNDING IS AVAILABLE FOR**
19 **ALL RENOVATIONS; AND**

20 **(5) LANDLORD PAYMENT DOCUMENTATION, INCLUDING:**

21 **(I) TOTAL PAYMENTS TO DATE TO THE LANDLORD;**

22 **(II) PRIOR LEASE PAYMENTS;**

23 **(III) TAX CREDITS OR OTHER STATE BENEFITS GRANTED TO THE**
24 **LANDLORD; AND**

25 **(IV) TAX CREDITS OR OTHER STATE BENEFITS FOR THE**
26 **LOCATION OF THE REAL ESTATE TRANSACTION.**

1 **(J) A REAL ESTATE TRANSACTION THAT IS SUBMITTED TO THE BOARD FOR**
2 **APPROVAL SHALL INCLUDE:**

3 **(1) THE ADVISORY COMMITTEE'S RECOMMENDATIONS ON A REAL**
4 **ESTATE TRANSACTION OR SPECIFIC PROVISIONS OF A REAL ESTATE TRANSACTION;**
5 **AND**

6 **(2) ALL INFORMATION SPECIFIED UNDER SUBSECTION (I) OF THIS**
7 **SECTION.**

8 **(K) (1) ON OR BEFORE JANUARY 1 EACH YEAR, THE ADVISORY**
9 **COMMITTEE SHALL SUBMIT AN ANNUAL REPORT TO THE GOVERNOR AND, IN**
10 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL**
11 **ASSEMBLY.**

12 **(2) THE REPORT SHALL INCLUDE:**

13 **(I) A LIST OF ALL CURRENT REAL ESTATE TRANSACTIONS BY**
14 **THE STATE GOVERNED BY §§ 4-318 THROUGH 4-321 OF THIS TITLE AND §§ 4-411**
15 **THROUGH 4-416 OF THIS SUBTITLE, INCLUDING THE TERM OF DURATION AND**
16 **COSTS ASSOCIATED WITH EACH REAL ESTATE TRANSACTION;**

17 **(II) THE TOTAL NUMBER OF STATE AGENCIES THAT SUBMITTED**
18 **REQUESTS FOR PROPOSALS FOR REAL ESTATE TRANSACTIONS TO THE ADVISORY**
19 **COMMITTEE;**

20 **(III) THE FINAL DISPOSITION OF EACH REQUEST FOR**
21 **PROPOSALS FOR A REAL ESTATE TRANSACTION;**

22 **(IV) THE SUBSEQUENT ACTION TAKEN BY THE AGENCY**
23 **FOLLOWING FINAL DISPOSITION OF EACH REQUEST FOR PROPOSALS FOR A REAL**
24 **ESTATE TRANSACTION; AND**

25 **(V) FOLLOWING BOARD APPROVAL, THE STATUS OF REAL**
26 **ESTATE TRANSACTIONS PUBLISHED IN eMARYLAND MARKETPLACE, LISTING**
27 **WHETHER THE REAL ESTATE TRANSACTION PUBLICATION WAS ON TIME OR LATE.**

28 **(3) THE DEPARTMENT SHALL PUBLISH ALL DATA REQUIRED IN THE**
29 **ANNUAL REPORT UNDER THIS SUBSECTION ON THE DEPARTMENT'S WEBSITE OR ON**
30 **A PUBLICLY ACCESSIBLE ONLINE DASHBOARD FOR PUBLIC REVIEW.**

1 **(L) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT A STATE**
2 **AGENCY FROM SUBMITTING OR LIMIT THE AUTHORITY OF A STATE AGENCY TO**
3 **SUBMIT A REAL ESTATE TRANSACTION TO THE BOARD FOR APPROVAL.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2026.