
**House Appropriations Committee
Capital Budget Subcommittee**

Additional Pages

March 2026

D25

Interagency Commission on School Construction

D25E0302A Nancy K. Kopp Public School Facilities Priority Fund..... \$70,000,000

Add the following language:

Nancy K. Kopp Public School Facilities Priority Fund. Provide grants to schools in accordance with § 5-326 of the Education Article (Statewide).....

Provided that notwithstanding any other provision of law, this authorization shall be allocated as follows:

(1) Senate directed allocation	35,000,000
(2) House of Delegates direction allocation	35,000,000
(1) <u>Anne Arundel County</u>	<u>3,000,000</u>
(2) <u>Baltimore City</u>	<u>16,000,000</u>
(3) <u>Baltimore County.....</u>	<u>5,000,000</u>
(4) <u>Frederick County.....</u>	<u>5,000,000</u>
(5) <u>Howard County</u>	<u>6,000,000</u>
(6) <u>Montgomery County.....</u>	<u>15,000,000</u>
(7) <u>Prince George’s County.....</u>	<u>19,000,000</u>
(8) <u>All other jurisdictions.....</u>	<u>1,000,000</u>

Further provided that these authorizations shall not be subject to a local matching requirement.

Explanation: ~~This language specifies portions of the Kopp Priority Fund authorization to be directed by the Senate and the House of Delegates. This language specifies the distribution of the Kopp Priority Fund by county and removes the matching grant requirement for fiscal 2027.~~

D25

Interagency Commission on School Construction

D25E0302D Supplemental Capital Grant Program \$80,000,000

Add the following language:

Supplemental Capital Grant Program for Local School Systems. Provide funds to local school systems with enrollment growth that over the last 5 years exceeds 150% of the statewide average or with 250 or more relocatable classrooms. These funds shall be administered in accordance with § 5-313 of the Education Article and can be used for grants to local boards of education for federal E-rate-eligible special construction such as fiber and broadband infrastructure projects for E-rate-eligible applicants. Notwithstanding any other provision of law, for the first \$60,000,000 of grants, funds \$4,500,000 of this authorization shall be allocated to the county with the greatest percentage of enrollment growth above the statewide average. Further provided that \$57,500,000 shall be allocated based on each eligible county board's proportionate share of the total full-time equivalent enrollment of the county boards that are eligible to participate in the Program. Further provided that, for the remaining grants, funds shall be allocated based on each eligible county board's proportionate share of percentage of enrollment growth above the statewide average percentage (Regional)....

Explanation: This action specifies the method for allocating grants under the Supplemental Capital Grant Program.

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Department of Housing and Community Development

SA24C Community Legacy Program \$8,000,000

Add the following language:

Community Legacy Program. Provide funds to assist neighborhoods with revitalization efforts. The funds shall be administered in accordance with §§ 6-201 through 6-211 of the Housing and Community Development Article and Code of Maryland Regulations (COMAR) 05.17.01. Provided that any financial assistance awarded under this program is not subject to § 8-301 of the State Finance and Procurement Article (Statewide)

Provided that ~~\$1,000,000~~ \$2,600,000 of this authorization may be used only to provide grants as follows:

- (1) Catonsville Armory. Provide a grant to the County Executive and County Council of Baltimore County for the acquisition, planning, design, construction, expansion, repair, renovation, reconstruction, site improvement, and capital equipping of the Catonsville Armory (Baltimore County) 500,000

- (2) Strathmore Hall Performing Arts Center. Provide a grant to Montgomery County, Maryland for the acquisition, planning, design, construction, expansion, repair, renovation, reconstruction, site improvement, and capital equipping of the Strathmore Hall Performing Arts Center (Montgomery County) 500,000

- (3) Riverdale Park Hiker Biker Trail. Provide a grant to the Town of Riverdale Park for the acquisition, planning, design, construction, expansion, repair, renovation, reconstruction, site improvement, and

S00

	<u>capital equipping of the Riverdale Park Hiker Biker Trail (Prince George's County)</u>	<u>500,000</u>
(4)	<u>Route 1 Public Art Wall. Provide a grant to Hyattsville CDC for the acquisition, planning, design, construction, expansion, repair, renovation, reconstruction, site improvement, and capital equipping of the Route 1 public art wall (Prince George's County)</u>	<u>500,000</u>
(5)	<u>Creative Suitland. Provide a grant to the Revenue Authority of Prince George's County for the acquisition, planning, design, construction, expansion, repair, renovation, reconstruction, site improvement, and capital equipping of the Creative Suitland redevelopment project (Prince George's County)</u>	<u>500,000</u>
(6)	<u>Front Door Initiative. Provide a grant to Hope Harbor, Inc. d.b.a. Hope Harbor Community Development Corporation for the acquisition, planning, design, construction, expansion, repair, renovation, reconstruction, site improvement, and capital equipping of the Front Door Initiative to rehabilitate vacant homes (Baltimore City)</u>	<u>100,000</u>

Explanation: This action restricts funds in the Community Legacy program for specified projects.

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Initiative to rehabilitate vacant homes
(Baltimore City) 150,000

Explanation: This action restricts funds in the Seed Community Development Anchor Institution Fund for ~~a specified project.~~ *specified projects.*

Amendment to Section 1(11)

Add the following language:

(11) Notwithstanding §§ 8-125(e) and 8-132 of the State Finance and Procurement Article, the State Treasurer shall determine the amount of premium from the sale of bonds in fiscal year 2026 and 2027 to be transferred to the Annuity Bond Fund. Upon each issuance of State bonds in fiscal year 2026 and 2027, the Treasurer shall notify the Comptroller of the Treasurer's determination and the Comptroller shall credit the premium accordingly. Premium from the sale of bonds in fiscal year 2026 and 2027 that is not transferred to the Annuity Bond Fund may, upon approval of the Board of Public Works, be expended by the Comptroller for any of the public purposes set forth in Section 1(3) of this Act, including any applicable architects' and engineers' fees.

Explanation: *This action allows for the use of bond premium from bond sales in fiscal 2027.*

Calvert Street Garage – Allocation of Parking Spaces

Add the following language:

Chapter 445 of the Acts of 2005

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) With respect to any parking facility financed using any combination of cash, revenue bonds, or other debt and constructed on the State property bounded by Rowe Boulevard/Bladen Street, Calvert Street, St. Johns Street, and Bloomsbury Square in Annapolis or any other location within 1,320 feet of the boundaries of that property:

(1) The operator of that facility shall allocate for 12 months of the year at least 250 parking spaces for employees of the General Assembly which shall be assigned by the President of the Senate and the Speaker of the House of Delegates.

(2) FROM JANUARY 1 THROUGH MAY 1 OF EACH YEAR, THE 250 PARKING SPACES REQUIRED UNDER THIS SECTION TO BE ALLOCATED FOR EMPLOYEES OF THE GENERAL ASSEMBLY SHALL BE SEPARATELY ALLOCATED WITH RESTRICTED ACCESS IN A MANNER THAT THE SPACES ARE AVAILABLE ONLY FOR EMPLOYEES OF THE GENERAL ASSEMBLY AT ALL TIMES.

[(2)] (3) Spaces in the facility shall be made available to the General Assembly on the financial terms equivalent to the most favorable terms under which spaces may be provided to other State agencies.

[(3)] (4) All contracts for financing, construction, or operation of this facility shall be made subject to the requirements of this section.

(b) The Department of General Services may not reduce the total number of parking spaces available to staff of the General Assembly in the parking lot adjacent to the Lowe House Office Building ("B" lot), the adjoining parking garage ("A" Garage), or the Gotts Garage below the number assigned on April 11, 2005 without the written consent of the President of the Senate and the Speaker of the House of Delegates.

(c) The Department of General Services, the Maryland Transportation Authority, and any other public agencies or instrumentalities involved in the financing, construction, or operation of the parking facilities referenced in this Section shall be subject to the requirements of this Section.

Explanation: This language requires 250 parking spaces to be allocated with restricted access in the Calvert Street Garage for employees of the General Assembly from January 1 through May 1 of each year.

Amendments to State Finance and Procurement Article

Add the following language:

SECTION 16. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – State Finance and Procurement

7–305.

(a) (1) In this section[, “capital] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “CAPITAL expenditure” includes an expenditure for:

1 acquisition of land, buildings, or equipment; or

[2](II) new construction.

(3) “MISCELLANEOUS CAPITAL GRANT” MEANS A GRANT FOR A CAPITAL PROJECT FOR AN ENTITY THAT IS NOT A UNIT OF STATE GOVERNMENT FUNDED IN THE ANNUAL STATE OPERATING BUDGET WITHIN THE DEPARTMENT OF GENERAL SERVICES.

(b) At the end of a fiscal year, the unspent part of an appropriation for a capital expenditure made through the State budget or a supplementary appropriation act other than an enabling act for a general obligation loan:

(1) does not revert to the General Fund; and

(2) with the approval of the Board of Public Works, may be carried in a capital account until it is spent in accordance with subsection (c) of this section or until the authority to spend the appropriation for a project terminates.

(c) Money carried in a capital account under subsection (b) of this section may be spent only for a capital purpose.

(d) Unless otherwise provided by law, the authority to spend the appropriation for a project terminates:

(1) [2 years after the effective date of the appropriation act that authorizes the project, if:

(i) evidence that a required matching fund will be provided has not been presented to the Board; or

(ii) no part of the project is under contract and the Board has not encumbered money for any part of the project;

(2)] 1 year after the latest of abandonment, completion, or acceptance of the project; or

[(3)] (2) except to the extent the Board has encumbered money for a State project or program authorized by an appropriation act, 7 years after the effective date of the appropriation act that authorized the project unless:

(i) the appropriation act provides otherwise; or

(ii) in an emergency, the Board unanimously grants a temporary exception for 1 year.

(E) (1) THIS SUBSECTION APPLIES TO A MISCELLANEOUS CAPITAL GRANT THREE YEARS OR MORE AFTER THE EFFECTIVE DATE OF THE APPROPRIATION ACT THAT AUTHORIZED THE GRANT.

(2) ON OR BEFORE JULY 1 EACH YEAR, THE DEPARTMENT OF GENERAL SERVICES SHALL SUBMIT TO THE LEGISLATIVE POLICY COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, A REPORT THAT IDENTIFIES EACH GRANT FOR WHICH:

(I) NO PART OF THE GRANT IS UNDER CONTRACT APPROVED BY THE BOARD; AND

(II) THE BOARD HAS NOT ENCUMBERED MONEY FOR ANY PART OF THE GRANT.

8-128.

(a) [If, within 2 years after the date of an authorization of State debt, evidence that a required matching fund will be provided has not been presented to the Board or no part of the project or program for which the enabling act authorized the State debt is under contract and the Board has not encumbered money for any part of the project or program, the authorization terminates unless:

(1) the enabling act provides otherwise; or

(2) in an emergency, the Board unanimously grants a temporary exception for a period of 1 year] **IN THIS SECTION, “MISCELLANEOUS CAPITAL GRANT” MEANS A GRANT FOR A CAPITAL PROJECT FOR AN ENTITY THAT IS NOT A UNIT OF STATE GOVERNMENT FUNDED IN THE ANNUAL STATE CAPITAL BUDGET AS PART OF THE:**

(1) MISCELLANEOUS GRANT PROGRAMS;

(2) LOCAL HOUSE OF DELEGATES INITIATIVES; OR

(3) LOCAL SENATE INITIATIVES.

(b) Unless otherwise provided in an enabling act, an authorization of State debt for a project or program shall terminate no later than 1 year after the abandonment, completion, or acceptance of the project or program, as determined by the Board.

(c) Except to the extent that money authorized by an enabling act for a State project or program has been encumbered by the Board, an authorization of State debt shall automatically terminate 7 years after the date of the authorization, unless:

(1) the enabling act provides otherwise; [or]

(2) in an emergency, the Board unanimously grants a temporary exception for 1 year; OR

(3) THE AUTHORIZATION IS FOR A PROGRAM THAT:

(i) IS ADMINISTERED BY A UNIT OF STATE GOVERNMENT WHICH RECEIVES FUNDS THAT ARE DISTRIBUTED BY THE UNIT TO INDIVIDUAL PROJECTS; AND

(ii) RECEIVES FUNDS THAT MAY BE REALLOCATED BY THE UNIT BETWEEN PROJECTS WITHOUT REQUIRING A BUDGET AMENDMENT OR AN ACT OF THE GENERAL ASSEMBLY.

(D) (1) THIS SUBSECTION APPLIES TO A MISCELLANEOUS CAPITAL GRANT THREE YEARS OR MORE AFTER THE EFFECTIVE DATE OF THE ENABLING ACT THAT AUTHORIZED THE GRANT.

(2) ON OR BEFORE JULY 1 EACH YEAR, THE DEPARTMENT OF GENERAL SERVICES SHALL SUBMIT TO THE LEGISLATIVE POLICY COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, A REPORT THAT IDENTIFIES EACH GRANT FOR WHICH:

(i) NO PART OF THE GRANT IS UNDER CONTRACT APPROVED BY THE BOARD; AND

(ii) THE BOARD HAS NOT ENCUMBERED MONEY FOR ANY PART OF THE GRANT.

~~[(d)] (E)~~ If ~~[bonds have not been issued]~~ **AN AUTHORIZATION IS TERMINATED IN ACCORDANCE WITH THIS SECTION**, the amount of any unissued bonds ~~[from a]~~ **SPECIFICALLY INTENDED FOR THE** terminated authorization shall be canceled and be of no further effect.

~~[(e)] (F)~~ If **AN AUTHORIZATION IS TERMINATED IN ACCORDANCE WITH THIS SECTION AND** bonds have been issued **SPECIFICALLY TO FUND THE AUTHORIZATION**, the amount of any unspent bond proceeds ~~[from a]~~ **ASSOCIATED WITH THE** terminated authorization shall be disposed of as provided in § 8–129 of this subtitle.

~~[(f)] (G)~~ (1) The Board shall enforce the provisions of this section.

(2) A failure to comply with or give effect to the provisions of this section may not affect the validity or enforceability of State debt.

~~[(g)] (H)~~ The Board shall submit for publication in the Maryland Register a notice of any authorization of State debt that has been terminated or extended under this section; the notice shall include the chapter number and year of enactment of the enabling act and each amendment to the enabling act.

~~[(h)] (I)~~ A termination or extension under this section may become effective only after the publication of notice in the Maryland Register.

~~[(i)] (J)~~ (1) The Treasurer, in consultation with the Comptroller, shall submit a report on January 1 each year to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

(2) The report shall list all projects or programs for which authorization would be terminated in the upcoming year under the provisions in this section or § 7–305 of this article.

8–129.

(a) ~~[With]~~ **EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION**, WITH the approval of the Board, the Governor shall dispose of unspent **BOND** proceeds ~~[of]~~ **SPECIFICALLY ISSUED TO FUND** an enabling act within 1 year after the termination of the State debt authorization under § 8–128 of this subtitle.

(b) ~~[The]~~ **EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION**, THE Governor shall:

(1) use the proceeds to reduce State debt authorizations, as provided in § 8–126(b) through (d) of this subtitle;

(2) allocate the proceeds to the Construction Contingency Fund, as provided in § 3–609 of this article; or

(3) order the proceeds to be credited to the Annuity Bond Fund, to pay the outstanding bonded indebtedness of the State.

(C) IF BONDS HAVE NOT BEEN ISSUED SPECIFICALLY TO FUND AN AUTHORIZATION:

(1) THE PROVISIONS OF SUBSECTIONS (A) AND (B) OF THIS SECTION DO NOT APPLY TO THE AUTHORIZATION; AND

(2) THE AMOUNT OF ANY UNISSUED BONDS FROM A TERMINATED AUTHORIZATION SHALL BE CANCELED AND BE OF NO FURTHER EFFECT.

[(c)] (D) The Board shall enforce the provisions of this section.

SECTION 17. AND BE IT FURTHER ENACTED, That §§ 7–305(e) and 8–128(d) of the State Finance and Procurement Article, as enacted by Section 16 of this Act, shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any miscellaneous capital grants authorized before the effective date of this Act.

SECTION 18. AND BE IT FURTHER ENACTED, That the repeal of §§ 7–305(d)(1) and 8–128(a) of the State Finance and Procurement Article, as enacted by Section 16 of this Act, shall be construed to apply retroactively and shall be applied to and interpreted to affect any prior appropriation act or enabling act that authorized State debt for capital projects or programs.

SECTION 19. AND BE IT FURTHER ENACTED, That the modification of § 8–128(c) of the State Finance and Procurement Article, as enacted by Section 16 of this Act, shall be construed to apply retroactively and shall be applied to and interpreted to affect any prior appropriation act or enabling act that authorized State debt for capital projects or programs.”

Explanation: *This language amends the State Finance and Procurement Article to repeal the two-year termination for unencumbered capital grants for both pay-as-you-go and general obligation bond funding, require an annual report to the Legislative Policy Committee identifying miscellaneous capital grants with no activity for three or more years, exempts capital programs from seven-year termination but maintains the termination for capital projects, and clarifies termination language.*

Amendments to Section 1(5) and (7)

Amend the following language:

Section 1

(5) (a) Prior to the payment of any matching grant funds under the provisions of Section 1(3) Items ZA00 through ZB02 of this Act, grantees shall provide and expend matching funds as specified. No part of a grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. Except as otherwise provided, no part of the fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act. In case of any dispute as to what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter, and the Board's decision is final. ~~Grantees have until June 1, 2028, to present evidence satisfactory to the Board of Public Works that the matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact to the State Treasurer and the proceeds of the loan shall be expended for the purposes provided in this Act. If this evidence is not presented by June 1, 2028, the proceeds of the loan shall be applied to the purposes authorized in § 8-129 of the State Finance and Procurement Article.~~

(b) It is further provided that when an equal and matching fund is specified in Section 1(3) Items ZA00 through ZB02 of this Act, grantees shall provide a matching fund equal to the lesser of (i) the authorized amount of the State grant or (ii) the amount of the matching fund certified by the Board of Public Works. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. ~~If this evidence is not presented by June 1, 2028, the proceeds of the loan shall be applied to the purposes authorized in § 8-129 of the State Finance and Procurement Article. The proceeds of any amount of the loan in excess of the matching fund certified by the Board of Public Works shall also be applied to the purposes authorized in § 8-129 of the State Finance and Procurement Article.~~

(7) ~~The EXCEPT AS PROVIDED IN § 8-128(C) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE~~ proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2033. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2033, the amount of the unexpended or unencumbered authorization shall be canceled and be of no further force and effect.

***Explanation:** This action modifies language in Section 1 to conform to revisions made to the State Finance and Procurement Article.*