

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 880 (Delegate Holmes)
Ways and Means

Public School Property - Acquisition and Sale Requirements - Exemptions

This bill authorizes a local board of education, without the approval of the State Superintendent of Schools, to acquire and sell certain property that will be used in a specified program providing hands-on training in the construction trades for students within the public school system. The property is exempt from approval by the State Superintendent if after construction training on the property is completed, (1) the property will be sold at fair market value with the approval of the county superintendent, and (2) proceeds from the sale of the property will be used to finance additional hands-on construction training for students within the public school system.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None. The bill does not alter current law exempting specified properties that are used for public school purposes from State property taxes.

Local Effect: In counties with approved construction trades training programs, revenue from the sale of specified properties will be available to local school systems for similar, additional training; revenue from the sale of these properties may not be available for other priorities of county governments.

Small Business Effect: None.

Analysis

Current Law: Subject to the bylaws, rules, and regulations of the State Board of Education, the State Superintendent must approve or disapprove each proposal for the purchase or sale of any ground, school site, or building; each plan or specification for the remodeling of a school building if the remodeling costs more than \$350,000; each plan or specification for the construction of a new school building; and each change order that costs more than \$25,000 for the remodeling, restoration, or construction of a school building.

The State Superintendent must state in writing the reasons for disapproval of any plan, specification, proposal, or change order. If the construction is to be done by a county board, the board may not begin until the plans and specifications are approved in writing by the State Superintendent; if the construction is to be done by contract, the contract is invalid without the written approval of the State Superintendent.

With the approval of the State Superintendent, each local board of education may buy or otherwise acquire land, school sites, or buildings; and rent, repair, improve, and build school buildings or approve contracts for doing so, if the plans conform to State Board of Education bylaws, rules, and regulations.

Property granted, conveyed, devised, or bequeathed for the use of a particular public school or school system is exempt from State and local taxes and is held in trust for the benefit of the school or school system by the appropriate county board or, for real property in Baltimore City, by the Mayor and City Council of Baltimore. However, a private entity may hold title to property used for a particular public school or local school system if the private entity is contractually obligated to transfer title to the appropriate county board on a specified date.

When a county school board determines, with the approval of the State Superintendent, that any land, school site, or building owned by the board is no longer needed for school purposes, it must notify the county commissioners or county council of its determination. Within 30 days, the county commissioners or county council must notify the board if the property is an integral component of an existing economic development plan that will significantly benefit the county, or whether the county commissioners or county council have no existing plans for the property.

If the county commissioners or county council have no plans for the property, the county school board must notify public charter schools in the county that vacant public school buildings are available for their occupation and use on terms established by the board. Each county school board must establish procedures for determining which public charter school may occupy a vacant school building if more than one public charter school

expresses interest in occupying and using the building. A public charter school that occupies or uses a school site or building provided under the bill may not sell, dispose of, or otherwise transfer the school site or building.

If the county commissioners or county council give notice that the land is needed for an economic development plan, or if neither the county nor public charter schools in the county have use for the property, the property must be transferred to the county commissioners or county council to be used, sold, leased or otherwise disposed of, except by gift, under current law. With the approval of the State Superintendent, the Cecil County Board of Education may transfer, with or without charge, property to the board of trustees of a public community college.

Background: Career and technology education (CTE) provides high school students an opportunity to pursue a sequential technical and academic program of study leading to advancement in a career field. High school CTE programs of study give students the opportunity to transition smoothly into further training or postsecondary education and to earn college credit and/or industry credentials in a career field of interest.

CTE programs typically provide pathways for students to pursue within one of Maryland's 10 cluster areas; 1 of these cluster areas is Construction and Development. Within this cluster, construction trades professions programs are based on the National Center for Construction Education and Research (NCCER) standards and prepare students for further education and careers in the construction industry, with a focus on carpentry, electrical work, plumbing, or masonry. Also within this cluster, construction maintenance programs are based on NCCER standards and prepare students for further education and careers in the construction industry, with a focus on heating, ventilating, air conditioning (HVAC); industrial maintenance; or welding. Additional curriculum modules cover project management and project supervision as it relates to construction.

According to MSDE, all counties have CTE programs, but in recent years public school systems in as few as three counties (Frederick, Montgomery, and Prince George's counties) have operated construction training programs that provide participating students with in-the-field experience in construction of student-built houses.

MSDE advises that a local school system, instead of making school board purchases of properties for construction trades programs, often partners with a separate foundation that would purchase and sell the properties used in these programs. Foundations providing construction training support for public schools include: in Frederick County, the Frederick County Students Construction Trades Foundation; in Montgomery County, the Construction Trades Foundation; and in Prince George's County, the Foundation for Construction Technology for Students (FACTS). (The bill however applies to acquisition and sale of specified property by a county board of education.)

Local Fiscal Effect: This analysis assumes that a county government will not impede the use of proceeds from the sale of qualified property by a local board of education to finance additional hands-on construction training for students within the local public school system. Local school systems with approved hands-on construction trades training programs receive revenue from the sale of specified properties, to be used for similar, additional training. The per pupil funding amount that must be provided by county governments to local school boards under maintenance of effort requirements is not altered by the bill. County governments may not receive revenue from the sale of certain properties that would otherwise be received, and used at the discretion of county government, under current law.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City, Maryland State Department of Education, Department of Legislative Services

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Analysis by: Scott P. Gates

Direct Inquiries to:
(410) 946-5510
(301) 970-5510