

# SENATE BILL 388

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4lr2274  
CF HB 349

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By: **Senator Reilly**

Introduced and read first time: January 23, 2014

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Education – Maintenance of Effort – Lease Payment Exclusion**

3 FOR the purpose of excluding certain lease payments made by a county board of  
4 education from the maintenance of effort calculation; and generally relating to  
5 maintenance of effort funding.

6 BY repealing and reenacting, with amendments,  
7 Article – Education  
8 Section 5–202(d)(3)(i)  
9 Annotated Code of Maryland  
10 (2008 Replacement Volume and 2013 Supplement)  
11 (As enacted by Chapter 647 of the Acts of the General Assembly of 2013)

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

14 **Article – Education**

15 5–202.

16 (d) (3) (i) For purposes of this subsection, for fiscal year 1997 and each  
17 subsequent fiscal year, the calculation of the county’s highest local appropriation to its  
18 school operating budget for the prior fiscal year shall exclude:

19 1. A nonrecurring cost that is supplemental to the  
20 regular school operating budget, if the exclusion qualifies under regulations adopted  
21 by the State Board;

22 2. A cost of a program that has been shifted from the  
23 county school operating budget to the county operating budget;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                                   3.     The cost of debt service incurred for school  
2 construction projects; [and]

3                                   4.     For a county that shifts the recurring costs associated  
4 with providing retiree health benefits for current retirees to the county board, any  
5 reduction in those retiree health costs from the amount the county was required to  
6 appropriate in the previous year; **AND**

7                                   **5.     LEASE PAYMENTS MADE BY A COUNTY BOARD TO**  
8 **A PRIVATE ENTITY HOLDING TITLE TO PROPERTY USED FOR A PARTICULAR**  
9 **PUBLIC SCHOOL BY A COUNTY BOARD AS DESCRIBED IN § 4-114(C)(1) OF THIS**  
10 **ARTICLE.**

11                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 July 1, 2014, the effective date of Chapter 6 of the Acts of the General Assembly of  
13 2012. If the effective date of Chapter 6 is amended, this Act shall take effect on the  
14 taking effect of Chapter 6.