

SENATE BILL 172

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9lr0168
CF 9lr0169

By: **The President (By Request – Administration)**

Introduced and read first time: January 21, 2019

Assigned to: Budget and Taxation and Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Public Charter School Facility Fund**

3 FOR the purpose of establishing the Public Charter School Facility Fund as a special,
4 nonlapsing fund; specifying the purpose of the Fund; requiring the State Department
5 of Education to administer the Fund; requiring the State Treasurer to hold the Fund
6 and the Comptroller to account for the Fund; specifying the contents of the Fund;
7 specifying the purpose for which the Fund may be used; providing for the investment
8 of money in and expenditures from the Fund; requiring interest earnings of the Fund
9 to be credited to the Fund; exempting the Fund from a certain provision of law
10 requiring interest earnings on State money to accrue to the General Fund of the
11 State; requiring the amount of funding provided to a public charter school for each
12 fiscal year to be equal to certain facility expenses, subject to a certain limitation;
13 requiring the Governor to appropriate a certain amount to the Fund each year;
14 requiring the Department to establish certain procedures for public charter schools
15 to request funds; requiring the Department to establish certain award procedures;
16 defining certain terms; providing for the construction of this Act; and generally
17 relating to the Public Charter School Facility Fund.

18 BY repealing and reenacting, without amendments,
19 Article – Education
20 Section 1–101(f)
21 Annotated Code of Maryland
22 (2018 Replacement Volume and 2018 Supplement)

23 BY adding to
24 Article – Education
25 Section 5–324
26 Annotated Code of Maryland
27 (2018 Replacement Volume and 2018 Supplement)

28 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement
 2 Section 6–226(a)(2)(i)
 3 Annotated Code of Maryland
 4 (2015 Replacement Volume and 2018 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – State Finance and Procurement
 7 Section 6–226(a)(2)(ii)112. and 113.
 8 Annotated Code of Maryland
 9 (2015 Replacement Volume and 2018 Supplement)

10 BY adding to
 11 Article – State Finance and Procurement
 12 Section 6–226(a)(2)(ii)114.
 13 Annotated Code of Maryland
 14 (2015 Replacement Volume and 2018 Supplement)

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

17 **Article – Education**

18 1–101.

19 (f) “Department” means the State Department of Education.

20 **5–324.**

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 22 INDICATED.

23 (2) “ELIGIBLE FACILITY EXPENSES” MEANS EXPENSES INCURRED BY
 24 A PUBLIC CHARTER SCHOOL TO ACQUIRE, PLAN, DEVELOP, FINANCE, CONSTRUCT,
 25 LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER SCHOOL FACILITIES.

26 (3) “FUND” MEANS THE PUBLIC CHARTER SCHOOL FACILITY FUND.

27 (4) “PUBLIC CHARTER SCHOOL” HAS THE MEANING STATED IN §
 28 9–102 OF THIS ARTICLE.

29 (5) “PUBLIC CHARTER SCHOOL FACILITIES” MEANS PREMISES THAT
 30 ARE:

31 (1) OWNED OR LEASED BY A PUBLIC CHARTER SCHOOL; AND

1 **(II) OCCUPIED AND UTILIZED BY A PUBLIC CHARTER SCHOOL**
2 **TO PROVIDE A PROGRAM OF PRIMARY OR SECONDARY EDUCATION TO ITS STUDENTS**
3 **UNDER TITLE 9 OF THIS ARTICLE.**

4 **(B) THERE IS A PUBLIC CHARTER SCHOOL FACILITY FUND.**

5 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING ON AN ANNUAL**
6 **BASIS TO PUBLIC CHARTER SCHOOLS IN THE STATE TO ACQUIRE, PLAN, DEVELOP,**
7 **FINANCE, CONSTRUCT, LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER**
8 **SCHOOL FACILITIES.**

9 **(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

10 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
11 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

12 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
13 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

14 **(F) THE FUND CONSISTS OF:**

15 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

16 **(2) ANY INTEREST EARNINGS OF THE FUND; AND**

17 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
18 **THE BENEFIT OF THE FUND.**

19 **(G) THE FUND MAY BE USED ONLY TO PROVIDE FUNDING TO PUBLIC**
20 **CHARTER SCHOOLS IN THE STATE TO ACQUIRE, PLAN, DEVELOP, FINANCE,**
21 **CONSTRUCT, LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER SCHOOL**
22 **FACILITIES.**

23 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
24 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

25 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
26 **THE FUND.**

27 **(I) (1) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE AMOUNT**
28 **OF FUNDING PROVIDED TO A PUBLIC CHARTER SCHOOL UNDER THIS SECTION FOR**
29 **EACH FISCAL YEAR SHALL BE EQUAL TO THE ELIGIBLE FACILITY EXPENSES THAT**
30 **THE PUBLIC CHARTER SCHOOL DEMONSTRATES THAT IT INCURRED DURING THE**

1 1, 2019.