

SENATE BILL 744

C9, P3

(2lr1558)

ENROLLED BILL

— *Education, Health, and Environmental Affairs/Environment and Transportation* —

Introduced by **Senator Hettleman**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Housing and Community Development – Affordable Housing – ~~Listing and~~**
3 **~~Disposal of Excess Real Property~~**

4 FOR the purpose of requiring the Department of Planning to provide a list of excess real
5 property owned by the State to the Department of Housing and Community
6 Development; requiring the Department of Housing and Community Development
7 to determine whether any of the listed properties are suitable for use or
8 redevelopment as affordable housing; requiring units of State government to develop
9 proposals to donate ~~or sell, sell, or lease~~ *or sell* excess real property determined to be
10 suitable for use or redevelopment as affordable housing; requiring the Comptroller
11 to distribute a certain amount of income tax revenue from individuals to the Rental
12 Housing Fund on or before a certain date; and generally relating to ~~the listing and~~
13 ~~disposal of~~ excess real property ~~for use as~~ and affordable housing.

14 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



- 1 Article – Housing and Community Development
2 Section 2–203
3 Annotated Code of Maryland
4 (2019 Replacement Volume and 2021 Supplement)
- 5 BY repealing and reenacting, without amendments,
6 Article – Housing and Community Development
7 Section 4–504(b), (c), and (d)
8 Annotated Code of Maryland
9 (2019 Replacement Volume and 2021 Supplement)
- 10 BY repealing and reenacting, with amendments,
11 Article – Housing and Community Development
12 Section 4–504(e)
13 Annotated Code of Maryland
14 (2019 Replacement Volume and 2021 Supplement)
- 15 ~~BY repealing and reenacting, with amendments,
16 Article – Housing and Community Development
17 Section 4–504(e)
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2021 Supplement)
20 (As enacted by Section 1 of this Act)~~
- 21 BY repealing and reenacting, without amendments,
22 Article – State Finance and Procurement
23 Section 5–310(a) and (b)
24 Annotated Code of Maryland
25 (2021 Replacement Volume)
- 26 BY adding to
27 Article – State Finance and Procurement
28 Section 5–310(d)
29 Annotated Code of Maryland
30 (2021 Replacement Volume)
- 31 BY repealing and reenacting, with amendments,
32 Article – State Finance and Procurement
33 Section 10–305(b) and 10–306(e)
34 Annotated Code of Maryland
35 (2021 Replacement Volume)
- 36 BY adding to
37 Article – Tax – General
38 Section 2–605.2
39 Annotated Code of Maryland
40 (2016 Replacement Volume and 2021 Supplement)

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

3 **Article – Housing and Community Development**

4 4–504.

5 (b) There is a Rental Housing Fund.

6 (c) The Department shall use the Fund to operate, make loans, and pay expenses
7 of the Rental Housing Program, including reserves for anticipated future losses directly
8 related to the Rental Housing Program, as provided in the State budget.

9 (d) The Department shall administer the Fund either directly or through the
10 Administration.

11 (e) The Fund consists of:

12 (1) money appropriated by the State for the Rental Housing Program under
13 § 4–402 of this title;

14 (2) repayments and prepayments of loans made under the Rental Housing
15 Program and from loan programs under this title that have been repealed;

16 (3) money appropriated under § 4–501(c) of this subtitle;

17 (4) money transferred to the Fund in accordance with §§ 4–502(e),
18 4–503(d), and 4–505(h) of this subtitle and § 3–203(i) of this article;

19 (5) funds received by the Department or the Administration from the
20 federal government or other public or private sources; [and]

21 (6) investment earnings of the Fund; AND

22 (7) REVENUE DISTRIBUTED TO THE FUND UNDER § 2–605.2 OF THE
23 TAX – GENERAL ARTICLE.

24 **Article – Tax – General**

25 **2–605.2.**

26 **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2–604 AND 2–605**
27 **OF THIS SUBTITLE, ON OR BEFORE JUNE 30, 2022, THE COMPTROLLER SHALL**
28 **DISTRIBUTE \$30,000,000 OF THE INCOME TAX REVENUE FROM INDIVIDUALS TO THE**

1 RENTAL HOUSING FUND ESTABLISHED UNDER § 4-504 OF THE HOUSING AND
 2 COMMUNITY DEVELOPMENT ARTICLE.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 4 as follows:

5 Article – Housing and Community Development

6 2-203.

7 ~~(A) IN THIS SECTION, “AFFORDABLE HOUSING” MEANS RESIDENTIAL~~
 8 ~~PROPERTY THAT IS:~~

9 ~~(1) RENTED TO THE PUBLIC AT A RATE THAT ALLOWS IS AFFORDABLE~~
 10 ~~FOR A HOUSEHOLD OF LOW OR MODERATE INCOME IN THE STATE TO PAY NOT~~
 11 ~~MORE THAN 30% OF ITS MONTHLY INCOME IN RENT; OR~~

12 ~~(2) SOLD TO THE PUBLIC AT A PRICE THAT IS AFFORDABLE TO A~~
 13 ~~HOUSEHOLD OF LOW OR MODERATE INCOME IN THE STATE.~~

14 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 15 INDICATED.

16 (2) “AFFORDABLE HOUSING” MEANS RESIDENTIAL PROPERTY THAT
 17 IS RENTED OR SOLD TO THE PUBLIC AS LOW-INCOME HOUSING OR WORKFORCE
 18 HOUSING.

19 (3) “AREA MEDIAN INCOME” HAS THE MEANING STATED IN § 4-1801
 20 OF THIS ARTICLE.

21 (4) “LOW-INCOME HOUSING” MEANS HOUSING THAT IS AFFORDABLE
 22 FOR A HOUSEHOLD WITH AN AGGREGATE ANNUAL INCOME THAT IS BELOW 60% OF
 23 THE AREA MEDIAN INCOME.

24 (5) “WORKFORCE HOUSING” HAS THE MEANING STATED IN § 4-1801
 25 OF THIS ARTICLE.

26 (B) (1) (i) ~~ON RECEIPT OF THE LIST OF EXCESS REAL PROPERTY NOT~~
 27 ~~LATER THAN 60 DAYS AFTER THE NOTICE~~ PROVIDED UNDER ~~§ 5-310~~ 5-310(D) OF
 28 THE STATE FINANCE AND PROCUREMENT ARTICLE, THE DEPARTMENT SHALL, IN
 29 CONSULTATION WITH THE ~~UNITS~~ UNIT OF STATE GOVERNMENT THAT ~~CONTROL THE~~
 30 ~~PROPERTIES~~ CONTROLS THE PROPERTY, DETERMINE IF ~~ANY OF THE LISTED~~
 31 ~~PROPERTIES ARE~~ THE PROPERTY IS SUITABLE FOR USE OR REDEVELOPMENT AS
 32 AFFORDABLE HOUSING.

1 (II) THE DEPARTMENT SHALL IDENTIFY A PROPERTY AS
2 SUITABLE FOR USE OR REDEVELOPMENT AS AFFORDABLE HOUSING IF THE
3 PROPERTY:

4 1. IS LOCATED IN AN AREA DESIGNATED AS A PRIORITY
5 FUNDING AREA UNDER TITLE 5, SUBTITLE 7B OF THE STATE FINANCE AND
6 PROCUREMENT ARTICLE;

7 2. DOES NOT BELONG IN A CATEGORY OF PROPERTY
8 LISTED IN § 5-310(C)(1)(I) OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

9 3. IS ADEQUATELY SIZED FOR ANY TYPE OF
10 RESIDENTIAL USE;

11 4. HAS ACCESS TO PUBLIC UTILITIES; AND

12 5. HAS ACCESS TO FEASIBLE INGRESS AND EGRESS
13 POINTS.

14 (III) THE DEPARTMENT MAY CONSIDER OTHER FACTORS IN
15 ADDITION TO THE PROVISIONS OF SUBPARAGRAPH (II) OF THIS PARAGRAPH WHEN
16 DETERMINING THE SUITABILITY OF A PROPERTY FOR USE OR REDEVELOPMENT AS
17 AFFORDABLE HOUSING.

18 (2) ~~ON OR BEFORE DECEMBER 31, 2023, AND EACH DECEMBER 31~~
19 ~~THEREAFTER, THE~~ THE DEPARTMENT SHALL COMPILE AND REGULARLY UPDATE A
20 LIST OF PROPERTIES IT HAS DETERMINED ARE SUITABLE FOR USE OR
21 REDEVELOPMENT AS AFFORDABLE HOUSING.

22 (3) FOR EACH PROPERTY INCLUDED IN THE LIST REQUIRED UNDER
23 PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL:

24 (I) GIVE NOTICE OF THE DETERMINATION TO:

25 1. THE UNIT OF STATE GOVERNMENT THAT CONTROLS
26 THE PROPERTY; AND

27 2. THE STATE TREASURER; AND

28 (II) ADVISE THE UNIT OF STATE GOVERNMENT OF THE
29 REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION.

1 (4) THE LIST REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION
2 SHALL BE MADE AVAILABLE TO THE PUBLIC.

3 (c) (1) (i) EXCEPT AS PROVIDED IN PARAGRAPHS (4) AND (5) OF THIS
4 SUBSECTION, ON RECEIPT OF THE NOTICE REQUIRED UNDER SUBSECTION (B)(3) OF
5 THIS SECTION, ~~A~~ THE UNIT OF STATE GOVERNMENT SHALL, IN CONSULTATION WITH
6 THE DEPARTMENT AND THE DEPARTMENT OF PLANNING, DEVELOP A PROPOSAL TO
7 ~~DISPOSE OF DONATE, SELL, OR LEASE~~ DONATE OR SELL THE LISTED PROPERTY BY:

8 1. DONATING OR SELLING THE PROPERTY TO A
9 NONPROFIT ORGANIZATION THAT ~~INTENDS~~ CONTRACTS TO USE OR REDEVELOP THE
10 PROPERTY AS AFFORDABLE HOUSING; ~~OR OR~~

11 2. SELLING THE PROPERTY TO A BUYER THAT ~~INTENDS~~
12 CONTRACTS TO USE OR REDEVELOP THE PROPERTY AS AFFORDABLE HOUSING; ~~OR~~

13 ~~3. LEASING THE PROPERTY TO A LESSEE THAT~~
14 ~~CONTRACTS TO USE THE PROPERTY AS AFFORDABLE HOUSING.~~

15 (ii) IF, AFTER REASONABLE EFFORT, THE UNIT IS UNABLE TO
16 IDENTIFY A SUITABLE NONPROFIT ORGANIZATION ~~OR BUYER, BUYER, OR LESSEE~~ OR
17 BUYER IN ACCORDANCE WITH SUBPARAGRAPH (i) OF THIS PARAGRAPH, THE UNIT
18 SHALL DEVELOP A PROPOSAL TO SELL THE PROPERTY AT AUCTION.

19 (iii) A PROPOSAL DEVELOPED UNDER THIS PARAGRAPH SHALL
20 BE SUBMITTED TO THE BOARD OF PUBLIC WORKS FOR CONSIDERATION IN
21 ACCORDANCE WITH § 10-305 OF THE STATE FINANCE AND PROCUREMENT
22 ARTICLE.

23 (2) THE UNIT OF STATE GOVERNMENT SHALL CONSIDER THE
24 PROPOSED PERIOD OF AFFORDABILITY, THE NUMBER OF AFFORDABLE HOUSING
25 UNITS CREATED, AND THE VIABILITY OF AN OFFER WHEN EVALUATING OFFERS FROM
26 MULTIPLE NONPROFIT ORGANIZATIONS OR BUYERS UNDER THIS SUBSECTION.

27 ~~(2) ANY PROCEEDS FROM A SALE OF EXCESS REAL PROPERTY THAT~~
28 ~~RESULTS FROM A PROPOSAL DEVELOPED UNDER THIS SUBSECTION SHALL BE~~
29 ~~APPLIED TO THE RENTAL HOUSING FUND UNDER § 4-504 OF THIS ARTICLE.~~

30 (3) WHEN A PROPERTY IS ~~DISPOSED OF DONATED, SOLD, OR LEASED~~
31 DONATED OR SOLD IN ACCORDANCE WITH A PROPOSAL DEVELOPED UNDER THIS
32 SUBSECTION, THE UNIT SHALL GIVE NOTICE OF THE DISPOSITION TO THE
33 DEPARTMENT.

1 (4) A UNIT MAY NOT PROPOSE TO ~~DISPOSE OF DONATE, SELL, OR~~
 2 ~~LEASE DONATE OR SELL~~ A PROPERTY UNDER THIS SUBSECTION ~~IN A MANNER THAT~~
 3 IF THE DONATION OR SALE WOULD:

4 (I) VIOLATE ANY COVENANT OR APPLICABLE FEDERAL LAW; OR

5 (II) IN THE OPINION OF THE STATE TREASURER, ADVERSELY
 6 AFFECT THE TAX-EXEMPT STATUS OF AN OUTSTANDING STATE BOND, THE
 7 PROCEEDS OF WHICH WERE ALLOCATED TO PURCHASE OR IMPROVE THE PROPERTY.

8 (5) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
 9 SUPERSEDE THE RIGHT OF A PERSON FROM WHOM REAL PROPERTY WAS ACQUIRED
 10 OR THEIR SUCCESSOR IN INTEREST TO REACQUIRE THE PROPERTY UNDER § 8-309
 11 OF THE TRANSPORTATION ARTICLE.

12 (D) ON OR BEFORE DECEMBER 31, 2024, AND EACH DECEMBER 31
 13 THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN
 14 ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE:

15 (1) THE NUMBER OF PROPOSALS SUBMITTED TO THE BOARD OF
 16 PUBLIC WORKS UNDER THIS SECTION;

17 (2) THE NUMBER OF PROPERTIES THAT WERE DONATED PURSUANT
 18 TO PROPOSALS DEVELOPED UNDER THIS SECTION; AND

19 (3) THE NUMBER OF PROPERTIES THAT WERE SOLD ~~OR LEASED~~
 20 PURSUANT TO PROPOSALS DEVELOPED UNDER THIS SECTION; ~~AND~~

21 (4) ~~THE TOTAL AMOUNT OF PROCEEDS APPLIED TO THE RENTAL~~
 22 ~~HOUSING FUND AS A RESULT OF PROPOSALS DEVELOPED UNDER THIS SECTION.~~

23 ~~4-504.~~

24 ~~(b) There is a Rental Housing Fund.~~

25 ~~(c) The Fund consists of:~~

26 ~~(1) money appropriated by the State for the Rental Housing Program under~~
 27 ~~§ 4-402 of this title;~~

28 ~~(2) repayments and prepayments of loans made under the Rental Housing~~
 29 ~~Program and from loan programs under this title that have been repealed;~~

30 ~~(3) money appropriated under § 4-501(c) of this subtitle;~~

~~(4) money transferred to the Fund in accordance with §§ 4-502(e), 4-503(d), and 4-505(h) of this subtitle and § 3-203(i) of this article;~~

~~(5) funds received by the Department or the Administration from the federal government or other public or private sources; [and]~~

~~(6) investment earnings of the Fund; [and]; AND~~

~~(7) revenue distributed to the Fund under § 2-605.2 of the Tax General Article; AND~~

~~(7) (8) PROCEEDS FROM SALES OF EXCESS REAL PROPERTY CONDUCTED IN ACCORDANCE WITH PROPOSALS DEVELOPED UNDER § 2-203(C) OF THIS ARTICLE.~~

Article – State Finance and Procurement

5–310.

(a) Each unit of the State government shall notify the Department in writing of:

(1) any real property that is in excess of the needs of the unit; or

(2) any substantial change to any real property owned by the State.

(b) Subject to subsection (c) of this section, for any real property identified under subsection (a) of this section, the Department shall:

(1) study the proper disposition of the property;

(2) determine whether any local government or unit of the State government is interested in the property; and

(3) make an appropriate recommendation to the using unit of the State government and to the Board of Public Works.

~~(D) ON OR BEFORE JUNE 1, 2023, AND EACH JUNE 1 THEREAFTER, THE~~ THE
 DEPARTMENT SHALL ~~PROVIDE A LIST OF ALL PROPERTIES NOTIFY THE~~
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND, IN ACCORDANCE
WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE SENATE EDUCATION,
HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE, THE SENATE BUDGET AND
TAXATION COMMITTEE, THE HOUSE ENVIRONMENT AND TRANSPORTATION
COMMITTEE, AND THE HOUSE APPROPRIATIONS COMMITTEE OF ANY PROPERTY
 SUBMITTED TO THE DEPARTMENT UNDER SUBSECTION (A)(1) OF THIS SECTION
 WHICH ~~HAVE HAS NOT BEEN DONATED, SOLD, OR LEASED~~ DISPOSED OF UNDER

~~SUBSECTION (B) OF THIS SECTION TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE, AND THE HOUSE APPROPRIATIONS COMMITTEE.~~

10-305.

(b) (1) (i) Except as provided under subparagraph (ii) of this paragraph, this subsection applies to the sale, transfer, grant, or exchange of:

1. real property identified under § 5-310(c)(1) of this article;

and

2. State-owned real or personal property, funded in accordance with an appropriation act of the General Assembly, that has an appraised value over \$100,000.

(ii) This subsection does not apply to the following dispositions of property identified in subparagraph (i) of this paragraph:

1. leasing the property; or

2. the sale, transfer, grant, or exchange of a corrective or access easement on the property.

(2) The Board may not approve the sale, transfer, exchange, or grant of property until:

(i) the Department of General Services or the Department of Natural Resources under Title 1, Subtitle 1 of the Natural Resources Article has submitted to the Board two independent appraisals of the property that:

1. with regard to real property, consider the value of any restrictive covenant that may be placed on the property; and

2. may not be publicly disclosed if the property is to be sold at auction;

(ii) the following information has been submitted, by electronic mail or facsimile and by certified mail, to the Senate Budget and Taxation Committee, the House Appropriations Committee, and, for property that meets both criteria of paragraph (1)(i) of this subsection, the Legislative Policy Committee:

1. a description of the property; and

1 2. if applicable, any justification for not selling, transferring,
2 exchanging, or granting the property in a manner that generates the highest return for the
3 State;

4 (iii) 45 days have elapsed since:

5 1. the information required by item (ii) of this paragraph was
6 received by the appropriate committees; and

7 2. the Board declared the property surplus; and

8 (iv) except for property sold under paragraph (4) of this subsection,
9 for property that meets both criteria under paragraph (1)(i) of this subsection and for which
10 the Board intends to approve a fee simple sale, transfer, exchange, or grant, the General
11 Assembly has approved the proposed disposition as provided under paragraph (3) of this
12 subsection.

13 (3) (i) Within 45 days after receiving the information submitted under
14 paragraph (2) of this subsection, the Legislative Policy Committee shall:

15 1. review the information and the public record created by
16 the Department of Planning for the property; and

17 2. A. approve the proposed disposition of the surplus
18 property and refer the property back to the Board for final disposition; or

19 B. refer the proposed disposition of the property to the full
20 General Assembly and notify the Board of the referral.

21 (ii) If the Legislative Policy Committee fails to take any action under
22 subparagraph (i)2 of this paragraph within the specified time period, the proposed
23 disposition shall be deemed approved by the Committee.

24 (iii) 1. If the proposed disposition of the surplus property is
25 referred by the Legislative Policy Committee to the full General Assembly, the proposed
26 disposition may not be approved by the Board unless it is approved by the passage of
27 legislation during the next legislative session of the General Assembly.

28 2. In any legislation passed in accordance with
29 subparagraph 1 of this subparagraph, the General Assembly may approve the proposed
30 disposition with or without conditions.

31 (4) If the Board has declared the property surplus, the Board shall sell the
32 property to the federal government, a local government, or a unit of federal or local
33 government for \$1.00, if:

1 (i) the government or unit has indicated its interest in acquiring the
2 land; and

3 (ii) a restrictive covenant is placed on the deed of transfer, in
4 accordance with § 5-906(e)(7) and (8) of the Natural Resources Article, that requires the
5 property to be maintained in a use that is consistent with its use at the time of transfer.

6 (5) Any revenues derived from the sale, transfer, exchange, or grant of
7 property identified under paragraph (1)(i)1 of this subsection shall be deposited in the
8 Advance Option and Purchase Fund under § 5-904(b) of the Natural Resources Article.

9 **(6) ~~(H)~~ IF THE BOARD HAS DECLARED THE PROPERTY SURPLUS,
10 THE BOARD SHALL ~~DISPOSE OF~~ DONATE, SELL, OR LEASE THE ~~DONATE OR SELL THE~~
11 PROPERTY DETERMINED BY THE DEPARTMENT OF HOUSING AND COMMUNITY
12 DEVELOPMENT TO BE SUITABLE FOR USE OR REDEVELOPMENT AS AFFORDABLE
13 HOUSING IN ACCORDANCE WITH A PROPOSAL DEVELOPED UNDER § 2-203 OF THE
14 HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.**

15 ~~(H) ANY REVENUES DERIVED FROM THE SALE, TRANSFER,
16 EXCHANGE, OR GRANT OF PROPERTY IN ACCORDANCE WITH A PROPOSAL
17 DEVELOPED UNDER § 2-203 OF THE HOUSING AND COMMUNITY DEVELOPMENT
18 ARTICLE SHALL BE DEPOSITED IN THE RENTAL HOUSING FUND UNDER § 4-504 OF
19 THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.~~

20 ~~10-306.~~

21 ~~(e) (1) THIS SUBSECTION DOES NOT APPLY TO PROPERTY DISPOSED OF
22 DONATED, SOLD, OR LEASED IN ACCORDANCE WITH A PROPOSAL DEVELOPED
23 UNDER § 2-203 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.~~

24 ~~(2) Except as provided in paragraphs [(2) and] (3) AND (4) of this
25 subsection, if cash is received as consideration for the disposition of a capital asset of the
26 State or any unit of the State government, the cash shall be applied to the State Annuity
27 Bond Fund Account for the payment of the principal of and interest on the bonded
28 indebtedness of the State.~~

29 ~~[(2)] (3) If the capital asset is real property that is being leased or sold to
30 a private party for the purpose of realizing a transit-oriented development as defined under
31 § 7-101 of the Transportation Article, at the discretion of the State agency that is disposing
32 of the property, all or a portion of the cash proceeds resulting from the transaction shall be
33 deposited in the Baltimore City Community Enhancement Transit-Oriented Development
34 Fund established under Title 15 of the Economic Development Article for the purposes of
35 that Fund.~~

1 ~~[(3)] (4) (i) If cash is received as consideration for the disposition of a~~
 2 ~~capital asset, and if the capital asset was originally purchased with special funds, the cash~~
 3 ~~shall be applied to the special fund.~~

4 ~~(ii) Notwithstanding subparagraph (i) of this paragraph, cash~~
 5 ~~received as consideration for the disposition of helicopters, auxiliary helicopter equipment,~~
 6 ~~ground support equipment, or other capital equipment related to helicopters shall be~~
 7 ~~applied to the State Annuity Bond Fund Account for the payment of the principal of and~~
 8 ~~interest on the bonded indebtedness of the State.~~

9 ~~[(4)] (5) If cash is received as consideration for the disposition of any real~~
 10 ~~or personal property of the State or any unit of the State government, other than a capital~~
 11 ~~asset, the cash shall be accounted for and paid into the State Treasury.~~

12 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
 13 effect October 1, 2022.

14 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That, except as provided in
 15 Section 3 of this Act, this Act shall take effect ~~October~~ June 1, 2022.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.