

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: HB559

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|------------------------|---------------------------------------|--|------------------------------------|
| House of Origin | <input type="checkbox"/> Introduced | <input checked="" type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron: O'Quinn

3. Committee: Appropriations

4. Title: Local school boards; required local effort; adjustment.

5. Summary: Provides that in any case in which a local school board enters into a comprehensive agreement with an entity pursuant to the Public-Private Education Facilities and Infrastructure Act of 2002 whereby the entity finances the construction of a new public school building in the local school division through the issuance of bonds; leases the building to the local school board in an arrangement such as a certificate of participation, a double net lease, or a triple net lease; and expects the local school board to make lease payments in an annual amount that approximates or is equal to the annual debt service on such bonds, the Department of Education shall not consider 50 percent of such lease payments as capital outlay and debt service and therefore shall not subtract such payments in the annual calculation of net local expenditures for operations or required local effort, if so requested by the local school board.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary, see Item 8.

8. Fiscal Implications: There is no anticipated state fiscal impact as a result of this legislation. The Department of Education (DOE) will need to reprogram a number of its data collection and calculation tools to accommodate this change; however, DOE can support this work with existing agency resources.

9. Specific Agency or Political Subdivisions Affected: Department of Education, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: None