How to Request a Legislative Bond Initiative

Updated 2022
Legislative Bond Initiatives (LBI), formerly referred to as bond bills, are bond authorization requests filed by members of the Maryland General Assembly (MGA) to support specific local or non-State-owned capital projects.

Although not submitted as part of the Governor’s capital budget, the authorization to fund an LBI is provided in the State’s annual capital budget bill.

The Department of Legislative Services (DLS) reviews LBI requests in accordance with the rules and procedures established by MGA.
Project Eligibility

A project must

1. be capital in nature (land and/or structures), such as
   - Real Property Acquisition
   - Project Planning & Design
   - Construction & Renovation

2. have a State or local public purpose, like a
   - Community Center
   - Health Facility
   - Museum
   - Recreational Facility

3. have a 15-year service life

Additionally, a Grantee must own the property to be improved with the grant funds or have a long-term lease of at least 15 years. Otherwise, the State will require the property owner either be a co-grantee or agree to be a beneficiary in the grant agreement with the State.

Funds may not be used for:

- Religious/sectarian purposes
- Operating expenses
- Certain Non-Capital Equipping or Furnishings
Project Prioritization

- **Project Readiness**
  - Adequate funding plan that demonstrates the availability and commitment of sufficient non-State funding sources to complete the project
  - Project schedule that supports the expeditious use of State grant funds. Project requests that can demonstrate that State grant funds will be expended within two years of authorization are given priority
  - Encumbrance and expenditures deadlines can be met within seven years of authorization unless otherwise specified in an act of the General Assembly

- **Alternative funding sources**
  - Applicants that can demonstrate the availability of non-State funding sources are given priority in making funding decisions

- **Employment creation/retention**
- **Delegation support**
Initiation of the Process

- Organizations must arrange legislative sponsorship.

- Members must complete an LBI Request Form and submit the form via email to LegislativeBondInitiative@mlis.state.md.us

- Members receive an email receipt upon submission of the Request Form.

- The Request Form is available on the MGA website under the Budget tab, then Bond Initiatives and then Documents, or on the members' floor system.

- The name of the grantee must match the name that is on record with the State Department of Assessments and Taxation (SDAT). Legal entity information can be found at https://egov.maryland.gov/BusinessExpress/Entity Search
LBI Process: Request

• An LBI Request Form internally generates the next document, the Legislative Bond Initiative Request Document (the “Green Sheet”).

• A set of four copies of each Request Document is provided to the sponsor for introduction.

• Sponsor will deliver signed Documents to the Secretary of the Senate/Chief Clerk of the House for introduction during a floor session. (Only “clean” Request Documents are accepted – no handwritten changes.)

• LBIs must be requested by the 27th day (Senate) and the 31st day (House) as “guarantee” dates. As with Bills, the 55th day is the final day for introduction without suspension of the rules.
LBI Process: Introduction

• Upon submission of an LBI, an introductory LBI letter is created to be read across the desk during a floor session and entered into the proceedings.

• Once an LBI is entered into the proceedings, it is made available in a report on the MGA website under the Budget tab by selecting Bond Initiatives.
  – The report displays all member LBIs but can be filtered by individual member. Each member’s bill page also contains a link to the LBI report.

• When an LBI is read across the desk and entered the proceedings, an email is sent to the requesting lead sponsor contact with instructions for completing an LBI Fact Sheet. The sponsor is responsible for sending the Fact Sheet to the requestor – designated grantee contact.

• The email provides a PDF copy of the Guidelines for the Submission of Legislative Bond Initiative Requests to the General Assembly of Maryland. These guidelines are also available on the MGA website under the Budget tab by selecting Bond Initiatives and then Documents.
LBI Process: Fact Sheet

• **After** the LBI is introduced, the Fact Sheet is submitted electronically by **March 7th** through the fact sheet system.

• It provides information to the legislature to make funding decisions – failure to submit a Fact Sheet may result in a decision not to fund a project.

• **Sponsors** will receive an email from DLS that provides a link and access to the applicant’s Fact Sheet; this email should be forwarded to the grantee. Information in fields one through nine are locked and cannot be changed by the applicant.

• Brevity is as important as accuracy.
LBI Process: Tracking

- LBI status can be tracked from the MGA website: https://mgaleg.maryland.gov/mgawebsite/Budget/BondInitiatives

- As each LBI is introduced and entered into the proceedings, the *Introduction of Legislative Bond Initiatives Report* is populated (available on the Budget tab by selecting Bond Initiatives). This report is also linked to each sponsor’s bill page.

- LBI Fact Sheets can be accessed and viewed and funding decisions tracked.

- Prior session versions of the *Introduction of Legislative Bond Initiatives Report* can be accessed from the MGA website under the Search & Archives tab, selecting Bond Initiatives, and using the dropdown menu to select a year.
LBI Process: Tracking (Cont.)
Legislative Schedule

- **December 1 Until the First Day of Session**
  - Sponsors may begin to request LBIs. All LBIs requested before the first day of session will be available to the sponsor on the first day of session.

- **First Day of Session Until Bill Introduction Date**
  - LBIs must be requested by the 27th day (Senate) and the 31st day (House) as “guarantee” dates.

- **Bill Introduction Date Until the Last Day of Session**
  - DLS guarantees the sponsor will have what they need by the 55th day to drop signed LBI Request Forms with the clerks for introduction. After the 55th day, the clerk will accept LBI’s, but introduction will require the suspension of the rules.
Legislative Schedule (Cont.)

- **Mid-March**
  - Senate Budget and Taxation Committee and House Appropriations Committee hold hearings on LBIs

- **March/April**
  - Budget committees vote on LBIs
  - Both chambers vote on the final package of LBIs as part of the capital budget

- **June 1**
  - Effective date for LBIs
Following official designation of an LBI as a State capital grant, grantees work with the Department of General Services (DGS) to obtain grant funds.

Grantees must enter into a grant agreement with the State – administered by DGS.

Although the Board of Public Works (BPW) ultimately determines whether a grantee has met all grant requirements, DGS is the point of contact for grantees post legislative authorization.

Information regarding the DGS grant process is available from their website at: https://dgs.maryland.gov/Pages/Grants/index.aspx
Flow Chart of Process

**Authorization**
- Organization contacts their State Legislator to request sponsorship of a Bond
- Bond Bill is Introduced during the General Assembly Session
- Organization submits their project proposal to DBM & DLS
- Bond Bill Legislation is passed by the General Assembly
- The Governor Signs Legislation to Approve the Bond Bills

**Approval**
- Grantees will go to this link: https://dgs.maryland.gov/Documents/Forms.do (To download, complete and submit. The Application Packet forms, including The Grant Application, affidavits, Proof of Insurance, Application Checklist and certification of match if required)
- Grantees submit completed grant package forms to DGS.GrantApplication@maryland.gov and copy their DGS Regional Grants Administrator
- DGS Regional Grants Administrator will email the Grant Agreement to the Grantee for signature and the Grantee will return the signed Grant Agreement via email to DGS.CapitalGrants@maryland.gov and copy their Regional Grant Administrator
- DGS submits documents to the Board of Public Works (BPW) as an Agenda Item and then notifies the grantees of the BPW Meeting Date
- BPW approves grant agreement and DGS notifies Grantee regarding BPW decision

**Payment**
- DGS emails grantees and instructs them to send their procurement information and contracts for eligibility determination to DGS.CGL-Contracts@maryland.gov and copy their assigned DGS Regional Grants Administrator
- DGS Regional Grants Administrator reviews grantees’ submitted contracts to determine eligibility
- DGS Regional Grants Administrator notifies Grantee of contract eligibility
- FOR MATCHING GRANTS: Grantee emails proof of expenditure of eligible expenses and invoices to Comptroller at Capital_grants@marylandtaxes.gov
- FOR NON-MATCHING GRANTS: Grantee emails proof of expenditure of eligible expenses and invoices to DGS.CGL-Contracts@maryland.gov and copy their assigned Regional Grants Administrator

**Closeout**
- Grantee notifies Comptroller and DGS when their project is complete by sending email to DGS.CapitalGrants@maryland.gov and copying their assigned DGS Regional Grants Administrator
- DGS Regional Grants Administrator sends Grantee request for a Capital Grant Project Close-Out Report
- Grantee emails Close-Out Report to DGS at DGS.CapitalGrants@maryland.gov and copies their assigned DGS Regional Grants Administrator

**DGS**

**MGA**
Termination Provisions

- Authorizations may terminate in whole or in part
  - if the grantee fails to enter into a grant agreement with the State within two years
  - if the grantee fails to certify a matching fund, if required, within two years
  - if funds remain unencumbered and unexpended seven years after authorization unless otherwise specified in an act of the General Assembly

- Termination notification
  - DGS sends notification letters to the grantee contacts and any legislative sponsor each January and again approximately 30 days prior to any BPW actions to terminate
Important Publications and Links

• Guidelines for the Submission of Legislative Bond Initiative Requests to the General Assembly of Maryland:

• Legislative Bond Initiative Request Form:

• Submit the completed request form to:
  LegislativeBondInitiative@mlis.state.md.us

• Department of General Services Grants Guide:
  https://dgs.maryland.gov/Pages/Grants/index.aspx

• Maryland Capital Grants Projects Information for State of Maryland Capital Grant Recipients: