

SENATE BILL 731

C8, F5

9lr2737
CF 9lr1569

By: **Senators Zucker and Peters**

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Public School Construction – Maryland Stadium Authority – Supplemental**
3 **Funds**

4 FOR the purpose of authorizing the Maryland Stadium Authority to issue bonds to finance
5 the construction of or improvements to certain public school facilities subject to
6 certain limitations; specifying that certain expenses incurred by the Authority are
7 payable only from certain funds; specifying that certain bonds issued under this Act
8 are a limited obligation of the Authority payable solely from certain pledged money
9 and are not a debt, liability, moral obligation, or pledge of the faith and credit or
10 taxing power of the State, the Authority, or any other governmental unit; requiring
11 the Authority to obtain approval from the Board of Public Works before each issuance
12 of bonds to finance improvements to public school facilities; requiring the
13 Comptroller to deposit a certain amount into a certain fund until a certain condition
14 is met; requiring the Authority to transfer certain funds under certain
15 circumstances; authorizing the Authority to transfer certain funds under certain
16 circumstances; requiring county boards of education to take certain actions in
17 connection with improvements to public school facilities; providing for the payment
18 of certain costs; requiring the Authority to submit a certain annual report on or
19 before a certain date; requiring the Interagency Commission on School Construction
20 to provide certain recommendations regarding projects to be funded from a certain
21 fund; requiring the Authority to take certain actions related to public school facility
22 projects; establishing the Supplemental Public School Construction Financing Fund
23 and the Supplemental Public School Construction Fund as continuing, nonlapsing
24 funds; specifying the contents of the funds and providing for the uses of the funds;
25 exempting the funds from a certain provision of law requiring interest on State
26 money in special funds to accrue to the General Fund of the State; limiting the
27 amount of debt that may be issued by the Authority to finance certain public school
28 facilities projects; providing that money deposited in a certain fund may be used as
29 security for a bond issue; altering the distribution of certain State lottery revenues
30 and requiring the State Comptroller to distribute certain State lottery revenues into
31 a certain fund; requiring certain reports and notifications; defining certain terms;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 altering certain definitions; making a stylistic change; providing for a delayed
2 effective date for a certain provision of this Act; and generally relating to public
3 school construction projects in the State.

4 BY repealing and reenacting, with amendments,
5 Article – Economic Development
6 Section 10–601, 10–620(e) and (f), 10–628(c), 10–634, and 10–658
7 Annotated Code of Maryland
8 (2018 Replacement Volume)

9 BY adding to
10 Article – Economic Development
11 Section 10–649, 10–650, 10–658, and 10–658.1
12 Annotated Code of Maryland
13 (2018 Replacement Volume)

14 BY repealing and reenacting, without amendments,
15 Article – State Finance and Procurement
16 Section 6–226(a)(2)(i)
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2018 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – State Finance and Procurement
21 Section 6–226(a)(2)(ii)112. and 113.
22 Annotated Code of Maryland
23 (2015 Replacement Volume and 2018 Supplement)

24 BY adding to
25 Article – State Finance and Procurement
26 Section 6–226(a)(2)(ii)114. and 115.
27 Annotated Code of Maryland
28 (2015 Replacement Volume and 2018 Supplement)

29 BY repealing and reenacting, with amendments,
30 Article – State Government
31 Section 9–120
32 Annotated Code of Maryland
33 (2014 Replacement Volume and 2018 Supplement)

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

36 **Article – Economic Development**

37 10–601.

1 (a) In this subtitle the following words have the meanings indicated.

2 (b) “Authority” means the Maryland Stadium Authority.

3 (c) “Authority affiliate” means a for–profit or nonprofit entity in which the
4 Authority directly or indirectly owns any membership interest or equity interest.

5 (d) “Baltimore City” means, as the context requires:

6 (1) the geographic area of the City of Baltimore; or

7 (2) the Mayor and City Council of Baltimore.

8 (e) “Baltimore City Board of School Commissioners” means the Baltimore City
9 Board of School Commissioners of the Baltimore City Public School System established
10 under § 3–108.1 of the Education Article.

11 (f) “Baltimore City Public School Construction Facilities Fund” means the
12 Baltimore City Public School Construction Facilities Fund established under §
13 10–657 of this subtitle.

14 (g) “Baltimore City Public School Construction Financing Fund” means the
15 Baltimore City Public School Construction Financing Fund established under §
16 10–656 of this subtitle.

17 (h) “Baltimore City public school facility” means a property primarily used for
18 educational instruction that:

19 (1) is held in trust by Baltimore City or the Baltimore City Board of School
20 Commissioners for the benefit of the Baltimore City Public School System; and

21 (2) is designated for improvement under the memorandum of
22 understanding between the Authority, Baltimore City, the Baltimore City Board of School
23 Commissioners, and the Interagency [Committee] COMMISSION on School Construction
24 entered into in accordance with § 10–646 of this subtitle.

25 (i) “Baltimore City public school site” means the site of any Baltimore City public
26 school facility.

27 (j) (1) “Baltimore Convention facility” means:

28 (i) a convention center, trade show facility, meeting hall, or other
29 structure in Baltimore City used to hold conventions, trade shows, meetings, displays, or
30 similar events; and

31 (ii) offices, parking lots or garages, access roads, hotels, restaurants,
32 railroad sidings, and any other structures, improvements, equipment, furnishings, or other

1 property functionally related to the facilities described in item (i) of this paragraph.

2 (2) “Baltimore Convention facility” includes the following, if used, useful,
3 or usable in the future as, or in connection with, a Baltimore Convention facility:

4 (i) land, structures, equipment, property, property rights, property
5 appurtenances, rights-of-way, franchises, easements, and other interests in land;

6 (ii) land and facilities that are functionally related to a Baltimore
7 Convention facility; and

8 (iii) patents, licenses, and other rights necessary or useful to
9 construct or operate a Baltimore Convention facility.

10 (k) “Baltimore Convention Fund” means the Baltimore Convention Financing
11 Fund established under § 10–651 of this subtitle.

12 (l) “Baltimore Convention site” means the site of the Baltimore Convention
13 Center located in Baltimore City at the address generally known as 1 West Pratt Street,
14 identified in the State Department of Assessments and Taxation Real Property database
15 as tax identification number Ward 22, Section 01, Block 0682, Lots 001 and 001A.

16 (m) “Bond” includes a note, an interim certificate, refunding bond, and any other
17 evidence of obligation issued under this subtitle.

18 (n) “Camden Yards” means the area comprising approximately 85 acres in
19 Baltimore City bounded by Camden Street on the north, Russell Street on the west, Ostend
20 Street on the south, and Howard Street and Interstate 395 on the east.

21 (o) “Camden Yards Fund” means the Camden Yards Financing Fund established
22 under § 10–652 of this subtitle.

23 (p) “Convention facility” means the Baltimore Convention facility, the
24 Montgomery County Conference facility, and the Ocean City Convention facility.

25 (q) **“COUNTY BOARD OF EDUCATION” MEANS THE BOARD OF EDUCATION OF**
26 **A COUNTY AND INCLUDES THE BALTIMORE CITY BOARD OF SCHOOL**
27 **COMMISSIONERS.**

28 **(R)** “Facility” means:

29 (1) a structure or other improvement developed at Camden Yards;

30 (2) a convention facility;

31 (3) the Hippodrome Performing Arts facility;

1 (4) a sports facility; [or]

2 (5) a Baltimore City public school facility; OR

3 **(6) A PUBLIC SCHOOL FACILITY.**

4 **[(r)] (S)** “Governmental unit” means a county, a municipal corporation, a unit
5 of State or local government, or any other public body created under State or local law.

6 **[(s)] (T)** (1) “Hippodrome Performing Arts facility” means the performing
7 arts center facility located at the Hippodrome Performing Arts site.

8 (2) “Hippodrome Performing Arts facility” includes, at the Hippodrome
9 Performing Arts site:

10 (i) the Hippodrome theater and offices;

11 (ii) food service facilities; and

12 (iii) any other functionally related property, structures,
13 improvements, furnishings, or equipment.

14 **[(t)] (U)** “Hippodrome Performing Arts Fund” means the Hippodrome
15 Performing Arts Financing Fund established under § 10–653 of this subtitle.

16 **[(u)] (V)** “Hippodrome Performing Arts site” means the site of the
17 France–Merrick Performing Arts Center located in Baltimore City at the address generally
18 known as:

19 (1) 12 North Eutaw Street Building, identified in the State Department of
20 Assessments and Taxation Real Property database as tax identification number Ward 04,
21 Section 08, Block 0631, Lot 001; and

22 (2) 401 West Fayette Street, identified in the State Department of
23 Assessments and Taxation Real Property database as tax identification number Ward 04,
24 Section 08, Block 0631, Lot 013.

25 **[(v)] (W)** “Improve” means to add, alter, construct, equip, expand, extend,
26 improve, install, reconstruct, rehabilitate, remodel, or repair.

27 **[(w)] (X)** “Improvement” means addition, alteration, construction, equipping,
28 expansion, extension, improvement, installation, reconstruction, rehabilitation,
29 remodeling, or repair.

30 **[(x)] (Y)** “Montgomery County” includes the Montgomery County Revenue

1 Authority.

2 ~~[(y)]~~ **(Z)** (1) “Montgomery County Conference facility” means the Conference
3 Center facility located at the Montgomery County Conference site used for conferences,
4 trade shows, meetings, displays, or similar events.

5 (2) “Montgomery County Conference facility” includes, at the Montgomery
6 County Conference site, offices, parking lots and garages, access roads, food service
7 facilities, and other functionally related property, structures, improvements, furnishings,
8 or equipment.

9 (3) “Montgomery County Conference facility” does not include the privately
10 owned hotel adjacent to the Montgomery County Conference Center.

11 ~~[(z)]~~ **(AA)** “Montgomery County Conference Fund” means the Montgomery
12 County Conference Financing Fund established under § 10–654 of this subtitle.

13 ~~[(aa)]~~ **(BB)** “Montgomery County Conference site” means the site of the
14 Montgomery County Conference Center located in Rockville at the address generally
15 known as 5701 Marinelli Road, identified in the State Department of Assessments and
16 Taxation Real Property database as tax identification number District 04, Account Number
17 03392987.

18 ~~[(bb)]~~ **(CC)** (1) “Ocean City Convention facility” means:

19 (i) a convention center, trade show facility, meeting hall, or other
20 structure in Ocean City used to hold conventions, trade shows, meetings, displays, or
21 similar events; and

22 (ii) offices, parking lots or garages, access roads, food service
23 facilities, and any other structures, improvements, equipment, furnishings, or other
24 property functionally related to the facilities described in item (i) of this paragraph.

25 (2) “Ocean City Convention facility” includes the following, if used, useful,
26 or usable in the future as, or in connection with, an Ocean City Convention facility:

27 (i) land, structures, equipment, property, property rights, property
28 appurtenances, rights-of-way, franchises, easements, and other interests in land;

29 (ii) land and facilities that are functionally related to an Ocean City
30 Convention facility; and

31 (iii) patents, licenses, and other rights necessary or useful to
32 construct or operate an Ocean City Convention facility.

33 ~~[(cc)]~~ **(DD)** “Ocean City Convention Fund” means the Ocean City Convention

1 Financing Fund established under § 10–655 of this subtitle.

2 [(dd)] **(EE)** “Ocean City Convention site” means the site of the Ocean City
3 Convention Center located in Ocean City at the address generally known as 4001 Coastal
4 Highway, identified in the State Department of Assessments and Taxation Real Property
5 database as tax identification numbers District 10, Account Number 055237; District 10,
6 Account Number 066301; District 10, Account Number 247942; and District 10, Account
7 Number 280346.

8 **(FF)** “**PUBLIC SCHOOL FACILITY**” MEANS A BUILDING, A PARKING FACILITY,
9 AN ATHLETIC FACILITY, A TESTING FACILITY, OR ANY OTHER FACILITY RELATED TO
10 EDUCATIONAL INSTRUCTION THAT:

11 **(1)** IS HELD IN TRUST BY A COUNTY BOARD OF EDUCATION FOR THE
12 BENEFIT OF THE COUNTY PUBLIC SCHOOL SYSTEM; AND

13 **(2)** IS DESIGNATED FOR IMPROVEMENT UNDER THE MEMORANDUM
14 OF UNDERSTANDING BETWEEN THE AUTHORITY, THE COUNTY, THE COUNTY BOARD
15 OF EDUCATION, AND THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION
16 ENTERED INTO IN ACCORDANCE WITH § 10–650 OF THIS SUBTITLE.

17 **(GG)** “**PUBLIC SCHOOL SITE**” MEANS THE SITE OF ANY PUBLIC SCHOOL
18 FACILITY IN THE STATE.

19 [(ee)] **(HH)** (1) “Sports facility” means:

20 (i) a stadium primarily for professional football, major league
21 professional baseball, or both, in the Baltimore metropolitan region, as defined in § 13–301
22 of this article;

23 (ii) practice fields or other areas where professional football or major
24 league professional baseball teams practice or perform; and

25 (iii) offices for professional football and major league professional
26 baseball teams or franchises.

27 (2) “Sports facility” includes parking lots, garages, and any other property
28 adjacent and directly related to an item listed in paragraph (1) of this subsection.

29 **(II)** “**SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING FUND**”
30 MEANS THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING FUND
31 ESTABLISHED UNDER § 10–658 OF THIS SUBTITLE.

32 **(JJ)** “**SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND**” MEANS THE
33 SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND ESTABLISHED UNDER §

1 **10-658.1 OF THIS SUBTITLE.**

2 [(ff)] (KK) "Tax supported debt" has the meaning stated in § 8-104 of the State
3 Finance and Procurement Article.

4 10-620.

5 (e) (1) This subsection does not apply to the Camden Yards site, Baltimore
6 Convention site, Ocean City Convention site, Hippodrome Performing Arts site, [or] any
7 Baltimore City public school site, **OR ANY PUBLIC SCHOOL SITE.**

8 (2) The Authority and any Authority affiliate is subject to applicable
9 planning, zoning, and development regulations to the same extent as a private commercial
10 or industrial enterprise.

11 (f) The Authority shall:

12 (1) in cooperation with Baltimore City, appoint a task force that includes
13 residents and business and institutional representatives from the area adjacent to Camden
14 Yards to review the schematic, preliminary, and final plans for facilities at Camden Yards;

15 (2) submit schematic plans for development of Camden Yards and the
16 Baltimore Convention site to Baltimore City for review and comment before acquiring any
17 property;

18 (3) with respect to Camden Yards, the Baltimore Convention facility, and
19 the Hippodrome Performing Arts facility, submit preliminary and final plans to Baltimore
20 City for review and comment;

21 (4) with respect to Camden Yards, the Baltimore Convention facility, and
22 the Hippodrome Performing Arts facility, participate in the design review processes of
23 Baltimore City; [and]

24 (5) with respect to a Baltimore City public school facility, perform the
25 actions required under §§ 10-645, 10-646, 10-656, and 10-657 of this subtitle; **AND**

26 **(6) WITH RESPECT TO A PUBLIC SCHOOL FACILITY, PERFORM THE**
27 **ACTIONS REQUIRED UNDER §§ 10-649, 10-650, 10-658, AND 10-658.1 OF THIS**
28 **SUBTITLE.**

29 10-628.

30 (c) (1) Unless authorized by the General Assembly, the Board of Public Works
31 may not approve an issuance by the Authority of bonds, whether taxable or tax exempt,
32 that constitute tax supported debt or nontax supported debt if, after issuance, there would
33 be outstanding and unpaid more than the following face amounts of the bonds for the

1 purpose of financing acquisition, **IMPROVEMENTS INCLUDING** construction[,] **AND**
 2 renovation, and related expenses for construction management, professional fees, and
 3 contingencies in connection with:

- 4 (i) the Baltimore Convention facility — \$55,000,000;
- 5 (ii) the Hippodrome Performing Arts facility — \$20,250,000;
- 6 (iii) the Montgomery County Conference facility — \$23,185,000;
- 7 (iv) the Ocean City Convention facility — \$17,340,000; [and]
- 8 (v) Baltimore City public school facilities — \$1,100,000,000;

9 **AND**

10 (VI) **PUBLIC SCHOOL FACILITIES IN THE STATE**
 11 **— \$1,800,000,000.**

12 (2) (i) The limitation under paragraph (1)(i) of this subsection applies
 13 to the aggregate principal amount of bonds outstanding as of June 30 of any year.

14 (ii) Refunded bonds may not be included in the determination of an
 15 outstanding aggregate amount under this paragraph.

16 10–634.

17 (a) A pledge by the Authority of revenues or money deposited in the Baltimore
 18 City Public School Construction Financing Fund **OR THE SUPPLEMENTAL PUBLIC**
 19 **SCHOOL CONSTRUCTION FINANCING FUND** as security for an issue of bonds is valid
 20 and binding from when the pledge is made.

21 (b) (1) The revenues or money deposited in the Baltimore City Public School
 22 Construction Financing Fund **OR THE SUPPLEMENTAL PUBLIC SCHOOL**
 23 **CONSTRUCTION FINANCING FUND** that are pledged are immediately subject to the lien
 24 of the pledge without any physical delivery or further act.

25 (2) The lien of any pledge is valid and binding against any person having a
 26 claim against the Authority in tort, contract, or otherwise, regardless of whether the person
 27 has notice of the lien.

28 (c) Notwithstanding any other provision of law, in order to perfect a lien on
 29 pledged revenues or money deposited in the Baltimore City Public School Construction
 30 Financing Fund **OR THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION**
 31 **FINANCING FUND** against a third person, it is not necessary to file or record any document
 32 adopted or entered into by the Authority in any public record other than in the records of

1 the Authority.

2 **10-649.**

3 (A) (1) THE AUTHORITY MAY NOT USE ANY CURRENT SOURCES OF
4 FUNDS, WHETHER APPROPRIATED OR NONBUDGETED, TO PAY FOR ANY COSTS OR
5 EXPENSES RELATED TO FINANCING PUBLIC SCHOOL FACILITIES.

6 (2) THE SOLE SOURCE OF PAYMENT FOR ANY COSTS OR EXPENSES
7 RELATED TO FINANCING PUBLIC SCHOOL FACILITIES SHALL BE THE MONEY ON
8 DEPOSIT IN THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND AND THE
9 SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING FUND AND BOND
10 PROCEEDS HELD UNDER A TRUST AGREEMENT.

11 (B) AT LEAST 45 DAYS BEFORE SEEKING APPROVAL OF THE BOARD OF
12 PUBLIC WORKS FOR EACH PUBLIC SCHOOL FACILITIES BOND ISSUE, THE
13 AUTHORITY SHALL PROVIDE TO THE FISCAL COMMITTEES OF THE GENERAL
14 ASSEMBLY WRITTEN NOTICE OF:

15 (1) THE AGGREGATE AMOUNT OF FUNDS NEEDED FOR THE PUBLIC
16 SCHOOL FACILITIES TO BE FINANCED WITH THE PROPOSED BONDS;

17 (2) A LIST OF THE PUBLIC SCHOOL FACILITIES TO BE CONSTRUCTED
18 OR RENOVATED;

19 (3) THE ANTICIPATED TOTAL DEBT SERVICE FOR THE PROPOSED
20 BOND ISSUE; AND

21 (4) THE ANTICIPATED TOTAL DEBT SERVICE WHEN COMBINED WITH
22 THE DEBT SERVICE FOR ALL PRIOR OUTSTANDING BOND ISSUES FOR PUBLIC
23 SCHOOL FACILITIES.

24 (C) (1) A BOND ISSUED TO FINANCE IMPROVEMENTS, CONSTRUCTION, OR
25 RENOVATIONS TO A PUBLIC SCHOOL FACILITY:

26 (I) IS A LIMITED OBLIGATION OF THE AUTHORITY PAYABLE
27 SOLELY FROM MONEY PLEDGED BY THE AUTHORITY TO THE PAYMENT OF THE
28 PRINCIPAL OF AND THE PREMIUM AND INTEREST ON THE BOND OR MONEY MADE
29 AVAILABLE TO THE AUTHORITY FOR THAT PURPOSE;

30 (II) IS NOT A DEBT, LIABILITY, OR PLEDGE OF THE FAITH AND
31 CREDIT OR THE TAXING POWER OF THE STATE, THE AUTHORITY, OR ANY OTHER
32 GOVERNMENTAL UNIT; AND

1 (III) MAY NOT GIVE RISE TO ANY PECUNIARY LIABILITY OF THE
2 STATE, THE AUTHORITY, OR ANY OTHER GOVERNMENTAL UNIT.

3 (2) THE ISSUANCE OF A BOND TO FINANCE IMPROVEMENTS TO A
4 PUBLIC SCHOOL FACILITY IS NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY A
5 MORAL OR OTHER OBLIGATION OF THE STATE, THE AUTHORITY, OR ANY OTHER
6 GOVERNMENTAL UNIT TO LEVY OR PLEDGE ANY TAX OR TO MAKE AN
7 APPROPRIATION TO PAY THE BOND.

8 (3) EACH BOND SHALL STATE ON ITS FACE THE PROVISIONS OF
9 PARAGRAPHS (1) AND (2) OF THIS SUBSECTION.

10 (D) BEFORE EACH ISSUANCE OF BONDS TO FINANCE IMPROVEMENTS TO A
11 PUBLIC SCHOOL FACILITY, THE AUTHORITY SHALL OBTAIN THE APPROVAL OF THE
12 BOARD OF PUBLIC WORKS OF THE PROPOSED BOND ISSUE.

13 (E) THE TOTAL DEBT SERVICE FOR ANY BOND ISSUE, WHEN ADDED TO ALL
14 PRIOR OUTSTANDING BOND ISSUES RELATED TO IMPROVEMENTS TO PUBLIC
15 SCHOOL FACILITIES, MAY NOT EXCEED THE TOTAL AMOUNT OF THE FUNDS
16 PROVIDED UNDER § 9-120(B)(1)(IV) OF THE STATE GOVERNMENT ARTICLE AND
17 THE FUNDS PROVIDED UNDER SUBSECTION (G) OF THIS SECTION.

18 (F) BEGINNING JULY 1, 2020, AND CONTINUING UNTIL THE BONDS THAT
19 HAVE BEEN ISSUED TO FINANCE IMPROVEMENTS TO PUBLIC SCHOOL FACILITIES
20 ARE NO LONGER OUTSTANDING AND UNPAID, THE COMPTROLLER SHALL DEPOSIT
21 INTO THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING FUND THE
22 AMOUNT SET FORTH IN § 9-120(B)(1)(IV) OF THE STATE GOVERNMENT ARTICLE.

23 (G) (1) IF THE MONEY DEPOSITED INTO THE SUPPLEMENTAL PUBLIC
24 SCHOOL CONSTRUCTION FINANCING FUND IN ACCORDANCE WITH SUBSECTION (F)
25 OF THIS SECTION IS NOT NEEDED FOR DEBT SERVICE OR DEBT SERVICE RESERVES,
26 THE AUTHORITY MAY TRANSFER THOSE FUNDS TO THE SUPPLEMENTAL PUBLIC
27 SCHOOL CONSTRUCTION FUND.

28 (2) IF FUNDS ARE NEEDED FOR DEBT SERVICE OR DEBT SERVICE
29 RESERVES, THE AUTHORITY MAY TRANSFER MONEY IN THE SUPPLEMENTAL
30 PUBLIC SCHOOL CONSTRUCTION FUND TO THE SUPPLEMENTAL PUBLIC SCHOOL
31 CONSTRUCTION FINANCING FUND.

32 (H) IN CONNECTION WITH IMPROVEMENTS TO PUBLIC SCHOOL FACILITIES,
33 A COUNTY BOARD OF EDUCATION SHALL:

1 **(1) DELIVER TO THE AUTHORITY BUILDABLE SITES, READY FOR**
2 **IMPROVEMENT AND FREE FROM ANY RESTRICTIONS, EASEMENTS, IMPEDIMENTS,**
3 **HAZARDS, OR CONDITIONS THAT WOULD AFFECT THE AUTHORITY'S SCHEDULE OR**
4 **BUDGET FOR THE IMPROVEMENT TO A PUBLIC SCHOOL FACILITY;**

5 **(2) DELIVER TO THE AUTHORITY A PUBLIC SCHOOL FACILITY WITH**
6 **TITLE THAT HAS VESTED IN THE COUNTY BOARD OF EDUCATION OR IN AN ENTITY**
7 **APPROVED BY THE COUNTY BOARD OF EDUCATION OTHER THAN THE AUTHORITY;**

8 **(3) EXCEPT FOR A TRANSFER OR AN ASSIGNMENT TO THE COUNTY**
9 **BOARD OF EDUCATION, OBTAIN THE APPROVAL OF THE STATE SUPERINTENDENT**
10 **OF SCHOOLS AND THE BOARD OF PUBLIC WORKS BEFORE THE SALE, ASSIGNMENT,**
11 **MORTGAGE, PLEDGE, OR ENCUMBRANCE OF ANY PUBLIC SCHOOL FACILITY OR ANY**
12 **INTEREST IN THE FACILITY; AND**

13 **(4) ENSURE THAT NO PUBLIC SCHOOL FACILITY IS SOLD, ASSIGNED,**
14 **MORTGAGED, PLEDGED, OR ENCUMBERED WITHOUT THE CONSENT OF THE**
15 **AUTHORITY IF THERE ARE PROCEEDS OF BONDS STILL OUTSTANDING OR UNPAID**
16 **THAT WERE USED IN THE CONSTRUCTION OF OR RENOVATIONS TO THE PUBLIC**
17 **SCHOOL FACILITY.**

18 **(I) (1) SUBJECT TO SUBSECTION (A) OF THIS SECTION, BEFORE ANY**
19 **BONDS ARE ISSUED TO FINANCE IMPROVEMENTS TO A PUBLIC SCHOOL FACILITY,**
20 **THE AUTHORITY MAY PAY FOR ANY COSTS OF START-UP, ADMINISTRATION,**
21 **OVERHEAD, AND OPERATIONS OF THE AUTHORITY OR COSTS OF ENGINEERING,**
22 **ARCHITECTURAL, AND OTHER DESIGN PROFESSIONALS.**

23 **(2) PRIOR TO AVAILABILITY OF FUNDS FROM THE SUPPLEMENTAL**
24 **PUBLIC SCHOOL CONSTRUCTION FUND, THE AUTHORITY SHALL BE ENTITLED TO**
25 **REIMBURSEMENT FOR ANY COSTS INCURRED UNDER PARAGRAPH (1) OF THIS**
26 **SUBSECTION FROM THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION**
27 **FINANCING FUND.**

28 **(3) (I) ANY COST OVERRUNS, UNBUDGETED EXPENSES, OR**
29 **UNFORESEEN COSTS INCURRED IN CONNECTION WITH AN IMPROVEMENT TO A**
30 **PUBLIC SCHOOL FACILITY SHALL BE PAYABLE SOLELY FROM THE SUPPLEMENTAL**
31 **PUBLIC SCHOOL CONSTRUCTION FUND.**

32 **(II) IF ANY COST OVERRUNS, UNBUDGETED EXPENSES, OR**
33 **UNFORESEEN COSTS OCCUR AS DESCRIBED IN SUBPARAGRAPH (I) OF THIS**
34 **PARAGRAPH, THE AUTHORITY STAFF SHALL PROVIDE A DETAILED REPORT TO THE**
35 **AUTHORITY EXPLAINING THE REASONS FOR THE COST OVERRUNS, UNBUDGETED**
36 **EXPENSES, OR UNFORESEEN COSTS AND A DESCRIPTION OF THE ACTIONS TAKEN BY**

1 THE AUTHORITY TO CONTROL COSTS WITHIN THE BUDGET ESTABLISHED FOR EACH
2 IMPROVEMENT TO A PUBLIC SCHOOL FACILITY.

3 (J) ON JANUARY 15, 2021, AND EACH JANUARY 15 THEREAFTER, THE
4 AUTHORITY SHALL REPORT TO THE GOVERNOR, THE BOARD OF PUBLIC WORKS,
5 AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE
6 FISCAL COMMITTEES OF THE GENERAL ASSEMBLY ON THE PROGRESS OF
7 CONSTRUCTION AND RENOVATIONS OF PUBLIC SCHOOL FACILITIES, INCLUDING
8 ACTIONS:

9 (1) TAKEN DURING THE PREVIOUS FISCAL YEAR; AND

10 (2) PLANNED FOR THE CURRENT FISCAL YEAR.

11 10-650.

12 (A) THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION SHALL,
13 IN ACCORDANCE WITH THE PROCESS ESTABLISHED IN § 5-304 OF THE EDUCATION
14 ARTICLE, PROVIDE RECOMMENDATIONS FOR PUBLIC SCHOOL FACILITY PROJECTS
15 TO BE FUNDED FROM THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND.

16 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE
17 AUTHORITY SHALL CONTRACT, MANAGE, AND OVERSEE PUBLIC SCHOOL FACILITY
18 PROJECTS FUNDED FROM THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
19 FUND.

20 (2) BEFORE A PUBLIC SCHOOL FACILITY PROJECT IS APPROVED FOR
21 FUNDING FROM THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND, THE
22 AUTHORITY SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE
23 INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION AND THE COUNTY BOARD
24 OF EDUCATION OR THE COUNTY, OR BOTH, FOR THE MANAGEMENT AND OVERSIGHT
25 OF A PUBLIC SCHOOL FACILITY PROJECT.

26 (3) (I) THE MEMORANDUM OF UNDERSTANDING SHALL
27 AUTHORIZE THE AUTHORITY TO DESIGN AND IMPROVE, OR CONTRACT FOR THE
28 DESIGN AND IMPROVEMENT OF, A PUBLIC SCHOOL FACILITY.

29 (II) THE MEMORANDUM OF UNDERSTANDING SHALL INCLUDE A
30 PROVISION THAT THE STATE AND LOCAL COST-SHARE FOR THE COUNTY
31 ESTABLISHED IN REGULATIONS SHALL APPLY TO THE PUBLIC SCHOOL FACILITY
32 PROJECT.

33 (C) THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION MAY

1 GRANT A WAIVER FROM THE MANAGEMENT REQUIREMENT SET FORTH IN
2 SUBSECTION (B)(1) OF THIS SECTION IF THE INTERAGENCY COMMISSION
3 DETERMINES THAT A COUNTY BOARD OF EDUCATION EMPLOYS STAFF AND
4 POSSESSES THE RESOURCES NECESSARY TO MANAGE AND OVERSEE PUBLIC
5 SCHOOL FACILITY PROJECTS.

6 **10-658.**

7 (A) THERE IS A SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
8 FINANCING FUND.

9 (B) (1) THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
10 FINANCING FUND IS A CONTINUING, NONLAPSING FUND THAT SHALL BE AVAILABLE
11 TO IMPLEMENT THIS SUBTITLE CONCERNING PUBLIC SCHOOL FACILITIES.

12 (2) THE AUTHORITY SHALL:

13 (I) USE THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
14 FINANCING FUND AS A REVOLVING FUND FOR CARRYING OUT THIS SUBTITLE
15 CONCERNING PUBLIC SCHOOL FACILITIES; AND

16 (II) PAY ANY AND ALL EXPENSES FROM THE SUPPLEMENTAL
17 PUBLIC SCHOOL CONSTRUCTION FINANCING FUND THAT ARE INCURRED BY THE
18 AUTHORITY RELATED TO ANY PUBLIC SCHOOL FACILITIES.

19 (C) (1) TO THE EXTENT CONSIDERED APPROPRIATE BY THE AUTHORITY,
20 THE MONEY ON DEPOSIT IN THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
21 FINANCING FUND SHALL BE PLEDGED TO AND USED TO PAY THE FOLLOWING
22 RELATING TO PUBLIC SCHOOL FACILITIES:

23 (I) DEBT SERVICE ON AUTHORITY BONDS;

24 (II) DEBT SERVICE RESERVES UNDER A TRUST AGREEMENT;

25 (III) ALL REASONABLE CHARGES AND EXPENSES RELATED TO
26 AUTHORITY BORROWING; AND

27 (IV) ALL REASONABLE CHARGES AND EXPENSES RELATED TO
28 THE AUTHORITY'S ADMINISTRATION OF THE SUPPLEMENTAL PUBLIC SCHOOL
29 CONSTRUCTION FINANCING FUND AND MANAGEMENT OF THE AUTHORITY'S
30 OBLIGATIONS.

31 (2) THE PLEDGE SHALL BE EFFECTIVE AS PROVIDED IN § 10-634 OF

1 THIS SUBTITLE AND ANY APPLICABLE AUTHORITY RESOLUTION.

2 (D) THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING
3 FUND CONSISTS OF:

4 (1) MONEY DEPOSITED INTO THE SUPPLEMENTAL PUBLIC SCHOOL
5 CONSTRUCTION FINANCING FUND;

6 (2) TO THE EXTENT THAT THE PROCEEDS ARE NOT UNDER A TRUST
7 AGREEMENT, PROCEEDS FROM THE SALE OF BONDS CONCERNING PUBLIC SCHOOL
8 FACILITIES;

9 (3) REVENUES COLLECTED OR RECEIVED FROM ANY SOURCE UNDER
10 THIS SUBTITLE RELATED TO PUBLIC SCHOOL BUILDING OPPORTUNITY FACILITIES;

11 (4) FUNDS TO BE DEPOSITED IN ACCORDANCE WITH § 10-649 OF THIS
12 SUBTITLE; AND

13 (5) ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY PUBLIC
14 SOURCE FOR THE PURPOSES ESTABLISHED FOR THE SUPPLEMENTAL PUBLIC
15 SCHOOL CONSTRUCTION FINANCING FUND.

16 (E) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE
17 SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING FUND IN THE SAME
18 MANNER AS OTHER STATE FUNDS.

19 (2) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE
20 SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING FUND.

21 (3) NO PART OF THE SUPPLEMENTAL PUBLIC SCHOOL
22 CONSTRUCTION FINANCING FUND MAY REVERT OR BE CREDITED TO THE GENERAL
23 FUND OR ANY SPECIAL FUND OF THE STATE.

24 (F) THE MONEY IN THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
25 FINANCING FUND SHALL BE USED TO SUPPLEMENT, BUT NOT SUPPLANT, MONEY
26 APPROPRIATED TO THE PUBLIC SCHOOL CONSTRUCTION PROGRAM ESTABLISHED
27 IN TITLE 5, SUBTITLE 3 OF THE EDUCATION ARTICLE.

28 10-658.1.

29 (A) THERE IS A SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND.

30 (B) (1) THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND IS

1 A CONTINUING, NONLAPSING FUND THAT SHALL BE AVAILABLE TO IMPLEMENT THIS
2 SUBTITLE CONCERNING PUBLIC SCHOOL FACILITIES.

3 (2) THE AUTHORITY SHALL:

4 (I) USE THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
5 FUND AS A REVOLVING FUND FOR CARRYING OUT THIS SUBTITLE CONCERNING
6 PUBLIC SCHOOL FACILITIES; AND

7 (II) TO THE EXTENT AUTHORIZED BY FEDERAL TAX LAW, PAY
8 ANY AND ALL EXPENSES FROM THE SUPPLEMENTAL PUBLIC SCHOOL
9 CONSTRUCTION FUND THAT ARE INCURRED BY THE AUTHORITY RELATED TO ANY
10 PUBLIC SCHOOL FACILITIES.

11 (C) (1) TO THE EXTENT CONSIDERED APPROPRIATE BY THE AUTHORITY,
12 THE MONEY ON DEPOSIT IN THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
13 FUND SHALL BE USED TO PAY THE FOLLOWING RELATING TO PUBLIC SCHOOL
14 FACILITIES:

15 (I) DEBT SERVICE ON AUTHORITY BONDS;

16 (II) DESIGN AND CONSTRUCTION COSTS RELATING TO PUBLIC
17 SCHOOL FACILITIES;

18 (III) TO THE EXTENT AUTHORIZED BY FEDERAL TAX LAW, COSTS
19 OF START-UP, ADMINISTRATION, OVERHEAD, AND OPERATIONS RELATED TO THE
20 MANAGEMENT OF IMPROVEMENTS TO PUBLIC SCHOOL FACILITIES AUTHORIZED
21 UNDER THIS SUBTITLE; AND

22 (IV) ALL REASONABLE CHARGES AND EXPENSES RELATED TO
23 THE AUTHORITY'S ADMINISTRATION OF THE SUPPLEMENTAL PUBLIC SCHOOL
24 CONSTRUCTION FUND AND THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
25 FINANCING FUND AND MANAGEMENT OF THE AUTHORITY'S OBLIGATIONS.

26 (2) IN ADDITION TO THE USES AUTHORIZED IN PARAGRAPH (1) OF
27 THIS SUBSECTION, THE AUTHORITY MAY TRANSFER MONEY ON DEPOSIT IN THE
28 SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND TO THE LOCAL SHARE OF
29 SCHOOL CONSTRUCTION COSTS REVOLVING LOAN FUND ESTABLISHED UNDER §
30 5-315 OF THE EDUCATION ARTICLE TO PROVIDE LOANS TO LOCAL GOVERNMENTS
31 IN ACCORDANCE WITH THE REQUIREMENTS SPECIFIED IN THAT SECTION.

32 (D) THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND
33 CONSISTS OF:

1 **(1) FUNDS TRANSFERRED FROM THE SUPPLEMENTAL PUBLIC**
2 **SCHOOL CONSTRUCTION FINANCING FUND TO THE SUPPLEMENTAL PUBLIC**
3 **SCHOOL CONSTRUCTION FUND IN ACCORDANCE WITH § 10-649 OF THIS SUBTITLE;**
4 **AND**

5 **(2) ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY PUBLIC**
6 **SOURCE FOR THE PURPOSES ESTABLISHED FOR THE SUPPLEMENTAL PUBLIC**
7 **SCHOOL CONSTRUCTION FUND.**

8 **(E) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
9 **SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND IN THE SAME MANNER AS**
10 **OTHER STATE FUNDS.**

11 **(2) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE**
12 **SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FUND.**

13 **(3) NO PART OF THE SUPPLEMENTAL PUBLIC SCHOOL**
14 **CONSTRUCTION FUND MAY REVERT OR BE CREDITED TO THE GENERAL FUND OR**
15 **ANY SPECIAL FUND OF THE STATE.**

16 **(F) THE MONEY IN THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION**
17 **FUND SHALL BE USED TO SUPPLEMENT, BUT NOT SUPPLANT, MONEY**
18 **APPROPRIATED TO THE PUBLIC SCHOOL CONSTRUCTION PROGRAM ESTABLISHED**
19 **IN TITLE 5, SUBTITLE 3 OF THE EDUCATION ARTICLE.**

20 **[10-658.] 10-659.**

21 This subtitle may be cited as the Maryland Stadium Authority Act.

22 **Article – State Finance and Procurement**

23 6-226.

24 (a) (2) (i) Notwithstanding any other provision of law, and unless
25 inconsistent with a federal law, grant agreement, or other federal requirement or with the
26 terms of a gift or settlement agreement, net interest on all State money allocated by the
27 State Treasurer under this section to special funds or accounts, and otherwise entitled to
28 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
29 Fund of the State.

30 (ii) The provisions of subparagraph (i) of this paragraph do not apply
31 to the following funds:

1 112. the Pretrial Services Program Grant Fund; [and]

2 113. the Veteran Employment and Transition Success Fund;

3 114. THE SUPPLEMENTAL PUBLIC SCHOOL
4 CONSTRUCTION FUND; AND

5 115. THE SUPPLEMENTAL PUBLIC SCHOOL
6 CONSTRUCTION FINANCING FUND.

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

9 **Article – State Government**

10 9–120.

11 (a) The Comptroller shall distribute, or cause to be distributed, the State Lottery
12 Fund to pay:

13 (1) on a pro rata basis for the daily and nondaily State lottery games, the
14 expenses of administering and operating the State lottery, as authorized under this subtitle
15 and the State budget; and

16 (2) then, except as provided in § 10–113.1 of the Family Law Article, §
17 11–618 of the Criminal Procedure Article, and § 3–307 of the State Finance and
18 Procurement Article, the holder of each winning ticket or share.

19 (b) (1) By the end of the month following collection, the Comptroller shall
20 deposit or cause to be deposited:

21 (i) into the Maryland Stadium Facilities Fund established under §
22 7–312 of the State Finance and Procurement Article from the money that remains in the
23 State Lottery Fund, after the distribution under subsection (a) of this section, an amount
24 not to exceed \$20,000,000 in any fiscal year;

25 (ii) after June 30, 2014, into the Maryland Veterans Trust Fund 10%
26 of the money that remains in the State Lottery Fund from the proceeds of sales of tickets
27 from instant ticket lottery machines by veterans' organizations under § 9–112(d) of this
28 subtitle, after the distribution under subsection (a) of this section;

29 (iii) after June 30, 2014, into the Baltimore City Public School
30 Construction Financing Fund established under § 10–656 of the Economic Development
31 Article the money that remains in the State Lottery Fund from the proceeds of all lotteries
32 after the distributions under subsection (a) of this section and items (i) and (ii) of this
33 paragraph, an amount equal to \$20,000,000 in each fiscal year that bonds are outstanding

1 and unpaid, to be paid in two installments with at least \$10,000,000 paid no later than
2 December 1 of each fiscal year;

3 (iv) after June 30, 2016, into the Racing Special Fund established
4 under § 11–401 of the Business Regulation Article from money that remains in the State
5 Lottery Fund after the distributions under subsection (a) of this section and items (i), (ii),
6 and (iii) of this paragraph, an amount equal to \$500,000;

7 (v) after June 30, 2017, into the Racing Special Fund established
8 under § 11–401 of the Business Regulation Article from money that remains in the State
9 Lottery Fund after the distributions under subsection (a) of this section and items (i), (ii),
10 (iii), and (iv) of this paragraph, an amount equal to \$1,000,000 in each fiscal year; [and]

11 **(VI) AFTER JUNE 30, 2020, INTO THE SUPPLEMENTAL PUBLIC**
12 **SCHOOL CONSTRUCTION FINANCING FUND ESTABLISHED UNDER § 10–658 OF THE**
13 **ECONOMIC DEVELOPMENT ARTICLE THE MONEY THAT REMAINS IN THE STATE**
14 **LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES AFTER THE**
15 **DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I) THROUGH**
16 **(V) OF THIS PARAGRAPH, AN AMOUNT EQUAL TO \$125,000,000 IN EACH FISCAL YEAR**
17 **THAT BONDS ARE OUTSTANDING AND UNPAID, TO BE PAID IN TWO INSTALLMENTS**
18 **WITH AT LEAST \$62,500,000 PAID NOT LATER THAN DECEMBER 1 EACH FISCAL**
19 **YEAR; AND**

20 [(vi)](VII) into the General Fund of the State the money that remains
21 in the State Lottery Fund from the proceeds of all lotteries after the distributions under
22 subsection (a) of this section and items (i), (ii), (iii), (iv), [and] (v), AND (VI) of this
23 paragraph.

24 (2) The money paid into the General Fund under this subsection is
25 available in the fiscal year in which the money accumulates in the State Lottery Fund.

26 (c) The regulations of the Agency shall apportion the money in the State Lottery
27 Fund in accordance with subsection (b) of this section.

28 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
29 effect July 1, 2020.

30 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
31 3 of this Act, this Act shall take effect July 1, 2019.