Chapter 647

(House Bill 860)

AN ACT concerning

Baltimore City Public Schools Construction Authority and Revitalization Act of 2013

FOR the purpose of establishing the Baltimore City Public Schools Construction Authority; providing for the purpose, duties, membership, appointment, terms, and compensation of the Authority; requiring the Authority to appoint an executive director and establishing the duties of that position; authorizing the Authority to employ or retain employees or contractors as appropriate; authorizing the Authority, under certain circumstances, to acquire and take title to property, enter into contracts, fix and collect certain rents and other charges, mortgage or encumber a project and its site, make a loan, contract for certain services, and receive certain contributions and gifts; specifying that the Authority shall be responsible for certain school facilities construction and capital improvement projects; authorizing the Authority or other issuer of bonds to hold title to certain properties or improvements to certain properties under certain circumstances; specifying that certain expenses incurred by the Authority are payable only from certain funds; requiring certain audits of the Authority; requiring certain audits to be submitted by a certain date to certain entities; declaring the intent of the General Assembly that the Authority shall remain in existence as long as certain debt is outstanding; authorizing the issuance of certain bonds; setting certain requirements, guidelines, and procedures for the issuance of certain bonds; specifying that certain projects financed under this Act shall be approved by the Interagency Committee on School Construction; requiring the Authority, the Baltimore City Board of School Commissioners, and the Interagency Committee on School Construction to enter into a certain memorandum of understanding; limiting the amount of certain outstanding debt of the Authority; authorizing the Authority to secure certain bonds by a trust agreement and setting the requirements, guidelines, and procedures for that trust agreement; authorizing certain financial entities to invest certain funds in certain bonds; specifying that certain bonds issued under this Act are not a debt, liability, moral obligation, or a pledge of the faith and credit of the State or any subdivision of the State; providing how proceeds from the sale of certain bonds may be expended; authorizing the issuance of refunding bonds and bond anticipation notes under certain circumstances and subject to certain provisions; exempting the Authority, its agent, lessee, and the principal and interest on certain bonds from State and local taxes; requiring the State to provide a certain block grant each year for school construction projects in Baltimore City; providing for the funding and an annual increase in the amount of funding for certain school construction
projects in Baltimore City; specifying the uses for a certain block grant; authorizing the Baltimore City Board of School Commissioners to acquire, construct, reconstruct, equip, maintain, repair, or renovate facilities at any location in Baltimore City through another entity acting as its agent and enter into contracts with public or private entities for such purposes; specifying that a transfer of a certain interest in a public school building in connection with financing the cost of improvements to that building is not a sale, lease, or disposal of that building; increasing the amount of bonds that the Baltimore City Board of School Commissioners may have outstanding; specifying that the amount of outstanding debt of the Baltimore City Board of School Commissioners does not include bonds issued by an entity other than the Board, including bonds issued by the Authority or other issuer of bonds; defining certain terms; authorizing the Maryland Health and Higher Educational Facilities Authority to issue bonds on behalf of the Authority; and generally relating to school construction projects in Baltimore City.

FOR the purpose of authorizing the Maryland Stadium Authority to issue bonds to finance the construction of or improvements to certain Baltimore City public school facilities in accordance with a certain 10–year plan for Baltimore City Public Schools and subject to certain limitations; specifying that the Authority and the Baltimore City Board of School Commissioners shall be responsible for certain public school facilities construction and improvement projects; prohibiting the interference with or limitation of the powers of the Authority and the Baltimore City Board of School Commissioners except under certain circumstances; specifying that certain expenses incurred by the Authority are payable only from certain funds; specifying that certain bonds issued under this Act are a limited obligation of the Authority payable solely from certain pledged money and are not a debt, liability, moral obligation, or a pledge of the faith and credit or taxing power of the State, the Authority, or any other governmental unit; requiring the Authority to obtain approval from the Board of Public Works before each issuance of bonds to finance improvements to Baltimore City public school facilities; requiring Baltimore City to deposit a certain amount of money into a certain fund by certain dates; requiring the Authority to transfer certain funds under certain circumstances; requiring the State Comptroller to withhold the distribution of certain income tax revenues to Baltimore City under certain circumstances; requiring the Authority to direct the State Comptroller to withhold certain payments to the Baltimore City Board of School Commissioners and instead deposit that money into a certain fund under certain circumstances; requiring a certain joint report on or before a certain date year; providing for certain requirements for the Baltimore City Board of School Commissioners regarding certain buildable sites and certain operational responsibilities; requiring the Baltimore City Board of School Commissioners to obtain approval from the State Superintendent of Schools and the Board of Public Works prior to the disposal of certain facilities except in certain circumstances; providing for the payment of certain costs; requiring the Authority, Baltimore City, the Baltimore City Board of School Commissioners,
and the Interagency Committee on School Construction to agree to a certain memorandum of understanding on or before a certain date; prohibiting the issuance of bonds to finance improvements to Baltimore City public school facilities unless the memorandum of understanding is signed by certain parties and the Baltimore City Board of School Commissioners has submitted a certain plan to certain committees of the General Assembly; specifying the requirements of the memorandum of understanding; requiring the State Superintendent of Schools to facilitate resolution in the event of a dispute of certain provisions in the memorandum of understanding; prohibiting the memorandum of understanding from taking effect until it is approved by the Board of Public Works; establishing the Baltimore City Public School Construction Financing Fund and the Baltimore City Public School Construction Facilities Fund as continuing, nonlapsing funds; specifying the contents of the funds and providing for the uses of the funds; exempting the funds from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; expanding the authority of the Authority to include acquiring property necessary to make improvements to certain facilities; requiring the Authority to perform certain actions related to Baltimore City public school facilities; limiting the amount of debt that may be issued by the Authority to finance certain public school construction projects in Baltimore City; including nontax supported debt in a certain debt limit; providing that money deposited in a certain fund may be used as security for a bond issue; altering certain provisions of law relating to closing on certain bond sales; authorizing the Baltimore City Board of School Commissioners to acquire, construct, reconstruct, equip, maintain, repair, or renovate facilities at any location in Baltimore City through the Authority acting as its agent and enter into certain related contracts; increasing the amount of bonds that the Baltimore City Board of School Commissioners may have outstanding; specifying that the amount of outstanding debt of the Baltimore City Board of School Commissioners does not include bonds issued by the Authority; specifying that a transfer of a certain interest in a public school building in connection with financing the cost of improvements to that building is not a sale, lease, or disposal of that building; altering the distribution of certain State lottery revenues and requiring the State Comptroller to distribute certain State lottery revenues into a certain fund; repealing the requirement for certain lotteries to be conducted for the benefit of the Authority; repealing certain advertising and ticket requirements related to certain lotteries conducted for the benefit of the Authority; altering the calculation of a certain highest local appropriation for education under certain circumstances; requiring certain reports and notifications; declaring the intent of the General Assembly; defining certain terms; providing for the effective dates of this Act; and generally relating to public school construction and renovation projects in Baltimore City.

BY repealing and reenacting, with amendments, Article – Economic Development
Section 10–630, 10–601, 10–620, 10–628, 10–634, and 10–639
Annotated Code of Maryland
(2008 Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 10–629 through 10–633, 10–635, and 10–636
Annotated Code of Maryland
(2008 Volume and 2012 Supplement)

BY adding to
Article – Economic Development
Section 10–645, 10–646, 10–656, and 10–657
Annotated Code of Maryland
(2008 Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section 4–114, 4–115, 4–119, 4–126, 4–306.1, 4–306.2(a) and (b), and 5–301(i)
Annotated Code of Maryland
(2008 Replacement Volume and 2012 Supplement)

BY adding to
Article – Education
Section 4–401 through 4–424 to be under the new subtitle “Subtitle 4. Baltimore City Public Schools Construction Authority”; and 5–301(c–1)
Annotated Code of Maryland
(2008 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – Education
Section 4–306.2(a)
Annotated Code of Maryland
(2008 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)69. and 70.
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)
BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)71. and 72.
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–120
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section 5–202(d)(1) through (5)
Annotated Code of Maryland
(2008 Replacement Volume and 2012 Supplement)
(As enacted by Chapter 6 of the Acts of the General Assembly of 2012)

BY repealing and reenacting, without amendments,
Article – Education
Section 5–202(d)(6)
Annotated Code of Maryland
(2008 Replacement Volume and 2012 Supplement)
(As enacted by Chapter 6 of the Acts of the General Assembly of 2012)

BY repealing
Article – State Government
Section 9–120.1
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

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

Article – Economic Development

10–301.

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

(b) “Authority” means the Maryland Health and Higher Educational Facilities Authority.

(c) (1) “Bond” means a bond issued by the Authority under this subtitle.
(2) "Bond" includes a revenue bond, a revenue refunding bond, a note, and any other obligations.

(d) "Cost", with respect to a project financed under this subtitle, includes:

1. the purchase price of a project;
2. the cost to acquire any right, title, or interest in a project;
3. the cost of any improvement;
4. the cost of any property, right, easement, and franchise;
5. the cost of demolition, removal, or relocation of structures;
6. the cost of acquiring land to which the structures may be moved;
7. the cost of equipment;
8. financing charges;
9. interest before and during construction and, if the Authority determines, for a limited period after the completion of construction;
10. reserves for principal and interest and for improvements;
11. the cost of revenue and cost estimates, architectural, engineering, financial, and legal services, plans, specifications, studies, surveys, and other expenses necessary or incident to determining the feasibility of improving a project; and
12. other expenses as necessary or incident to:
   i. financing a project;
   ii. acquiring and improving a project; and
   iii. placing a project in operation.

(e) "Educational institution" means an institution of higher education or a noncollegiate educational institution.

(f) "Finance" includes refinance.
(g) (1) “Health care institution” means an institution in the State that is operated by a person, a local government, or, subject to paragraph (3) of this subsection, the State, is available to the public, and is:

(i) a not-for-profit hospital as defined under § 19–301 of the Health-General Article that:

1. is licensed as a hospital by the Secretary of Health and Mental Hygiene under § 19–318 of the Health-General Article; or

2. has obtained a certificate of need issued by the Maryland Health Care Commission under § 19–120 of the Health-General Article, but is not licensed as a hospital by the Secretary of Health and Mental Hygiene under § 19–318 of the Health-General Article;

(ii) a not-for-profit related institution as defined under § 19–301 of the Health-General Article that is licensed as a related institution by the Secretary of Health and Mental Hygiene under § 19–318 of the Health-General Article;

(iii) a combination of institutions listed in items (i) and (ii) of this paragraph;

(iv) except as provided in paragraph (3) of this subsection:

1. a not-for-profit comprehensive health center that provides outpatient primary health services available to the general public; or

2. a not-for-profit life care or continuing care community that provides self-contained residence facilities for the retired or elderly;

(v) any combination of health care entities listed in item (iv) of this paragraph;

(vi) an entity affiliated or associated with an institution listed in items (i) through (v) of this paragraph, if the Authority determines by resolution that the financing of a project for the entity serves the public purpose of that institution; or

(vii) a not-for-profit health service plan that holds a certificate of authority and provides health insurance policies or contracts in the State in accordance with the Insurance Article.

(2) “Health care institution” includes a not-for-profit corporation organized to construct or acquire an institution under paragraph (1) of this subsection.
“Health care institution” does not include a facility described in paragraph (1)(iv) of this subsection that is owned and operated by the State, except for the following facilities if approved by the Board of Public Works and the Joint Audit Committee:

(i) a not-for-profit comprehensive health center that is a medical or health care facility of the University System of Maryland; or

(ii) a not-for-profit life care or continuing care community that provides self-contained residence facilities for the retired or elderly.

(4) For purposes of this subsection the facilities of the University of Maryland Medical System Corporation are not considered to be owned and operated by the State.

(h) “Improve” means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(i) “Improvement” means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(j)(1) “Institution of higher education” means an educational institution in the State that:

(i) by law or charter:

1. is a public or not-for-profit educational institution; and

2. is authorized to provide:

A. a program of education beyond the high school level and award a bachelor’s or advanced degree; or

B. a program of 2 or more years’ duration that is accepted for full credit toward a bachelor’s degree; and

(ii) meets the standards and regulations that the Maryland Higher Education Commission prescribes, and is authorized to issue a certificate, diploma, or degree under Title 12 of the Education Article.

(2) “Institution of higher education” includes:

(i) a community college for which a board of community college trustees is established under § 16–101 of the Education Article;
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(ii) a regional community college established under § 16–202 of the Education Article;

(iii) the Baltimore City Community College established under § 16–501 of the Education Article; and

(iv) the College of Southern Maryland established under § 16–603 of the Education Article.

(3) “Institution of higher education” does not include an institution owned and operated by the State other than an institution listed in paragraph (2) of this subsection.

(k) (1) “Noncollegiate educational institution” means a noncollegiate educational institution as defined in § 2–206 of the Education Article that:

[(1)] (I) has received a certificate of approval from the State Board of Education; or

[(2)] (II) is an institution operated by a bona fide church organization.

(2) “Noncollegiate educational institution” includes the Baltimore City Public Schools Construction Authority, established under Title 4, Subtitle 4 of the Education Article and by the Baltimore City Board of School Commissioners.

(l) “Participating institution” means a participating educational institution or a participating health care institution that receives assistance under this subtitle.

(m) (1) With respect to an educational institution:

(i) “project” means a structure or facility that is required or useful for an educational institution;

(ii) “project” includes:

1. a structure suitable for use as a dormitory or other housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, maintenance facility, storage facility, utility facility, or parking facility; and

2. equipment and other similar items; and
(iii) "project" does not include books, fuel, supplies, or other items that customarily result in a current operating charge.

(2) With respect to a health care institution:

(i) "project" means a structure or facility that is required or useful for the effective operation of a health care institution;

(ii) "project" includes:

1. a structure suitable for use as a hospital, clinic, or other health care facility, laboratory, training facility for nursing or another health program, laundry, a residence for nurses or interns, or a parking facility; and

2. equipment and other similar items; and

(iii) "project" does not include fuel, supplies, or other items that customarily result in a current operating charge.

(n) "Sinking fund" means a fund established under § 10–328 of this subtitle.

(o) (1) "Trust agreement" means an agreement entered into by the Authority to secure a bond.

(2) "Trust agreement" may include a bond contract, bond resolution, or other contract with or for the benefit of a bondholder.

Article—Education

4–114.

(a) All property granted, conveyed, devised, or bequeathed for the use of a particular public school or school system:

(1) Except as provided in subsection (c) of this section, shall be held in trust for the benefit of the school or school system by the appropriate county board or, for real property in Baltimore City, by the Mayor and City Council of Baltimore, OR THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS, and

(2) Is exempt from all State and local taxes.

(b) Money invested in trust for the benefit of the public schools for any county or city is exempt from all State and local taxes.
(e) (1) A private entity may hold title to property used for a particular public school or local school system if the private entity is contractually obligated to transfer title to the appropriate county board on a specified date.

(2) The conveyance of title of school property to a private entity for a specified term under this subsection may not be construed to prohibit the allocation of construction funds to an approved school construction project under the Public School Construction Program.

(3) A county or county board may convey or dispose of surplus land under the jurisdiction of the county or county board in exchange for public school construction or development services.

(4) For real property in Baltimore City, the Baltimore City Public Schools Construction Authority or any other issuer of revenue bonds to finance public school facilities in Baltimore City may hold title to or a leasehold interest in property or improvements to property used for public school purposes provided that such entity is contractually obligated to transfer title to the Mayor and City Council of Baltimore or for newly constructed school buildings, to the Baltimore City Board of School Commissioners.

10–601.

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

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

(c) “Authority affiliate” means a for–profit or not–for–profit entity in which the Authority directly or indirectly owns any membership interest or equity interest.

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

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

(2) The Mayor and City Council of Baltimore.

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

(F) “Baltimore City public school facility” means a property primarily used for educational instruction that:
(1) is held in trust by Baltimore City or the Baltimore City Board of School Commissioners for the benefit of the Baltimore City Public School System; and

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

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

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

(i) “Baltimore City Public School site” means the site of any Baltimore City Public School facility.

[d] (d) (1) “Baltimore Convention facility” means:

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

(ii) offices, parking lots or garages, access roads, hotels, restaurants, railroad sidings, and any other structures, improvements, equipment, furnishings, or other property functionally related to the facilities described in item (i) of this paragraph.

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

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

(ii) land and facilities that are functionally related to a Baltimore Convention facility; and
(iii) patents, licenses, and other rights necessary or useful to construct or operate a Baltimore Convention facility.

[(e) (K)] “Baltimore Convention Fund” means the Baltimore Convention Financing Fund established under § 10–651 of this subtitle.

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

[(g) (M)] “Bond” includes a note, an interim certificate, refunding bond, and any other evidence of obligation issued under this subtitle.

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

[(i) (O)] “Camden Yards Fund” means the Camden Yards Financing Fund established under § 10–652 of this subtitle.

[(j) (P)] “Convention facility” means the Baltimore Convention facility, the Montgomery County Conference facility, and the Ocean City Convention facility.

[(k) (Q)] “Facility” means:

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

(2) a convention facility;

(3) the Hippodrome Performing Arts facility; OR

(4) a sports facility; OR

(5) A BALTIMORE CITY PUBLIC SCHOOL FACILITY.

[(R)] “GOVERNMENTAL UNIT” MEANS A COUNTY, A MUNICIPAL CORPORATION, A UNIT OF STATE OR LOCAL GOVERNMENT, OR ANY OTHER PUBLIC BODY CREATED UNDER STATE OR LOCAL LAW.

[(l) (S)] (1) “Hippodrome Performing Arts facility” means the performing arts center facility located at the Hippodrome Performing Arts site.
“Hippodrome Performing Arts facility” includes, at the Hippodrome Performing Arts site:

(i) the Hippodrome theater and offices;

(ii) food service facilities; and

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

“Hippodrome Performing Arts Fund” means the Hippodrome Performing Arts Financing Fund established under § 10–653 of this subtitle.

“Hippodrome Performing Arts site” means the site of the France–Merrick Performing Arts Center located in Baltimore City at the address generally known as:

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

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

“Improve” means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

“Improvement” means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

“Montgomery County” includes the Montgomery County Revenue Authority.

(1) “Montgomery County Conference facility” means the Conference Center facility located at the Montgomery County Conference site used for conferences, trade shows, meetings, displays, or similar events.

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

(3) “Montgomery County Conference facility” does not include the privately owned hotel adjacent to the Montgomery County Conference Center.
“Montgomery County Conference Fund” means the Montgomery County Conference Financing Fund established under § 10–654 of this subtitle.

“Montgomery County Conference site” means the site of the Montgomery County Conference Center located in Rockville at the address generally known as 5701 Marinelli Road, identified in the State Department of Assessments and Taxation Real Property database as tax identification number District 04, Account Number 03392987.

“Ocean City Convention facility” means:

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

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

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

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

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

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

“Ocean City Convention Fund” means the Ocean City Convention Financing Fund established under § 10–655 of this subtitle.

“Ocean City Convention site” means the site of the Ocean City Convention Center located in Ocean City at the address generally known as 4001 Coastal Highway, identified in the State Department of Assessments and Taxation Real Property database as tax identification numbers District 10, Account Number 055237; District 10, Account Number 066301; District 10, Account Number 247942; and District 10, Account Number 280346.

“Sports facility” means:

(1)
(i) a stadium primarily for professional football, major league professional baseball, or both, in the Baltimore metropolitan region, as defined in § 13–301 of this article;

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

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

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

[(y) (FF)] “Tax supported debt” has the meaning stated in § 8–104 of the State Finance and Procurement Article.

10–620.

(a) (1) Subject to annual appropriations and this subtitle, the Authority may acquire in its own name, by gift, purchase, or condemnation, any property or interest in property necessary or convenient to construct, IMPROVE, or operate a facility.

(2) When acquiring in its own name any property under paragraph (1) of this subsection, the Authority shall first attempt to acquire the property by negotiation and purchase.

(3) If the Authority is not able to acquire property by negotiation, the Authority may condemn private property under subsection (b) of this section.

(4) If the Authority determines that acting under paragraphs (2) and (3) of this subsection would be inappropriate, the Authority may condemn private property under subsection (c) of this section.

(b) (1) The exercise of authority under this subsection is subject to subsection (a) of this section, the prior approval of the Board of Public Works, and review by the Legislative Policy Committee.

(2) The Authority may condemn any private property for any purpose of the Authority:

(i) in accordance with Title 12 of the Real Property Article; and

(ii) only in Camden Yards and at the Hippodrome Performing Arts site.
(c) (1) The exercise of authority under this subsection is subject to subsection (a) of this section, the prior approval of the Board of Public Works, and review by the Legislative Policy Committee.

(2) The Authority may exercise quick take condemnation under Article III, § 40A of the State Constitution to acquire in Baltimore City for the State private property for any purpose of the Authority:

(i) in accordance with §§ 8–334 through 8–339 of the Transportation Article and Title 12 of the Real Property Article; and

(ii) only in Camden Yards and at the Hippodrome Performing Arts site.

(d) (1) The exercise of authority under this subsection is subject to the prior approval of the Board of Public Works.

(2) On request of the Authority, the State, a unit of the State, or a political subdivision may lease, lend, grant, or otherwise convey to the Authority, property, including property devoted to public use, as necessary or convenient for the purposes of this subtitle.

(3) The State may lease or sublease a facility, or an interest in a facility, from or to the Authority, whether or not constructed or usable.

(4) Lease payments to the Authority appropriated by the State shall be transferred to:

(i) the Baltimore Convention Fund if appropriated for a Baltimore Convention facility;

(ii) the Camden Yards Fund if appropriated for a sports facility or other facility at Camden Yards;

(iii) the Hippodrome Performing Arts Fund if appropriated for a Hippodrome Performing Arts facility;

(iv) the Montgomery County Conference Fund if appropriated for a Montgomery County Conference facility; or

(v) the Ocean City Convention Fund if appropriated for an Ocean City Convention facility.
(e) (1) This subsection does not apply to the Camden Yards site, Baltimore Convention site, Ocean City Convention site, or Hippodrome Performing Arts site, OR ANY BALTIMORE CITY PUBLIC SCHOOL SITE.

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

(f) The Authority shall:

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

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

(3) WITH RESPECT TO CAMDEN YARDS, THE BALTIMORE CONVENTION FACILITY, AND THE HIPPODROME PERFORMING ARTS FACILITY, submit preliminary and final plans [for Baltimore facilities] to Baltimore City for review and comment; [and]

(4) WITH RESPECT TO CAMDEN YARDS, THE BALTIMORE CONVENTION FACILITY, AND THE HIPPODROME PERFORMING ARTS FACILITY, participate in the design review processes of Baltimore City; AND

(5) WITH RESPECT TO A BALTIMORE CITY PUBLIC SCHOOL FACILITY, PERFORM THE ACTIONS REQUIRED UNDER §§ 10–645, 10–646, 10–656, AND 10–657 OF THIS SUBTITLE.

(g) This section does not affect the right of the Authority to acquire an option or institute a condemnation proceeding for later acquisition of the property once the approval required by this section is obtained.

10–628.

(a) Except as provided in subsections (b) and (c) of this section and subject to the prior approval of the Board of Public Works, the Authority may issue bonds at any time for any corporate purpose of the Authority, including the establishment of reserves and the payment of interest.

(b) (1) Unless authorized by the General Assembly, the Board of Public Works may not approve an issuance by the Authority of bonds for sports facilities at
Camden Yards, whether taxable or tax exempt, that constitute tax supported debt if, after the issuance, there would be outstanding and unpaid $235,000,000 face amount of bonds for the purpose of financing the site acquisition and preparation, relocation, demolition and removal, construction and related expenses for construction management, professional fees, and contingencies of baseball and football stadiums or a multiuse stadium.

(2) (i) Subject to subparagraph (ii) of this paragraph, the limits on the issuance of bonds of the Authority, whether taxable or tax exempt, that constitute tax supported debt for the following purposes with respect to sports facilities at Camden Yards are:

1. $85,000,000 for site acquisition and preparation, relocation, demolition and removal, and construction and related expenses for construction management, professional fees, and contingencies for Camden Yards;

2. $70,000,000 for site work, construction and related expenses for construction management, professional fees, and contingencies of a baseball stadium;

3. $80,000,000 for site work, construction and related expenses for construction management, professional fees, and contingencies of a football stadium; and

4. $195,000,000 for site acquisition and preparation, relocation, demolition and removal, and construction and related expenses for construction management, professional fees, and contingencies of a multiuse stadium.

(ii) The Authority may exceed the monetary limits on bond issuances provided for in subparagraph (i) of this paragraph if the Authority:

1. obtains the authorization of the Board of Public Works; and

2. notifies the Legislative Policy Committee with accompanying justification.

(c) (1) Unless authorized by the General Assembly, the Board of Public Works may not approve an issuance by the Authority of bonds, whether taxable or tax exempt, that constitute tax supported debt OR NONTAX SUPPORTED DEBT if, after issuance, there would be outstanding and unpaid more than the following face amounts of the bonds for the purpose of financing acquisition, construction, renovation, and related expenses for construction management, professional fees, and contingencies in connection with:

(i) the Baltimore Convention facility – $55,000,000;
(ii) the Hippodrome Performing Arts facility – $20,250,000;

(iii) the Montgomery County Conference facility – $23,185,000;

[and]

(iv) the Ocean City Convention facility – $17,340,000; AND

(V) BALTIMORE CITY PUBLIC SCHOOL FACILITIES – $1,100,000,000.

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

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

10–629.

(a) The Authority shall pay the bonds issued in accordance with this part only from the property or receipts of the Authority.

(b) Property and receipts of the Authority include:

(1) taxes, fees, charges, or other revenues payable to the Authority;

(2) payments in accordance with letters of credit, lines of credit, insurance policies, or purchase agreements;

(3) investment earnings from funds or accounts maintained in accordance with a bond resolution or trust agreement;

(4) the proceeds of refunding bonds; and

(5) any other source authorized by law.

10–630.

(a) The Authority shall authorize the issuance of bonds by resolution.

(b) (1) The bonds may be secured by a trust agreement by and between the Authority and a corporate trustee.

(2) A corporate trustee may be any trust company or bank that has the powers of a trust company in or outside the State.
(c) The bonds shall:

(1) be issued at, above, or below par value, and for cash or other valuable consideration;

(2) mature on a date or dates not exceeding 40 years from their respective dates of issue, whether or not the bonds are serial or term bonds;

(3) bear interest at the fixed rate or the variable rate provided in the resolution or trust agreement;

(4) be payable at a time or times and be in the denominations and form, either coupon or registered, as provided in the resolution or trust agreement;

(5) be subject to the registration provisions, have the privileges as to conversion, and be subject to the provisions for the replacement of mutilated, lost, or destroyed bonds as provided in the resolution or trust agreement;

(6) be a “security” within the meaning of § 8–102 of the Commercial Law Article, whether or not each bond is one of a class or series or is divisible by its terms into a class or series of instruments;

(7) be negotiable for all purposes although payable from a limited source, notwithstanding any other law;

(8) be payable in lawful money of the United States at a designated place;

(9) be subject to the terms of purchase, payment, redemption, refunding, or refinancing as provided in the resolution or trust agreement;

(10) subject to subsection (d) of this section, be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority;

(11) be sold in the manner and on the terms determined by the Authority, including competitive or negotiated sale; and

(12) are exempt from §§ 8–206 and 8–208 of the State Finance and Procurement Article.

(d) An officer’s signature or facsimile signature on a bond of the Authority remains valid at delivery even if the officer leaves office before the bond is delivered.
A resolution of the Authority or a trust agreement between the Authority and a corporate trustee may contain provisions that shall be part of the contract between the Authority and the holders of the bonds as to:

(1) (i) the pledging, assigning, or directing the use, investment, or disposition of receipts of the Authority or proceeds or benefits of any contract; and

(ii) the conveying or otherwise securing of any property or property rights;

(2) debt service reserves, capitalized interest accounts, cost of issuance accounts, sinking funds, and the setting aside of deposits, and the regulation, investment, and disposition of the funds specified in this item;

(3) limitations on the use and investment of bond proceeds;

(4) restrictions on the investment of revenues or bond proceeds to government obligations the principal and interest of which are unconditionally guaranteed by the United States of America;

(5) limitations and conditions relating to the issuance of additional bonds, which may rank on a parity with, or be subordinate or superior to, other bonds;

(6) the refunding or refinancing of outstanding bonds;

(7) (i) the procedures by which the terms of a contract with bondholders may be amended; and

(ii) the amount of bonds the holders of which are needed to consent to an amendment under item (i) of this item and the manner of that consent;

(8) describing Authority defaults and the rights and remedies of bondholders;

(9) providing for guarantees, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders; and

(10) any other matter relating to the bonds that the Authority determines appropriate.

Neither a member of the Authority nor any other person executing the bonds is subject to any personal liability because of the issuance of the bonds.
The Authority may enter into agreements for the purpose of enhancing the marketability of, or to provide security for, its bonds.

10–634.

(a) A pledge by the Authority of revenues OR MONEY DEPOSITED IN THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND as security for an issue of bonds is valid and binding from when the pledge is made.

(b) (1) The revenues OR MONEY DEPOSITED IN THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND THAT ARE pledged are immediately subject to the lien of the pledge without any physical delivery or further act.

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

(c) Notwithstanding any other provision of law, in order to perfect a lien on pledged revenues OR MONEY DEPOSITED IN THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND against a third person, it is not necessary to file or record any document adopted or entered into by the Authority in any public record other than in the records of the Authority.

10–635.

Except to the extent restricted by an applicable resolution or trust agreement, a bondholder or a trustee acting under a trust agreement entered into under this subtitle, may, by any suitable form of legal proceedings, protect and enforce any rights granted under the laws of the State or by any applicable resolution or trust agreement.

10–636.

(a) Subject to the prior approval of the Board of Public Works, the Authority may issue bonds to refund any of its outstanding bonds, including the payment of:

(1) any redemption premium; and

(2) any interest accrued or that will accrue to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds.

(b) (1) For the public purpose of achieving a savings in the effective costs of debt service or alleviating impending or actual default, the Authority may issue refunding bonds directly or through a debt restructuring.
(2) The bonds authorized by this subsection may be issued in one or more series and in an amount in excess of that of the bonds to be refunded.

10–639.

[The] THIS PART GOVERNS THE closing on the sale of bonds [that constitute tax supported debt,] and other borrowing of money BY THE AUTHORITY in amounts exceeding $35,000 a year[,] to finance any segment of a facility [by the Authority is governed by this part].

10–645.

(A) (1) EXCEPT AS AGREED TO IN THE MEMORANDUM OF UNDERSTANDING UNDER § 10–646 OF THIS SUBTITLE, THE AUTHORITY SHALL COMPLY WITH THIS SECTION AND § 5–301 OF THE EDUCATION ARTICLE TO FINANCE IMPROVEMENTS TO A BALTIMORE CITY PUBLIC SCHOOL FACILITY.

(2) THE AUTHORITY AND THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS, AS AGREED TO IN THE MEMORANDUM OF UNDERSTANDING UNDER § 10–646 OF THIS SUBTITLE AND SUBJECT TO PARAGRAPH (1) OF THIS SUBSECTION, SHALL BE RESPONSIBLE FOR SCHOOL FACILITIES CONSTRUCTION AND IMPROVEMENTS FINANCED WITH THE PROCEEDS OF BONDS ISSUED UNDER THIS SUBTITLE IN ACCORDANCE WITH THE BALTIMORE CITY PUBLIC SCHOOLS’ 10–YEAR PLAN APPROVED BY THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS ON JANUARY 8, 2013, WHICH MAY BE AMENDED FROM TIME TO TIME IN ACCORDANCE WITH PARAMETERS ESTABLISHED FOR REVIEW AND COMMENT IN THE MEMORANDUM OF UNDERSTANDING ESTABLISHED UNDER § 10–646 OF THIS SUBTITLE.

(3) (I) EXCEPT AS AGREED TO IN THE MEMORANDUM OF UNDERSTANDING UNDER § 10–646 OF THIS SUBTITLE AND SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A POWER GRANTED TO THE AUTHORITY UNDER THIS SUBTITLE MAY NOT IN ANY WAY INTERFERE WITH THE ENUMERATED POWERS OF THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS UNDER TITLE 4, SUBTITLE 3 OF THE EDUCATION ARTICLE.

(II) THE POWERS OF THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS MAY NOT LIMIT THE ABILITY OF THE AUTHORITY TO CARRY OUT ITS OBLIGATIONS UNDER THIS SUBTITLE WITH RESPECT TO THE IMPROVEMENT OF BALTIMORE CITY PUBLIC SCHOOL FACILITIES AND THE FINANCING RELATED TO THE IMPROVEMENTS.
(B) (1) The Authority may not use any of its own money, whether appropriated or nonbudgeted, to pay for any costs or expenses related to financing improvements to Baltimore City public school facilities.

(2) The sole source of payment for any costs or expenses related to financing improvements to Baltimore City public school facilities shall be the money on deposit in the Baltimore City Public School Construction Facilities Fund and the Baltimore City Public School Construction Financing Fund and bond proceeds held under a trust agreement.

(C) At least 45 days before seeking approval of the Board of Public Works for each Baltimore City public school facilities bond issue, the Authority shall provide to the fiscal committees of the General Assembly written notice of:

(1) the aggregate amount of funds needed for the relevant Baltimore City public school facilities, including a list of the facilities to be improved;

(2) the anticipated total debt service for the proposed bond issue; and

(3) the anticipated total debt service when combined with the debt service for all prior outstanding bond issues for Baltimore City public school facilities.

(D) (1) A bond issued to finance improvements to a Baltimore City public school facility:

(I) is a limited obligation of the Authority payable solely from money pledged by the Authority to the payment of the principal of and the premium and interest on the bond or money made available to the Authority for that purpose;

(II) is not a debt, liability, or a pledge of the faith and credit or the taxing power of the State, the Authority, or other governmental unit; and

(III) may not give rise to any pecuniary liability of the State, the Authority, or other governmental unit.
(2) THE ISSUANCE OF A BOND TO FINANCE IMPROVEMENTS TO A BALTIMORE CITY PUBLIC SCHOOL FACILITY IS NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY A MORAL OR OTHER OBLIGATION OF THE STATE, THE AUTHORITY, OR OTHER GOVERNMENTAL UNIT TO LEVY OR PLEDGE ANY TAX OR TO MAKE AN APPROPRIATION TO PAY THE BOND.

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

(E) BEFORE EACH ISSUANCE OF BONDS TO FINANCE IMPROVEMENTS TO A BALTIMORE CITY PUBLIC SCHOOL FACILITY, THE AUTHORITY SHALL OBTAIN THE APPROVAL OF THE BOARD OF PUBLIC WORKS OF THE PROPOSED BOND ISSUE.

(F) THE TOTAL DEBT SERVICE FOR ANY BOND ISSUE, WHEN ADDED TO ALL PRIOR OUTSTANDING BOND ISSUES RELATED TO IMPROVEMENTS TO BALTIMORE CITY PUBLIC SCHOOL FACILITIES, MAY NOT EXCEED THE TOTAL AMOUNT OF THE FUNDS PROVIDED UNDER § 9–120(b)(1)(iii) OF THE STATE GOVERNMENT ARTICLE AND THE FUNDS PROVIDED UNDER SUBSECTIONS (G) AND (H) OF THIS SECTION.

(G) (1) BEGINNING ON JULY 1, 2013 AND CONTINUING UNTIL THE BONDS THAT HAVE BEEN ISSUED TO FINANCE IMPROVEMENTS TO BALTIMORE CITY PUBLIC SCHOOL FACILITIES ARE NO LONGER OUTSTANDING AND UNPAID, BALTIMORE CITY SHALL DEPOSIT INTO THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND:

(I) SUBJECT TO ANNUAL APPROPRIATION, ALL REVENUES AND RECEIPTS FROM THE BEVERAGE CONTAINER TAX IMPOSED BY BALTIMORE CITY ORDINANCE NO. 12–45, ENACTED JUNE 26, 2012;

(II) THE AMOUNTS PAID BY THE STATE COMPTROLLER TO BALTIMORE CITY FROM THE PROCEEDS OF TABLE GAMES AT THE VIDEO LOTTERY FACILITY LOCATED IN BALTIMORE CITY THAT ARE DEDICATED TO SCHOOL CONSTRUCTION IN ACCORDANCE WITH § 9–1A–27(d)(2)(i)1 OF THE STATE GOVERNMENT ARTICLE;

(III) SUBJECT TO ANNUAL APPROPRIATION, 10% OF THE PARTICIPATION RENT PAID TO BALTIMORE CITY BY THE OPERATOR OF THE VIDEO LOTTERY FACILITY LOCATED IN BALTIMORE CITY; AND
(IV) Any other revenues dedicated to or appropriated to the Baltimore City Public School Construction Financing Fund by Baltimore City.

(2) The money deposited into the Baltimore City Public School Construction Financing Fund in accordance with this subsection shall be at least:

   (i) $4,000,000 by November 1, 2014;

   (ii) an additional $4,000,000 by May 1, 2015;

   (iii) an additional $4,000,000 by November 1, 2015;

   (iv) an additional $4,000,000 by May 1, 2016; and

   (v) until the bonds are no longer outstanding and unpaid:

       1. an additional $5,000,000 by each November 1; and

       2. an additional $5,000,000 by each May 1.

(3) If the funds deposited into the Baltimore City Public School Construction Financing Fund are less than the amounts required under paragraph (2) of this subsection:

   (i) The authority shall transfer money held in reserve for Baltimore City in the Baltimore City Public School Construction Facilities Fund to the Baltimore City Public School Construction Financing Fund in an amount equal to the lesser of:

       1. the difference between the amount required to be paid under paragraph (2) of this subsection and the actual amount paid by Baltimore City; or

       2. the amount held in reserve for Baltimore City in the Baltimore City Public School Construction Facilities Fund; and

   (ii) if the amount transferred to the Baltimore City Public School Construction Financing Fund under subparagraph (i) of this paragraph is less than the difference
BETWEEN THE AMOUNT REQUIRED TO BE PAID UNDER PARAGRAPH (2) OF THIS SUBSECTION AND THE ACTUAL AMOUNT PAID BY BALTIMORE CITY:

1. THE AUTHORITY SHALL DIRECT THE STATE COMPTROLLER TO WITHHOLD, UNDER § 2–608 OF THE TAX – GENERAL ARTICLE, INCOME TAX REVENUE FROM BALTIMORE CITY IN AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT TRANSFERRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AND THE AMOUNT REQUIRED TO BE PAID UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND

2. THE STATE COMPTROLLER SHALL CREDIT THE WITHHELD AMOUNT TO THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND ON BEHALF OF BALTIMORE CITY ON OR BEFORE THE 15TH DAY OF THE FOLLOWING DECEMBER OR JUNE, AS APPLICABLE.

(4) ANY MONEY DEPOSITED BY BALTIMORE CITY OR ON BEHALF OF BALTIMORE CITY IN ACCORDANCE WITH THIS SECTION IN EXCESS OF THE AMOUNT REQUIRED IN ANY SEMIANNUAL PERIOD SHALL BE TRANSFERRED BY THE AUTHORITY TO THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FACILITIES FUND AND HELD IN RESERVE IN ACCORDANCE WITH PARAGRAPH (3) OF THIS SUBSECTION AND § 10–657 OF THIS SUBTITLE.

(H) (1) BEGINNING ON JULY 1, 2013, AND CONTINUING UNTIL THE BONDS THAT HAVE BEEN ISSUED TO FINANCE IMPROVEMENTS TO BALTIMORE CITY PUBLIC SCHOOL FACILITIES ARE NO LONGER OUTSTANDING AND UNPAID, THE STATE COMPTROLLER SHALL WITHHOLD FROM ANY INSTALLMENT DUE THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS FROM THE GENERAL STATE SCHOOL FUND MONEY REPRESENTING ADDITIONAL STATE FUNDS RECEIVED FROM RECURRING RETIREE HEALTH COSTS SHIFTED FROM BALTIMORE CITY TO THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS AND DEPOSIT INTO THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND $10,000,000 FOR FISCAL YEAR 2014 AND EACH FISCAL YEAR THEREAFTER, TO BE PAID IN EQUAL BI–MONTHLY PAYMENTS.

(2) BEGINNING ON JULY 1, 2015, AND CONTINUING UNTIL THE BONDS THAT HAVE BEEN ISSUED TO FINANCE IMPROVEMENTS TO BALTIMORE CITY PUBLIC SCHOOL FACILITIES ARE NO LONGER OUTSTANDING AND UNPAID, IN ADDITION TO THE AMOUNT WITHHELD UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE STATE COMPTROLLER SHALL WITHHOLD FROM ANY INSTALLMENT DUE THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS FROM THE GENERAL STATE SCHOOL FUND AND DEPOSIT INTO THE BALTIMORE
CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND the following amounts, to be paid in equal bi–monthly payments:

(I) $10,000,000 for fiscal year 2016; and

(II) $20,000,000 for fiscal year 2017 and each fiscal year thereafter.

(I) (1) IF THE MONEY DEPOSITED IN THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND IN ACCORDANCE WITH SUBSECTIONS (G) AND (H) OF THIS SECTION IS NOT NEEDED FOR DEBT SERVICE OR DEBT SERVICE RESERVES, THE AUTHORITY MAY TRANSFER THOSE FUNDS TO THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FACILITIES FUND.

(2) IF FUNDS ARE NEEDED FOR DEBT SERVICE OR DEBT SERVICE RESERVES, THE AUTHORITY MAY TRANSFER MONEY IN THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FACILITIES FUND TO THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND.

(J) IN CONNECTION WITH IMPROVEMENTS TO BALTIMORE CITY PUBLIC SCHOOL FACILITIES, THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS SHALL:

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

(2) ASSUME RESPONSIBILITY FOR THE OPERATION, MAINTENANCE, AND REPAIRS OF EACH BALTIMORE CITY PUBLIC SCHOOL FACILITY IMMEDIATELY BEFORE THE OCCUPANCY OF THE BALTIMORE CITY PUBLIC SCHOOL FACILITY OR AS AGREED TO IN THE MEMORANDUM OF UNDERSTANDING UNDER § 10–646 OF THIS SUBTITLE; AND

(3) EXCEPT FOR A TRANSFER OR ASSIGNMENT TO THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS, OBTAIN THE APPROVAL OF THE STATE SUPERINTENDENT OF SCHOOLS AND THE BOARD OF PUBLIC WORKS BEFORE THE SALE, ASSIGNMENT, MORTGAGE, PLEDGE, OR ENCUMBRANCE OF ANY BALTIMORE CITY PUBLIC SCHOOL FACILITY, OR ANY INTEREST IN THE FACILITY.

(K) (1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, BEFORE ANY BONDS ARE ISSUED TO FINANCE IMPROVEMENTS TO A BALTIMORE CITY PUBLIC
SCHOOL FACILITY, THE AUTHORITY MAY PAY FOR ANY COSTS OF START-UP, ADMINISTRATION, OVERHEAD, AND OPERATIONS OF THE AUTHORITY OR COSTS OF ENGINEERING, ARCHITECTURAL, AND OTHER DESIGN PROFESSIONALS.

(2) (i) ANY COST OVERRUNS, UNBUDGETED EXPENSES, OR UNFORESEEN COSTS INCURRED IN CONNECTION WITH AN IMPROVEMENT TO A BALTIMORE CITY PUBLIC SCHOOL FACILITY SHALL BE PAYABLE SOLELY FROM THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FACILITIES FUND.

(II) IF ANY COST OVERRUNS, UNBUDGETED EXPENSES, OR UNFORESEEN COSTS OCCUR AS DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE AUTHORITY SHALL PROVIDE A DETAILED REPORT EXPLAINING THE REASONS FOR THE COST OVERRUNS, UNBUDGETED EXPENSES, OR UNFORESEEN COSTS AND A DESCRIPTION OF THE ACTIONS TAKEN BY THE AUTHORITY TO CONTROL COSTS WITHIN THE BUDGET ESTABLISHED FOR EACH IMPROVEMENT TO A BALTIMORE CITY PUBLIC SCHOOL FACILITY.


(1) TAKEN DURING THE PREVIOUS FISCAL YEAR; AND

(2) PLANNED FOR THE CURRENT FISCAL YEAR.

10–646.

(A) BEFORE ANY BONDS ARE ISSUED TO FINANCE IMPROVEMENTS TO A BALTIMORE CITY PUBLIC SCHOOL FACILITY:

(1) A FOUR–PARTY MEMORANDUM OF UNDERSTANDING THAT MEETS THE REQUIREMENTS OF THIS SECTION SHALL BE ENTERED INTO AND SIGNED BY THE AUTHORITY, BALTIMORE CITY, THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS, AND THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION; AND
(2) The Baltimore City Board of School Commissioners shall submit a long-term educational facilities master plan to the Joint Audit Committee and the Budget Committees, in accordance with § 2–1246 of the State Government Article.

(B) In the case of a dispute between the parties relating to the provisions to be included in the Memorandum of Understanding, the State Superintendent of Schools shall facilitate resolution of the items in dispute.

(C) The Memorandum of Understanding shall be agreed to by the parties on or before October 1, 2013, and may not go into effect until it is approved by the Board of Public Works.

(D) (1) The Memorandum of Understanding shall authorize the Authority to design and improve, or contract for the design and improvement of, a Baltimore City Public School facility.

(2) The authority granted to the Authority under paragraph (1) of this subsection is subject to the rights and responsibilities of the Interagency Committee on School Construction for the design and construction of a Baltimore City Public School facility.

(E) The Memorandum of Understanding shall require:

(1) Specific parameters regarding the roles, rights, and responsibilities of each party with respect to the process for and management of program development, scheduling, budgeting, procurement, design, construction administration, capital equipping, and maintenance of improvements to a Baltimore City Public School facility;

(2) Specific parameters regarding the authority of the Baltimore City Board of School Commissioners over educational programs and issues relating to Baltimore City Public Schools’ 10-Year Plan, including educational specifications, feasibility studies, and design elements of educational buildings, which shall provide that at the completion of schematic design, all parties shall agree to project scope, schedule, and budget;
(3) Specific parameters for a review and comment period for any proposed amendments to Baltimore City Public Schools’ 10-year plan, as referenced in § 10–645(a) of this subtitle;

(4) Specific procedures related to the role of the Interagency Committee on School Construction related to improvements to a Baltimore City public school facility financed under this subtitle, which shall provide for efficiencies in cost, schedules, and processes;

(5) A process for determining which planned projects for improvements to Baltimore City public school facilities will proceed as planned or will be postponed or canceled;

(6) A pledge by Baltimore City, subject to annual appropriation, to deposit the following into the Baltimore City Public School Construction Financing Fund:

   (I) All revenues and receipts from the beverage container tax imposed by Baltimore City Ordinance No. 12–45, enacted June 26, 2012; and

   (II) 10% of the participation rent paid to Baltimore City by the operator of the video lottery facility located in Baltimore City;

(7) A partnership between the Baltimore City Board of School Commissioners, the Baltimore City Department of Planning, Housing, Recreation, and Parks, and the Mayor of Baltimore City to coordinate new investment in Baltimore City public school facilities with the community development goals of Baltimore City;

(8) A plan for any new or substantially renovated Baltimore City public school facilities to be available for recreational opportunities for the community;

(9) A plan to present all architectural plans for all major renovation and new public school construction buildings and sites to the Baltimore City Planning Department’s Urban Design and Architectural Review Panel for schematic and final design review;
(10) A process developed and agreed to by Baltimore City and the Baltimore City Board of School Commissioners to expedite the closure of public school buildings as provided in the Baltimore City Public School’s 10-Year Plan approved on January 8, 2013, and to arrange for the productive use of the closed buildings through the surplus process;

(11) A plan developed by the Baltimore City Board of School Commissioners and approved by the Interagency Committee on School Construction for preventative and ongoing maintenance for existing, new, and renovated Baltimore City Public School facilities, including funding sufficient to implement the plan;

(12) A plan developed by the Baltimore City Board of School Commissioners and approved by the Interagency Committee on School Construction providing for minimum school utilization standards;

(13) The creation of a “Stat” program for the Baltimore City Public Schools’ 10-Year Plan;

(14) Specific parameters for Baltimore City Public School facilities financed under this subtitle regarding:

   (I) Property management, maintenance plans and standards, annual inspections, and property insurance; and

   (II) Any claims, losses, or damages arising from the Authority’s improvement of any Baltimore City Public School facility;

(15) A process to resolve disputes and revise the memorandum of understanding, if necessary; and

(16) An allocation of the public school improvements to be undertaken by the Authority and the Baltimore City Board of School Commissioners, respectively.

10–656.

(a) There is a Baltimore City Public School Construction Financing Fund.
(B) (1) The Baltimore City Public School Construction Financing Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning Baltimore City public school facilities.

(2) The Authority shall:

(I) Use the Baltimore City Public School Construction Financing Fund as a revolving fund for carrying out this subtitle concerning Baltimore City public school facilities; and

(II) Pay any and all expenses from the Baltimore City Public School Construction Financing Fund that are incurred by the Authority related to any Baltimore City public school facilities.

(C) (1) To the extent considered appropriate by the Authority, the money on deposit in the Baltimore City Public School Construction Financing Fund shall be pledged to and used to pay the following relating to Baltimore City public school facilities:

(I) Debt service on Authority bonds;

(II) Debt service reserves under a trust agreement;

(III) All reasonable charges and expenses related to Authority borrowing; and

(IV) All reasonable charges and expenses related to the Authority’s administration of the Baltimore City Public School Construction Financing Fund and management of the Authority’s obligations.

(2) The pledge shall be effective as provided in § 10–634 of this subtitle and any applicable Authority resolution.

(D) The Baltimore City Public School Construction Financing Fund consists of:

(1) Money deposited in the Baltimore City Public School Construction Financing Fund;
(2) To the extent that the proceeds are not under a trust agreement, proceeds from the sale of bonds concerning Baltimore City public school facilities;

(3) Revenues collected or received from any source under this subtitle related to Baltimore City public school facilities, including revenues collected or received in accordance with § 9–120 of the State Government Article;

(4) Funds to be deposited in accordance with § 10–645 of this subtitle; and

(5) Any additional money made available from any public source for the purposes established for the Baltimore City Public School Construction Financing Fund.

(E) (1) The Treasurer shall invest the money of the Baltimore City Public School Construction Financing Fund in the same manner as other State funds.

(2) Any investment earnings shall be credited to the Baltimore City Public School Construction Financing Fund.

(3) No part of the Baltimore City Public School Construction Financing Fund may revert or be credited to the General Fund or any special fund of the State.

10–657.

(A) There is a Baltimore City Public School Construction Facilities Fund.

(B) (1) The Baltimore City Public School Construction Facilities Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning Baltimore City public school facilities.

(2) The Authority shall:

(i) Use the Baltimore City Public School Construction Facilities Fund as a revolving fund for carrying out this subtitle concerning Baltimore City public school facilities; and
(II) To the extent authorized by federal tax law, pay any and all expenses from the Baltimore City Public School Construction Facilities Fund that are incurred by the Authority related to any Baltimore City public school facilities.

(C) To the extent considered appropriate by the Authority or as agreed to in the memorandum of understanding under § 10–646 of this subtitle, the money on deposit in the Baltimore City Public School Construction Facilities Fund shall be used to pay the following relating to Baltimore City public school facilities:

1. Debt service on Authority bonds;

2. Design and construction costs relating to Baltimore City public school facilities;

3. To the extent authorized by federal tax law, costs of start-up, administration, overhead, and operations related to the management of improvements to Baltimore City public school facilities authorized under this subtitle and undertaken by the Baltimore City Board of School Commissioners; and

4. All reasonable charges and expenses related to the Authority’s administration of the Baltimore City Public School Construction Facilities Fund and the Baltimore City Public School Construction Financing Fund and management of the Authority’s obligations.

(D) The Baltimore City Public School Construction Facilities Fund consists of:

1. Funds transferred from the Baltimore City Public School Construction Financing Fund to the Baltimore City Public School Construction Facilities Fund in accordance with § 10–645(1) of this subtitle; and

2. Any additional money made available from any public source for the purposes established for the Baltimore City Public School Construction Facilities Fund.
(E) (1) The Treasurer shall invest the money of the Baltimore City Public School Construction Facilities Fund in the same manner as other State funds.

(2) Any investment earnings shall be credited to the Baltimore City Public School Construction Facilities Fund.

(3) No part of the Baltimore City Public School Construction Facilities Fund may revert or be credited to the General Fund or any special fund of the State.

Article – Education

4–115.

(a) In this subtitle, “county council” means, in Baltimore City, the Mayor and City Council of Baltimore.

(b) With the approval of the State Superintendent, each county board may:

(1) Buy or otherwise acquire land, school sites, or buildings; and

(2) Rent, repair, improve, and build school buildings or approve contracts for doing so, if the plans conform to the bylaws, rules, and regulations of the State Board.

(c) (1) (i) Except as provided in this subsection, if, with the approval of the State Superintendent, a county board finds that any land, school site, or building no longer is needed for school purposes, it shall inform the county commissioners or county council of the county board’s determination under this subparagraph.

(ii) When the county commissioners or county council receive notice under subparagraph (i) of this paragraph, the county commissioners or county council shall notify the county board within 30 days after receiving the notice from the county board:

1. Of the need to transfer the land, school site, or building to the county commissioners or county council if the land, school site, or building is an integral component of an existing economic development plan that will, in the judgment of the county commissioners or county council, significantly benefit the county; or

2. That the county commissioners or county council have no existing plans for the use of the land, school site, or building.
(iii) 1. If the county commissioners or county council provide the required notice to the county board under subparagraph (ii)1 of this paragraph or a public charter school does not need the school site or building under § 9–111 of this article, the land, school site, or building shall be transferred by the county board to the county commissioners or county council and may be used, sold, leased, or otherwise disposed of, except by gift, by the county commissioners or county council; or

2. If the county commissioners or county council provide the required notice to the county board under subparagraph (ii)2 of this paragraph, the county board shall comply with the provisions of § 9–111 of this article.

(2) In Harford County, if, with the approval of the State Superintendent, the county board finds that any land, school site, or building is no longer needed for school purposes, it shall be transferred by the county board to Harford County, Maryland, and disposed of in accordance with this section.

(3) With the approval of the State Superintendent, the Cecil County Board may transfer, with or without charge, any of its property to the board of trustees of a public community college.

(d) In Baltimore County, the Baltimore County Board of Education must notify the Baltimore County Office of Planning and Zoning of any schools it is considering for closure and request from that Office a written recommendation on the proposed action. If the Office of Planning and Zoning wishes to make a recommendation, it must be submitted to the board no later than November 1 of the calendar year preceding the proposed closure. The board of education shall consider these recommendations at least 3 months before taking final action. These provisions may be waived by mutual agreement.

(E) (1) IN BALTIMORE CITY, THE BOARD OF SCHOOL COMMISSIONERS SHALL NOTIFY THE BALTIMORE CITY DEPARTMENT OF PLANNING OF ANY SCHOOL BUILDINGS THE BOARD IS CONSIDERING FOR CLOSURE SIMULTANEOUSLY AS THE BOARD RELEASES ITS SCHOOL BUILDING CLOSURE LIST IN ACCORDANCE WITH COMAR 13A.02.09, AND REQUEST FROM THAT DEPARTMENT A WRITTEN RECOMMENDATION ON THE PROPOSED ACTION AND THE RELATIVE MERIT FOR BALTIMORE CITY.

(2) A RECOMMENDATION BY THE BALTIMORE CITY DEPARTMENT OF PLANNING SHALL BE SUBMITTED TO THE BOARD NO LATER THAN 30 DAYS AFTER NOTIFICATION BY THE BOARD.

(3) THE BOARD SHALL CONSIDER THESE RECOMMENDATIONS BEFORE TAKING FINAL ACTION.
4–119.

(a) A county board may bring condemnation proceedings to acquire land under Title 12 of the Real Property Article if:

(1) Land is required for any school purpose; and

(2) The county board is unable to contract with the owner of the land for what the board considers to be a fair valuation.

(b) The county board may ask the county commissioners or county council to assist it in bringing condemnation proceedings.

(c) For purposes of this section, a county board shall include, in the case of land located within Baltimore City, the Baltimore City Public Schools Construction Authority.

4–126.

(a) In this section, “alternative financing methods” includes:

(1) Sale-leaseback arrangements, in which a county board agrees to transfer title to a property, including improvements, to a private entity that simultaneously agrees to lease the property back to the county board and, on a specified date, transfer title back to the county board;

(2) Lease-leaseback arrangements, in which a county board leases a property to a private entity that improves the property and leases the property, with the improvements, back to the county board;

(3) Public-private partnership agreements, in which a county board contracts with a private entity for the acquisition, design, construction, improvement, renovation, expansion, equipping, or financing of a public school, and may include provisions for cooperative use of the school or an adjacent property and generation of revenue to offset the cost of construction or use of the school;

(4) Performance-based contracting, in which a county board enters into an energy performance contract to obtain funding for a project with guaranteed energy savings over a specified time period;

(5) Preference-based arrangements, by which a local governing body gives preference first to business entities located in the county and then to business
entities located in other counties in the State for any construction that is not subject to prevailing wage rates under Title 17, Subtitle 2 of the State Finance and Procurement Article; and

(6) Design—build arrangements, that permit a county board to contract with a design—build business entity for the combined design and construction of qualified education facilities, including financing mechanisms where the business entity assists the local governing body in obtaining project financing.

(b) Except when prohibited by local law, in order to finance or to speed delivery of, transfer risks of, or otherwise enhance the delivery of public school construction, a county may:

(1) Use alternative financing methods;

(2) Engage in competitive negotiation, rather than competitive bidding, in limited circumstances, including construction management at risk arrangements and other alternative project delivery arrangements, as provided in regulations adopted by the Board of Public Works;

(3) Accept unsolicited proposals for the development of public schools in limited circumstances, as provided in regulations adopted by the Board of Public Works; and

(4) Use quality—based selection, in which selection is based on a combination of qualifications and cost factors, to select developers and builders, as provided in regulations adopted by the Board of Public Works.

(c) The Board of Public Works shall adopt regulations requiring a project that qualifies for alternative financing methods under this section to meet requirements regarding the advantages of the project to the public that include provisions addressing:

(1) The probable scope, complexity, or urgency of the project;

(2) Any risk sharing, added value, education enhancements, increase in funding, or economic benefit from the project that would not otherwise be available;

(3) The public need for the project; and

(4) The estimated cost or timeliness of executing the project.

(d) Projects that qualify for alternative financing methods under this subsection:
(1) Shall meet the educational standards, design standards, and procedural requirements under this article and under regulations adopted by the Board of Public Works; and

(2) Consistent with the requirements of this article, shall be approved by:

(i) The county governing body;

(ii) The State Superintendent of Schools; or

(iii) The Interagency Committee on School Construction and the Board of Public Works.

(e) Use of alternative financing methods under this section may not be construed to prohibit the allocation of State funds for public school construction to a project under the Public School Construction Program.

(f) A county board, OTHER THAN THE BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY, may not use alternative financing methods under this section without the approval of the county governing body.

(g) The Board of Public Works shall adopt regulations recommended by the Interagency Committee on School Construction to implement the provisions of this section, including:

(1) Guidelines for the content of proposals, for the acceptance and evaluation of unsolicited proposals, and for accepting competing unsolicited proposals;

(2) Requirements for the content and execution of a comprehensive agreement governing an arrangement authorized under this section;

(3) Guidelines for content and issuance of solicitations;

(4) Requirements for the proqualification of bidders or offerors;

(5) Requirements for public notice of solicited and unsolicited proposals and proposed execution of a comprehensive agreement;

(6) Regulations that require compliance with requirements applicable to qualified projects that would otherwise be in effect under the State procurement law if the procurement were competitively bid; and

(7) (i) Regulations that require that contracts and subcontracts adhere to the requirements of Title 17, Subtitle 2 and Title 14 of the State Finance and Procurement Article if the requirements would otherwise be applicable; and
(ii) Regulations that specify elements to be included in any preference-based arrangement adopted by a local governing body that gives preference first to business entities located in the county and then to business entities located in other counties in the State for any construction that is not subject to prevailing wage rates under Title 17, Subtitle 2 of the State Finance and Procurement Article.

(H) EXCEPT AS OTHERWISE SPECIFIED, FOR PURPOSES OF THIS SECTION A COUNTY BOARD SHALL INCLUDE THE BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY.

4–306.1.

(a) In order to provide public school facilities, the board may:

(1) [Acquire] DIRECTLY OR THROUGH ANOTHER ENTITY THE MARYLAND STADIUM AUTHORITY ACTING AS ITS DESIGNATED AGENT, ACQUIRE, construct, reconstruct, equip, maintain, repair, or renovate facilities at any location in the City of Baltimore, now existing or hereafter acquired AND ENTER INTO CONTRACTS WITH PUBLIC OR PRIVATE ENTITIES IN ORDER TO ACCOMPLISH THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING, MAINTENANCE, REPAIR, OR RENOVATION;

(2) Issue bonds in accordance with § 4–306.2 of this subtitle;

(3) In accordance with State law and the June 24, 1998, memorandum of understanding between the board and the Mayor and City Council of Baltimore, acquire, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties under this subtitle;

(4) Enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this subtitle, employ consulting engineers, architects, attorneys, construction and financial experts, and other employees and agents, and determine their compensation;

(5) Receive and accept from the United States of America or any agency of the federal government grants and loans for the purpose of financing or refinancing all or any part of the costs of any project;

(6) Receive and accept aid or contributions from any sources of money, property, labor, or other things of value, to be held, used, and applied for the purposes for which the grants and contributions were made; and
(7) Perform all acts and things necessary to carry out the powers expressly granted by the provisions of this subtitle.

(b) The board shall maintain records identifying the sources and amounts of payments used to support the costs of any project authorized under the provisions of this subtitle.

4–306.2.

(a) The board may issue bonds for the purpose of financing or refinancing all or any part of the costs of any project.

(b) (1) Except as provided in paragraph (2) of this subsection, the aggregate principal amount of bonds outstanding, including the amount of any reserve fund requirement established for the bonds, may not exceed, as of the date that the bonds are issued, [$100,000,000] $200,000,000.

(2) The aggregate principal amount of bonds outstanding does not include:

(I) Qualified School Construction Bonds as defined in § 54F of the Internal Revenue Code; OR

(II) ANY BONDS ISSUED BY OR CONTRACTS ENTERED INTO IN CONNECTION WITH BONDS ISSUED BY ANY OTHER PERSON OR ENTITY, INCLUDING THE BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY OR ANY ISSUER OF REVENUE BONDS MARYLAND STADIUM AUTHORITY TO FINANCE CONSTRUCTION OR ACQUISITION RENOVATION OF PUBLIC SCHOOLS.

SUBTITLE 4. BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY.

4–401.

(a) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(b) “AUTHORITY” MEANS THE BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY.

(c) (1) “BOND” MEANS A BOND ISSUED BY THE AUTHORITY OF A CONDUIT ISSUER ON BEHALF OF THE AUTHORITY IN ACCORDANCE WITH THIS SUBTITLE.
(2) "Bond" includes a revenue bond, a refunding bond, a note, an interim certificate, and any other evidence of obligation issued in accordance with this subtitle.

(D) "Cost" includes, with respect to a project financed under this subtitle:

(1) The purchase price of a project;

(2) The cost to acquire any right, title, or interest in a project;

(3) The cost of any improvement;

(4) The cost of any property, right, easement, or franchise;

(5) The cost of demolition, removal, or relocation of structures;

(6) The cost of acquiring land to which the structures may be moved;

(7) The cost of equipment;

(8) Financing charges;

(9) Interest before and during construction and, if the authority determines, for a limited period after the completion of construction;

(10) Reserves for principal, interest, and improvements;

(11) The cost of revenue and cost estimates, architectural, engineering, financial, and legal services, plans, specifications, studies, surveys, and other expenses necessary or incidental to determining the feasibility of improving a project; and

(12) Other expenses necessary or incidental to:

(I) Financing a project;

(II) Acquiring and improving a project; and
(III) Placing a project in operation.

(E) “Finance” includes refinance.

(F) “Improve” means to add, alter, construct, equip, expand, extend, install, reconstruct, rehabilitate, remodel, or repair.

(G) “Project” means a structure or facility that is required or useful for the education of students in the Baltimore City Public School System and includes:

1. A structure suitable for use as a classroom, an academic building, a cafeteria, a student center, an administration building, a testing facility, a library, a laboratory, a research facility, an athletic facility, a recreation facility, a playground, a multipurpose space, a health care facility, a maintenance facility, a storage facility, a utility facility, any other school support facility, or a parking facility; and

2. Equipment and any other similar items.

(H) (1) “Trust agreement” means an agreement entered into by the Authority to secure a bond.

2. “Trust agreement” may include a bond contract, a bond resolution, an indenture of trust, or any other contract with or for the benefit of a bondholder.

4–402.

(A) This subtitle is necessary for the welfare of the State and its residents and shall be construed liberally to accomplish its purposes.

(B) This subtitle:

1. Only applies to Baltimore City;

2. Is supplemental authorization and is in addition to the powers conferred by other laws; and

3. Does not derogate any powers.
The purpose of the Authority is to improve the condition of the public school facilities within the Baltimore City Public School System in accordance with plans developed and approved by the Baltimore City Board of School Commissioners through the efficient use of financing and construction alternatives or other construction related activities.

There is a Baltimore City Public Schools Construction Authority.

The Authority is a public corporation.

The exercise of a power under this subtitle is the performance of an essential governmental function.

The exercise of a power under this subtitle is:

1. For the benefit of the people of Baltimore City;
2. To increase commerce, welfare, and prosperity for the people of Baltimore City; and
3. To improve the health, education, and living conditions of the people of Baltimore City.

The Authority may not be deemed an agency of the State or Baltimore City.

The Authority consists of the following nine members:

1. Three members appointed by the Governor, one of whom shall be a member of the Interagency Committee on School Construction;
2. Three members appointed by the Mayor of Baltimore City, one of whom shall have experience in architecture, engineering, construction, technology, or finance; and
(3) Three members appointed by the Baltimore City Board of School Commissioners, two of whom shall have experience in architecture, engineering, construction, technology, or finance.

(B) Each year the Authority shall elect a chair and a vice chair from among the members.

(C) Before taking office, each member shall take an oath to administer the duties of the office faithfully and impartially.

(D) (1) The term of an appointed member is 5 years and begins on July 1.

(2) An appointed member may not serve for more than two consecutive full terms.

(3) A member who is appointed after a term has begun serves only for the remainder of that term.

(4) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(E) A member may be removed only for incompetence, misconduct, or failure to perform the duties of the position by a majority vote of the members of the Authority.

4–406.

(A) The Authority shall determine the times and places of meetings.

(B) (1) Five members of the Authority shall constitute a quorum.

(2) Action by the Authority requires the affirmative vote of at least five members.

(C) A member of the Authority:

(1) May not receive compensation as a member of the Authority, but

(2) Is entitled to reimbursement for expenses under the Standard State Travel Regulations.
4–407.

(A) The Authority shall appoint an executive director.

(B) The executive director serves at the pleasure of the Authority.

(C) The executive director is the chief administrative officer of the Authority and shall:

   (1) Direct and supervise the administrative affairs and activities of the Authority, in accordance with the regulations and policies of the Authority;

   (2) Attend the meetings of the Authority;

   (3) Keep a record of all proceedings of the Authority; and

   (4) Perform other duties that the Authority requires in order to carry out this subtitle.

4–408.

The Authority may employ or retain, either as employees or independent contractors, and set the compensation of consultants, engineers, architects, accountants, attorneys, financial experts, construction experts and personnel, superintendents and managers, other professional and nonprofessional personnel, and agents as the Authority considers necessary.

4–409.

(A) The Authority may:

   (1) Adopt bylaws and policies for the conduct of its business;

   (2) Sue and be sued;

   (3) Adopt a seal;
(4) Maintain an office in Baltimore City at a place it designates;

(5) Issue bonds itself or through a conduit issuer in accordance with this subtitle;

(6) Accept a grant, loan, gift, or any other assistance in any form from any public or private source, subject to the provisions of this subtitle;

(7) Charge for the administrative costs and expenses of carrying out this subtitle;

(8) Exercise the corporate powers of Maryland corporations under the Maryland General Corporation Law; and

(9) Do all things necessary or convenient to carry out the powers expressly granted by this subtitle.

(b) The Authority may delegate to a member or an officer a power granted to the Authority by this subtitle, including the power to execute a bond, a certificate, a deed, a lease, a mortgage, an agreement, or any other document or instrument.

4–410.

(a) The Authority may:

(1) (i) Acquire, directly or through an agent, by purchase, gift, or device, any property, franchises, and other interests in land, including submerged land and riparian rights, located in the State, as necessary or convenient to improve, acquire, or operate a project, on terms and at prices the Authority considers reasonable; and

(ii) Take title to property in the name of the Authority or a designated agent of the Authority;

(2) Determine the location and character of a project to be financed under this subtitle, or designate an agent to do so, provided that any project financed under this subtitle shall have previously been approved for financing by the Baltimore City Board of School Commissioners;
(3) **Directly, or through a designated agent, acquire, improve, maintain, operate, lease as lessee or lessor, and enter into contracts to carry out the duties of the Authority under this subtitle;**

(4) **Fix and collect rents, fees, and other charges for the use of facilities that a project provides or makes available, and rates, rents, fees, and charges may be established solely by the Authority under this subtitle;**

(5) **Mortgage, pledge, or otherwise encumber a project and its site, or hold a mortgage or other encumbrance on a project and its site for the benefit of the holders of bonds issued to finance the project;**

(6) **Make a loan to:**

   (i) **Improve or acquire a project in accordance with an agreement between the Authority and the Baltimore City Board of School Commissioners;**

   (ii) **Refinance any part of the cost of a project; and**

   (iii) **Refund or repay bonds, mortgages, advances, loans, or other obligations of the Authority, any person, or any unit of federal, State, or local government incurred to finance any part of a project;**

(7) **Contract for the services of any person in connection with any financing, including conduit issuers, financial institutions, issuers of letters of credit, and insurers; and**

(8) **Receive and accept from any public or private source contributions, gifts, or grants of money or property and invest the money or property as a whole or in part.**

(B) **The Authority shall be responsible for school facilities construction and improvement projects financed with the proceeds of bonds issued under this subtitle in accordance with the school facilities construction plan approved by the Baltimore City Board of School Commissioners.**

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(e) Notwithstanding the provisions of § 4-114 of this title, property used for public school purposes may be mortgaged to the Authority.

(d) No power granted under this subtitle shall in any way interfere with the enumerated powers of the Baltimore City Board of School Commissioners under Subtitle 3 of this title.

4-411. Expenses incurred under this subtitle are payable only from money obtained under this subtitle.

4-412.

(a) (1) The Authority shall have an annual audit of financial transactions and accounts conducted by an independent certified public accountant that meets the requirements of § 5-109(b) of this article.

(2) The results of the audit conducted under paragraph (1) of this subsection, including the letter of recommendation submitted by the auditor, are a matter of public record and shall be submitted within 3 months after the close of each fiscal year to:

(i) The Baltimore City Board of School Commissioners;

(ii) The Mayor and City Council of Baltimore City;

(iii) The Interagency Committee on School Construction;

(iv) The Joint Audit Committee of the General Assembly;

(v) The Senate Budget and Taxation Committee;

(vi) The House Appropriations Committee; and

(vii) The Department of Legislative Services.

(b) Every 6 years, the Authority may be audited by the Office of Legislative Audits at the expense of the Authority, and this audit
WILL CONSTITUTE THE AUDIT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN THOSE YEARS.

(C) AT LEAST QUARTERLY, THE AUTHORITY SHALL PROVIDE A WRITTEN DESCRIPTION OF ITS OPERATIONS DURING THE PRECEDING QUARTER TO THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION, THE MAYOR OF BALTIMORE CITY, AND THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS.

(D) AT LEAST ONCE EACH FISCAL YEAR, THE AUTHORITY SHALL MEET WITH THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS AND THE MAYOR OF BALTIMORE CITY TO DISCUSS THE CONSTRUCTION AND CAPITAL IMPROVEMENT PROJECTS FINANCED WITH THE PROCEEDS OF BONDS ISSUED IN ACCORDANCE WITH THIS SUBTITLE DURING THE PRECEDING FISCAL YEAR AND THE CONSTRUCTION AND CAPITAL IMPROVEMENT PRIORITIES OF THE AUTHORITY FOR THE FOLLOWING FISCAL YEAR.

4–413.

IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE AUTHORITY SHALL REMAIN IN EXISTENCE AS LONG AS DEBT ISSUED IN ACCORDANCE WITH THIS SUBTITLE IS OUTSTANDING.

4–414.

(A) (1) THE AUTHORITY MAY PERIODICALLY:

(i) ISSUE BONDS FOR ANY CORPORATE PURPOSE, INCLUDING THE ESTABLISHMENT OF RESERVES, THE PAYMENT OF INTEREST, AND THE PAYMENT OF OPERATING EXPENSES;

(ii) REFUND BONDS;

(iii) PURCHASE BONDS WITH ANY FUNDS AVAILABLE; AND

(iv) HOLD, PLEDGE, CANCEL, OR RESELL BONDS.

(2) FOR EACH ISSUANCE OF ITS BONDS, THE AUTHORITY SHALL PASS A RESOLUTION THAT:

(i) GENERALLY DESCRIBES THE PROJECT OR PROJECTS FOR WHICH THE PROCEEDS OF THE BOND ISSUANCE ARE INTENDED;
(II) Specifies the maximum principal amount of the bonds that may be issued under this subtitle; and

(III) Imposes any terms or conditions on the issuance and sale of the bonds that the Authority considers appropriate.

(3) By resolution, the Authority may authorize the chair, vice chair, one of its members, a committee of its members, or the executive director to determine, provide for, or approve any matter relating to bonds that the Authority considers appropriate, including:

(i) Specifying, determining, prescribing, and approving matters, documents, and procedures that relate to the authorization, sale, security, issuance, delivery, and payment of and for the bonds;

(ii) Creating security for the bonds;

(iii) Providing for the administration of bond issuances; and

(iv) Taking other actions the Authority considers appropriate concerning the bonds.

(4) The power granted under paragraph (2) of this subsection is in addition to powers conferred on the Authority by this subtitle and does not limit any power of the Authority under this subtitle.

(5) The Authority may not issue any bonds by itself or through a conduit issuer to finance a project without first entering into an agreement with the Baltimore City Board of School Commissioners regarding the project to be financed, the use of such project as a public school facility, and the security and sources of payments for the bonds.

(B) Bonds may be general obligations of the Authority or may be payable solely from any revenue or money pledge of the Authority that are available and not otherwise pledged, as determined by the Authority.

(C) (1) Projects financed under this subtitle shall be approved by the Interagency Committee on School Construction.
(2) The Authority, the Baltimore City Board of School Commissioners, and the Interagency Committee on School Construction shall enter into a memorandum of understanding with respect to procedures required under paragraph (1) of this subsection before any issuance of bonds under this subtitle and in accordance with which the Baltimore City Board of School Commissioners shall act as the Authority’s agent for purposes of assurance compliance with the procedures.

(d) Subject to any provision for their registration, bonds are negotiable instruments for all purposes regardless of whether they are payable from a special fund.

(e) (1) The Authority may not directly or indirectly have outstanding debt of more than $1,200,000,000 as of June 30 of each year.

(2) The bonds shall mature within a period not to exceed 30 years after their date.

(3) The bonds shall be payable in United States currency.

(4) The bonds shall be a “security” within the meaning of § 8–102 of the Commercial Law Article, whether or not each bond is one of a class or series or is divisible by its terms into a class or series of instruments.

(5) The bonds are exempt from §§ 8–206 and 8–208 of the State Finance and Procurement Article.

(f) The bonds may be sold by competitive or negotiated sale at a price determined by the Authority.

(g) (1) A trust agreement authorizing bonds may contain provisions that are part of the contract with bondholders.

(2) The provisions may include:

(1) Pledging the following to secure payment of bonds, subject to any existing agreements with bondholders:
1. The full faith and credit of the Authority;

2. Revenues of a project;

3. A revenue-producing contract the Authority has made with a person or public entity;

4. The proceeds of the sale of bonds; or

5. Any money that lawfully may be applied to the payment of the bonds, including any appropriation by the State or Baltimore City made available for such purpose;

(ii) The rentals, fees, and other charges, the amounts to be raised in each year, and the use and disposition of the revenues;

(iii) Setting aside of reserves and sinking funds and the disposition of such funds;

(iv) Limits on the right of the Authority or its agents to restrict and regulate the use of a project;

(v) Limits on the purpose to which the proceeds of sale of bonds may be applied;

(vi) Limits on issuing additional bonds, the terms under which additional bonds may be issued and secured, and refunding outstanding bonds;

(vii) The procedure to amend or abrogate the terms of a contract with bondholders and the requirements for consent;

(viii) Limits on the amount of revenues to be expended for operating, administrative, or other expenses of the Authority;

(ix) The acts or omissions that constitute default by the Authority and the rights and remedies of the bondholders in the event of default;

(x) The conveyance or mortgaging of a project and its site to secure the bondholders; and
(xi) The creation and mechanics for disposition of a collateral fund for the purpose of securing the bondholders.

(ii) The members and officers of the Authority and person executing the bonds may not be held liable personally on the bonds.

(i) A member's or an officer's signature or facsimile signature on a bond of the Authority remains valid at delivery even if the member or officer leaves the Authority before the bond is delivered.

4–415.

(A) The Authority may secure bonds by a trust agreement.

(B) The corporate trustee under a trust agreement may be a trust company or a bank that has the powers of a trust company in or outside the State.

(C) In addition to the provisions described in § 4–414(c) of this subtitle, the trust agreement may contain:

(1) Either:

   (i) A provision conveying or mortgaging all or a portion of a project; or

   (ii) A provision creating a collateral account;

(2) Other provisions that the Authority considers reasonable and proper for the security of bondholders; and

(3) A provision that restricts the individual right of action by bondholders.

(D) An expense incurred in carrying out the trust agreement or a resolution may be treated as part of the cost of the operation of a project.

(E) The trust agreement and any other agreement or lease creating a pledge with respect to the repayment of bonds issued under this subtitle need not be filed or recorded, except in the records of the Authority.
4–416.

(A) To the extent considered appropriate by the Authority, the receipts of the Authority shall be pledged to and charged with the following, relating to the financing of improvements to the Baltimore City public school facilities:

1. The payment of debt service on bonds issued in accordance with this subtitle;

2. All reasonable charges and expenses related to public school facilities and borrowing by the Authority; and

3. The management of obligations of the Authority associated with such financing.

(B) Any such pledge shall be effective as provided in this subtitle and any other applicable Authority provision.

(C) Funds received by the Authority in excess of the amount required or projected to be required to pay annual debt service payments under § 5–301(c-1) of this article shall revert to the Baltimore City Board of School Commissioners and may be used only to pay for school construction and improvement projects in Baltimore City.

4–417.

A financial institution, investment company, insurance company or association, or a personal representative, guardian, trustee, or other fiduciary, may legally invest any money belonging to it or within its control in any bonds issued in accordance with this subtitle.

4–418.

(A) Debt of the Authority including a bond:

1. Is not a debt, liability, moral obligation, or a pledge of the faith and credit of the State or any political subdivision of the State, including Baltimore City; and
(2) Is payable solely from money available in accordance with this subtitle.

(B) Each bond shall state on its face that:

(1) Neither the State nor any political subdivision of the State nor the Authority shall be obligated to pay the bond or the interest thereon except from the amounts pledged therefor; and

(2) Neither the faith and credit nor the taxing power of the State nor any political subdivision thereof is pledged to the payment of the principal of or the interest on the bond.

(C) The issuance of bonds or incurrence of debt by the Authority does not directly, indirectly, contingently, or morally obligate the State or its political subdivisions to:

(1) Levy or pledge a tax to pay the bonds; or

(2) Make an appropriation to pay the bonds.

(D) The bonds issued or debt incurred in accordance with this subtitle do not constitute a debt or obligation contracted by the General Assembly or pledge the faith and credit of the State within the meaning of Article III, § 34 of the Maryland Constitution.

(E) This section does not prevent the Authority from pledging its full faith and credit to pay bonds issued in accordance with this subtitle.

414.

(A) Proceeds from the sale of bonds and other revenues received under this subtitle are trust funds to be held and applied solely as provided in this subtitle.

(B) (1) Each officer, bank, or trust company that receives money from the Authority under this subtitle shall act as trustee of the money and shall hold and apply the money for the purposes specified under this subtitle.
(2) The officer, bank, or trust company holding money is subject to:

(i) any regulation adopted under this subtitle; and

(ii) the trust agreement securing the bonds.

4–420.

(A) (1) The Authority may issue bonds to refund outstanding bonds issued to finance a project, including paying:

(i) any redemption premium;

(ii) interest accrued or to accrue to the date of redemption, purchase, or maturity of the bonds; and

(iii) if considered advisable by the Authority, any part of the cost of acquiring or improving a project.

(2) Refunding bonds may be issued for any corporate purpose, including:

(i) realizing savings in the effective costs of debt service, directly or through a debt restructuring; or

(ii) alleviating a potential or actual default.

(B) A refunding bond that the Authority issues under this section shall be issued in the same manner and is subject to this subtitle to the same extent as any other bond.

(C) (1) The Authority may issue refunding bonds in one or more series in an amount greater than the amount of the bonds to be refunded.

(2) (i) In addition to other sources of payment that the Authority determines, refunding bonds may be payable from escrowed bond proceeds and earnings and profits on investments.

(ii) Escrowed bond proceeds and earnings and profits on investments used under subparagraph (i) of this paragraph constitute revenues of a project under this subtitle.
4–421.

(A) The Authority may issue negotiable bond anticipation notes in anticipation of the sale of bonds for any corporate purpose.

(B) Bond anticipation notes issued under this section shall be issued in the same manner as bonds.

(C) Bond anticipation notes issued under this section and the resolution authorizing them may contain any provisions, conditions, or limitations that may be included in a trust agreement.

(D) The Authority may issue bond anticipation notes to pay any other bond anticipation notes.

(E) Bond anticipation notes shall be paid from:

(1) Revenues of the Authority;

(2) Money available and not otherwise pledged; and

(3) The proceeds of the sale of the bonds in anticipation of which the notes were issued.

4–422.

Except to the extent restricted by an applicable resolution or trust agreement, a bondholder or trustee acting under a trust agreement entered into under this subtitle may, by any suitable form of legal proceedings, protect and enforce any rights granted under the laws of the State or by any applicable resolution or trust agreement.

4–423.

(A) The Authority is exempt from taxation by the State and local government.

(B) The Authority, its agent, or its lessee is not required to pay a tax or an assessment on:
(1) A project or property that it acquires or uses under this subtitle; or

(2) The income from that project or property.

(e) The principal of and interest on bonds, the transfer of bonds, and any income derived from the bonds, including profits made in their sale or transfer, are forever exempt from all State and local taxes.

4–424.

This subtitle may be cited as the Baltimore City Public Schools Construction Authority Act.

5–301.

(c–1) (1) This subsection applies only to Baltimore City.

(2) (i) In this subsection the following words have the meanings indicated.

(ii) “Authority” means the Baltimore City Public Schools Construction Authority established under Title 4, Subtitle 4 of this article.

(iii) “Block grant” means a lump sum payment of funds.

(3) Beginning in fiscal year 2015, the State shall provide a block grant of $32,000,000 to the Authority each year to pay the cost of public school construction projects and public school capital improvements in Baltimore City, in accordance with the school facilities construction plan approved by the Baltimore City Board of School Commissioners.

(4) The block grant:

(i) Shall be provided for each year in which bonds issued by the Baltimore City Public Schools Construction Authority or other issuer of revenue bonds for the purpose of financing public school construction projects and public school capital improvements in Baltimore City are outstanding;
(ii) May be pledged to the payment of debt service on the bonds described in item (i) of this paragraph; and

(iii) May be used to make payments under leases, installment purchase agreements, or other similar agreements for the financing of public school facilities.

(5) (i) The total amount of school construction funding available to Baltimore City each fiscal year shall be in the amount of the greater of:

1. 12% of the entire State capital school construction program; or

2. $32,000,000, adjusted annually by the greater of:

   A. The Consumer Price Index for All Urban Consumers for the Baltimore Metropolitan Area as published by the U.S. Department of Labor, Bureau of Labor Statistics;

   B. The implicit price deflator for State and local government expenditures; or

   C. 5%.

(ii) To the extent that the total amount of school construction funding available to Baltimore City exceeds $32,000,000, the amount exceeding $32,000,000 shall be provided to the Baltimore City Board of School Commissioners for eligible public school construction projects as approved by the Board of Public Works.

5–301.

(i) (1) This subsection does not apply to the proceeds from the sale, lease, or disposition of public school buildings constructed under contracts executed before February 1, 1971.

(2) Consistent with § 4–115 of this article and regulations adopted by the Board of Public Works to implement § 4–126 of this article, the Board of Public Works may require by regulation that the portion of the proceeds received by a county from the sale, lease, or disposal of any public school building that represent State funds provided within 15 years prior to the date of the transaction shall be used solely
as part of the State funding of the construction of future public school buildings in the county in which the sale, lease, or disposal occurred, if the public school building was constructed under a contract executed on or after February 1, 1971.

(3) The part of the proceeds from the sale, lease, or disposal of a public school building that fairly represents the appraised value of land and that part of the cost of the public school building that was funded by the county shall remain as the funds of the county.

(4) **A TRANSFER OF INTEREST IN A PUBLIC SCHOOL BUILDING IN CONNECTION WITH A FINANCING OF THE COST OF CONSTRUCTION AND IMPROVEMENTS TO SUCH BUILDINGS IS NOT A SALE, LEASE, OR DISPOSAL OF THE PUBLIC SCHOOL FACILITY.**

**Article – State Finance and Procurement**

6–226.

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

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

69. the Maryland Legal Services Corporation Fund; [and]

70. Mortgage Loan Servicing Practices Settlement Fund;

71. THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FACILITIES FUND; AND

72. THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND.

**Article – State Government**

9–120.

(a) The Comptroller shall distribute, OR CAUSE TO BE DISTRIBUTED, the State Lottery Fund to pay:
(1) on a pro rata basis for the daily and nondaily State lottery games, the expenses of administering and operating the State lottery, as authorized under this subtitle and the State budget; and

(2) then, except as provided in § 10–113.1 of the Family Law Article and § 11–618 of the Criminal Procedure Article, the holder of each winning ticket or share.

(b) (1) [Promptly after the 1st day of each month] BY THE END OF THE MONTH FOLLOWING COLLECTION, the Comptroller shall [pay] DEPOSIT OR CAUSE TO BE DEPOSITED:

(i) into the Maryland Stadium Facilities Fund ESTABLISHED UNDER § 7–312 OF THE STATE FINANCE AND PROCUREMENT ARTICLE FROM the money that remains in the State Lottery Fund [from the proceeds of the lotteries conducted for the benefit of the Maryland Stadium Authority], after the distribution under subsection (a) of this section, AN AMOUNT NOT TO EXCEED $20,000,000 IN ANY FISCAL YEAR;

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

(III) AFTER JUNE 30, 2014, INTO THE BALTIMORE CITY PUBLIC SCHOOL CONSTRUCTION FINANCING FUND ESTABLISHED UNDER § 10–656 OF THE ECONOMIC DEVELOPMENT ARTICLE THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES AFTER THE DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH, AN AMOUNT EQUAL TO $20,000,000 IN EACH FISCAL YEAR THAT BONDS ARE OUTSTANDING AND UNPAID, TO BE PAID IN TWO INSTALLMENTS WITH AT LEAST $10,000,000 PAID NO LATER THAN DECEMBER 1 OF EACH FISCAL YEAR; AND

[(iii)] (IV) into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all [other] lotteries after the [distribution] DISTRIBUTIONS under subsection (a) of this section AND SUBPARAGRAPHS (I), (II), AND (III) OF THIS PARAGRAPH.

(2) The money paid into the General Fund under this subsection is available in the fiscal year in which the money accumulates in the State Lottery Fund.
(c) The regulations of the Agency shall apportion the money in the State Lottery Fund IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION.

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

Article – Education

5–202.

(d) (1) (i) Subject to § 5–213.1 of this subtitle, the county governing body shall levy and appropriate an annual tax sufficient to provide an amount of revenue for elementary and secondary public education purposes equal to the local share of the foundation program.

(ii) 1. Except as provided in subsubparagraph 2 of this subparagraph and subject to § 5–213 of this subtitle, the county governing body shall appropriate local funds to the school operating budget in an amount no less than the product of the county’s full–time equivalent enrollment for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year.

2. [In] EXCEPT AS PROVIDED IN PARAGRAPH (3)(II) OF THIS SUBSECTION, IN each fiscal year if a county’s education effort, as defined in paragraph (10) of this subsection, is below 100% of the statewide 5–year moving average of education effort, the required maintenance of effort amount for the county shall be adjusted by increasing the per pupil amount by the lesser of:

A. A county’s increase in the local wealth per pupil;

B. The statewide average increase in local wealth per pupil; or

C. 2.5%.

(2) Except as provided in paragraph [(3)](3)(I) of this subsection, for purposes of this subsection, the local appropriation on a per pupil basis for the prior fiscal year for a county is derived by dividing the county’s highest local appropriation to its school operating budget for the prior fiscal year by the county’s full–time equivalent enrollment for the prior fiscal year. For example, the calculation of the foundation aid for fiscal year 2003 shall be based on the highest local appropriation for the school operating budget for a county for fiscal year 2002. Program shifts between a county operating budget and a county school operating budget may not be used to artificially satisfy the requirements of this paragraph.
(3) (I) For purposes of this subsection, for fiscal year 1997 and each subsequent fiscal year, the calculation of the county’s highest local appropriation to its school operating budget for the prior fiscal year shall exclude:

[(i)] 1. A nonrecurring cost that is supplemental to the regular school operating budget, if the exclusion qualifies under regulations adopted by the State Board;

[(ii)] 2. A cost of a program that has been shifted from the county school operating budget to the county operating budget; [and]

[(iii)] 3. The cost of debt service incurred for school construction projects; AND

4. FOR A COUNTY THAT SHIFTS THE RECURRING COSTS ASSOCIATED WITH PROVIDING RETIREE HEALTH BENEFITS FOR CURRENT RETIREES TO THE COUNTY BOARD, ANY REDUCTION IN THOSE RETIREE HEALTH COSTS FROM THE AMOUNT THE COUNTY WAS REQUIRED TO APPROPRIATE IN THE PREVIOUS YEAR.

(II) FOR PURPOSES OF THE ADJUSTMENT REQUIRED UNDER PARAGRAPH (1)(II)2 OF THIS SUBSECTION, A COUNTY THAT DEDICATES TO PUBLIC SCHOOL CONSTRUCTION ANY ADDITIONAL STATE FUNDS RECEIVED FROM RECURRING RETIREE HEALTH COSTS SHIFTED TO THE COUNTY BOARD MAY EXCLUDE THOSE RETIREE HEALTH COSTS FROM THE HIGHEST LOCAL APPROPRIATION ON A PER PUPIL BASIS.

(4) The county board must present satisfactory evidence to the county government that any appropriation under paragraph [(3)(i)] (3)(I)1 of this subsection is used only for the purpose designated by the county government in its request for approval.

(5) Any appropriation that is not excluded under paragraph [(3)(i)] (3)(I)1 of this subsection as a qualifying nonrecurring cost shall be included in calculating the county’s highest local appropriation to its school operating budget.

(6) Qualifying nonrecurring costs, as defined in regulations adopted by the State Board, shall include but are not limited to:

(i) Computer laboratories;

(ii) Technology enhancement;

(iii) New instructional program start–up costs; and
(iv) Books other than classroom textbooks.

SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 9–120.1 of Article – State Government of the Annotated Code of Maryland be repealed.

SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, as a part of the normal Public School Construction Program (PSCP) allocation, the Interagency Committee on School Construction consider the projects funded under this Act along with the ongoing capital needs in making annual PSCP allocations for the Baltimore City Public School System.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2014, the effective date of Chapter 6, § 3 of the Acts of the General Assembly of 2012. If the effective date of Chapter 6, § 3 is amended, Section 2 of this Act shall take effect on the taking effect of Chapter 6, § 3.

SECTION 2. AND BE IT FURTHER ENACTED, That, except as provided in Section 25 of this Act, this Act shall take effect July 1, 2013.

Approved by the Governor, May 16, 2013.