

# HOUSE BILL 860

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CF SB 743

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By: **Baltimore City Delegation**

Introduced and read first time: February 7, 2013

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City Public Schools Construction Authority**

3 FOR the purpose of establishing the Baltimore City Public Schools Construction  
4 Authority; providing for the purpose, duties, membership, appointment, terms,  
5 and compensation of the Authority; requiring the Authority to appoint an  
6 executive director and establishing the duties of that position; authorizing the  
7 Authority to employ or retain employees or contractors as appropriate;  
8 authorizing the Authority, under certain circumstances, to acquire and take  
9 title to property, enter into contracts, fix and collect certain rents and other  
10 charges, mortgage or encumber a project and its site, make a loan, contract for  
11 certain services, and receive certain contributions and gifts; specifying that the  
12 Authority shall be responsible for certain school facilities construction and  
13 capital improvement projects; authorizing the Authority or other issuer of bonds  
14 to hold title to certain properties or improvements to certain properties under  
15 certain circumstances; specifying that certain expenses incurred by the  
16 Authority are payable only from certain funds; requiring certain audits of the  
17 Authority; requiring certain audits to be submitted by a certain date to certain  
18 entities; declaring the intent of the General Assembly that the Authority shall  
19 remain in existence as long as certain debt is outstanding; authorizing the  
20 issuance of certain bonds; setting certain requirements, guidelines, and  
21 procedures for the issuance of certain bonds; specifying that certain projects  
22 financed under this Act shall be approved by the Interagency Committee on  
23 School Construction; requiring the Authority, the Baltimore City Board of  
24 School Commissioners, and the Interagency Committee on School Construction  
25 to enter into a certain memorandum of understanding; limiting the amount of  
26 certain outstanding debt of the Authority; specifying that the Authority may  
27 secure certain bonds by a trust agreement and setting the requirements,  
28 guidelines, and procedures for that trust agreement; authorizing certain  
29 financial entities to invest certain funds in certain bonds; specifying that certain  
30 bonds issued under this Act are not a debt, liability, moral obligation, or a  
31 pledge of the faith and credit of the State or any subdivision of the State;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 providing how proceeds from the sale of certain bonds may be expended;  
 2 authorizing the issuance of refunding bonds and bond anticipation notes under  
 3 certain circumstances and subject to certain provisions; exempting the  
 4 Authority, its agent, lessee, and the principal and interest on certain bonds from  
 5 State and local taxes; requiring the State to provide a certain block grant each  
 6 year for school construction projects in Baltimore City; providing for the funding  
 7 and an annual increase in the amount of funding for certain school construction  
 8 projects in Baltimore City; specifying the uses for a certain block grant;  
 9 authorizing the Baltimore City Board of School Commissioners to acquire,  
 10 construct, reconstruct, equip, maintain, repair, or renovate facilities at any  
 11 location in Baltimore City through another entity acting as its agent and enter  
 12 into contracts with public or private entities for such purposes; specifying that a  
 13 transfer of a certain interest in a public school building in connection with  
 14 financing the cost of improvements to that building is not a sale, lease, or  
 15 disposal of that building; increasing the amount of bonds that the Baltimore  
 16 City Board of School Commissioners may have outstanding; specifying that the  
 17 amount of outstanding debt of the Baltimore City Board of School  
 18 Commissioners does not include bonds issued by an entity other than the Board,  
 19 including bonds issued by the Authority or other issuer of bonds; defining  
 20 certain terms; authorizing the Maryland Health and Higher Educational  
 21 Facilities Authority to issue bonds on behalf of the Authority; and generally  
 22 relating to school construction projects in Baltimore City.

23 BY repealing and reenacting, with amendments,  
 24 Article – Economic Development  
 25 Section 10–301  
 26 Annotated Code of Maryland  
 27 (2008 Volume and 2012 Supplement)

28 BY repealing and reenacting, with amendments,  
 29 Article – Education  
 30 Section 4–114, 4–115, 4–119, 4–126, 4–306.1, 4–306.2(a) and (b), and 5–301(i)  
 31 Annotated Code of Maryland  
 32 (2008 Replacement Volume and 2012 Supplement)

33 BY adding to  
 34 Article – Education  
 35 Section 4–401 through 4–424 to be under the new subtitle “Subtitle 4. Baltimore  
 36 City Public Schools Construction Authority”; and 5–301(c–1)  
 37 Annotated Code of Maryland  
 38 (2008 Replacement Volume and 2012 Supplement)

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

41 **Article – Economic Development**

1 10-301.

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

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

5 (c) (1) “Bond” means a bond issued by the Authority under this subtitle.

6 (2) “Bond” includes a revenue bond, a revenue refunding bond, a note,  
7 and any other obligations.

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

9 (1) the purchase price of a project;

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

11 (3) the cost of any improvement;

12 (4) the cost of any property, right, easement, and franchise;

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

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

15 (7) the cost of equipment;

16 (8) financing charges;

17 (9) interest before and during construction and, if the Authority  
18 determines, for a limited period after the completion of construction;

19 (10) reserves for principal and interest and for improvements;

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

23 (12) other expenses as necessary or incident to:

24 (i) financing a project;

25 (ii) acquiring and improving a project; and

26 (iii) placing a project in operation.

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

3 (f) "Finance" includes refinance.

4 (g) (1) "Health care institution" means an institution in the State that is  
5 operated by a person, a local government, or, subject to paragraph (3) of this  
6 subsection, the State, is available to the public, and is:

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

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

11 2. has obtained a certificate of need issued by the  
12 Maryland Health Care Commission under § 19-120 of the Health – General Article,  
13 but is not licensed as a hospital by the Secretary of Health and Mental Hygiene under  
14 § 19-318 of the Health – General Article;

15 (ii) a not-for-profit related institution as defined under §  
16 19-301 of the Health – General Article that is licensed as a related institution by the  
17 Secretary of Health and Mental Hygiene under § 19-318 of the Health – General  
18 Article;

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

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

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

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

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

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

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

1           (2) “Health care institution” includes a not-for-profit corporation  
2 organized to construct or acquire an institution under paragraph (1) of this subsection.

3           (3) “Health care institution” does not include a facility described in  
4 paragraph (1)(iv) of this subsection that is owned and operated by the State, except for  
5 the following facilities if approved by the Board of Public Works and the Joint Audit  
6 Committee:

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

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

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

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

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

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

21                   (i) by law or charter:

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

23 and

24                           2. is authorized to provide:

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

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

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

32           (2) “Institution of higher education” includes:

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

3 (ii) a regional community college established under § 16–202 of  
4 the Education Article;

5 (iii) the Baltimore City Community College established under §  
6 16–501 of the Education Article; and

7 (iv) the College of Southern Maryland established under §  
8 16–603 of the Education Article.

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

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

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

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

18 (2) **“NONCOLLEGIATE EDUCATIONAL INSTITUTION” INCLUDES**  
19 **THE BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY,**  
20 **ESTABLISHED UNDER TITLE 4, SUBTITLE 4 OF THE EDUCATION ARTICLE AND**  
21 **BY THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS.**

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

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

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

27 (ii) “project” includes:

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

32 2. equipment and other similar items; and

1 (iii) “project” does not include books, fuel, supplies, or other  
2 items that customarily result in a current operating charge.

3 (2) With respect to a health care institution:

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

6 (ii) “project” includes:

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

10 2. equipment and other similar items; and

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

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

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

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

## 18 Article – Education

19 4–114.

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

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

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

27 (b) Money invested in trust for the benefit of the public schools for any  
28 county or city is exempt from all State and local taxes.

1 (c) (1) A private entity may hold title to property used for a particular  
2 public school or local school system if the private entity is contractually obligated to  
3 transfer title to the appropriate county board on a specified date.

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

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

11 **(4) FOR REAL PROPERTY IN BALTIMORE CITY, THE BALTIMORE**  
12 **CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY OR ANY OTHER ISSUER OF**  
13 **REVENUE BONDS TO FINANCE PUBLIC SCHOOL FACILITIES IN BALTIMORE CITY**  
14 **MAY HOLD TITLE TO OR A LEASEHOLD INTEREST IN PROPERTY OR**  
15 **IMPROVEMENTS TO PROPERTY USED FOR PUBLIC SCHOOL PURPOSES**  
16 **PROVIDED THAT SUCH ENTITY IS CONTRACTUALLY OBLIGATED TO TRANSFER**  
17 **TITLE TO THE MAYOR AND CITY COUNCIL OF BALTIMORE OR FOR NEWLY**  
18 **CONSTRUCTED SCHOOL BUILDINGS, TO THE BALTIMORE CITY BOARD OF**  
19 **SCHOOL COMMISSIONERS.**

20 4-115.

21 (a) In this subtitle, "county council" means, in Baltimore City, the Mayor and  
22 City Council of Baltimore.

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

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

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

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

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

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

6                   2.     That the county commissioners or county council have  
7 no existing plans for the use of the land, school site, or building.

8                   (iii) 1.     If the county commissioners or county council provide  
9 the required notice to the county board under subparagraph (ii)1 of this paragraph or  
10 a public charter school does not need the school site or building under § 9–111 of this  
11 article, the land, school site, or building shall be transferred by the county board to the  
12 county commissioners or county council and may be used, sold, leased, or otherwise  
13 disposed of, except by gift, by the county commissioners or county council; or

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

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

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

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

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

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

4           **(3) THE BOARD SHALL CONSIDER THESE RECOMMENDATIONS**  
5 **BEFORE TAKING FINAL ACTION.**

6           **(4) THE REQUIREMENTS OF THIS SUBSECTION MAY BE WAIVED BY**  
7 **MUTUAL AGREEMENT BETWEEN THE BOARD AND THE BALTIMORE CITY**  
8 **DEPARTMENT OF PLANNING.**

9 4-119.

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

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

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

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

17           **(C) FOR PURPOSES OF THIS SECTION, A COUNTY BOARD SHALL**  
18 **INCLUDE, IN THE CASE OF LAND LOCATED WITHIN BALTIMORE CITY, THE**  
19 **BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY.**

20 4-126.

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

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

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

29           (3) Public-private partnership agreements, in which a county board  
30 contracts with a private entity for the acquisition, design, construction, improvement,  
31 renovation, expansion, equipping, or financing of a public school, and may include

1 provisions for cooperative use of the school or an adjacent property and generation of  
2 revenue to offset the cost of construction or use of the school;

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

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

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

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

18 (1) Use alternative financing methods;

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

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

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

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

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

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

1 (3) The public need for the project; and

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

3 (d) Projects that qualify for alternative financing methods under this  
4 subsection:

5 (1) Shall meet the educational standards, design standards, and  
6 procedural requirements under this article and under regulations adopted by the  
7 Board of Public Works; and

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

10 (i) The county governing body;

11 (ii) The State Superintendent of Schools; or

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

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

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

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

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

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

27 (3) Guidelines for content and issuance of solicitations;

28 (4) Requirements for the prequalification of bidders or offerors;

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

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

4           (7) (i) Regulations that require that contracts and subcontracts  
5 adhere to the requirements of Title 17, Subtitle 2 and Title 14 of the State Finance and  
6 Procurement Article if the requirements would otherwise be applicable; and

7           (ii) Regulations that specify elements to be included in any  
8 preference-based arrangement adopted by a local governing body that gives  
9 preference first to business entities located in the county and then to business entities  
10 located in other counties in the State for any construction that is not subject to  
11 prevailing wage rates under Title 17, Subtitle 2 of the State Finance and Procurement  
12 Article.

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

16 4-306.1.

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

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

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

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

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

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

1 (6) Receive and accept aid or contributions from any sources of money,  
2 property, labor, or other things of value, to be held, used, and applied for the purposes  
3 for which the grants and contributions were made; and

4 (7) Perform all acts and things necessary to carry out the powers  
5 expressly granted by the provisions of this subtitle.

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

9 4-306.2.

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

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

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

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

20 (II) **ANY BONDS ISSUED BY OR CONTRACTS ENTERED INTO**  
21 **IN CONNECTION WITH BONDS ISSUED BY ANY OTHER PERSON OR ENTITY,**  
22 **INCLUDING THE BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION**  
23 **AUTHORITY OR ANY ISSUER OF REVENUE BONDS TO FINANCE CONSTRUCTION**  
24 **OR ACQUISITION OF PUBLIC SCHOOLS.**

25 **SUBTITLE 4. BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION AUTHORITY.**

26 **4-401.**

27 (A) **IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
28 **INDICATED.**

29 (B) **“AUTHORITY” MEANS THE BALTIMORE CITY PUBLIC SCHOOLS**  
30 **CONSTRUCTION AUTHORITY.**

1           **(C) (1) “BOND” MEANS A BOND ISSUED BY THE AUTHORITY OF A**  
2 **CONDUIT ISSUER ON BEHALF OF THE AUTHORITY IN ACCORDANCE WITH THIS**  
3 **SUBTITLE.**

4           **(2) “BOND” INCLUDES A REVENUE BOND, A REFUNDING BOND, A**  
5 **NOTE, AN INTERIM CERTIFICATE, AND ANY OTHER EVIDENCE OF OBLIGATION**  
6 **ISSUED IN ACCORDANCE WITH THIS SUBTITLE.**

7           **(D) “COST” INCLUDES, WITH RESPECT TO A PROJECT FINANCED UNDER**  
8 **THIS SUBTITLE:**

9                   **(1) THE PURCHASE PRICE OF A PROJECT;**

10                   **(2) THE COST TO ACQUIRE ANY RIGHT, TITLE, OR INTEREST IN A**  
11 **PROJECT;**

12                   **(3) THE COST OF ANY IMPROVEMENT;**

13                   **(4) THE COST OF ANY PROPERTY, RIGHT, EASEMENT, OR**  
14 **FRANCHISE;**

15                   **(5) THE COST OF DEMOLITION, REMOVAL, OR RELOCATION OF**  
16 **STRUCTURES;**

17                   **(6) THE COST OF ACQUIRING LAND TO WHICH THE STRUCTURES**  
18 **MAY BE MOVED;**

19                   **(7) THE COST OF EQUIPMENT;**

20                   **(8) FINANCING CHARGES;**

21                   **(9) INTEREST BEFORE AND DURING CONSTRUCTION AND, IF THE**  
22 **AUTHORITY DETERMINES, FOR A LIMITED PERIOD AFTER THE COMPLETION OF**  
23 **CONSTRUCTION;**

24                   **(10) RESERVES FOR PRINCIPAL, INTEREST, AND IMPROVEMENTS;**

25                   **(11) THE COST OF REVENUE AND COST ESTIMATES,**  
26 **ARCHITECTURAL, ENGINEERING, FINANCIAL, AND LEGAL SERVICES, PLANS,**  
27 **SPECIFICATIONS, STUDIES, SURVEYS, AND OTHER EXPENSES NECESSARY OR**  
28 **INCIDENTAL TO DETERMINING THE FEASIBILITY OF IMPROVING A PROJECT;**  
29 **AND**

1           **(12) OTHER EXPENSES NECESSARY OR INCIDENTAL TO:**

2                   **(I) FINANCING A PROJECT;**

3                   **(II) ACQUIRING AND IMPROVING A PROJECT; AND**

4                   **(III) PLACING A PROJECT IN OPERATION.**

5           **(E) “FINANCE” INCLUDES REFINANCE.**

6           **(F) “IMPROVE” MEANS TO ADD, ALTER, CONSTRUCT, EQUIP, EXPAND,**  
7 **EXTEND, INSTALL, RECONSTRUCT, REHABILITATE, REMODEL, OR REPAIR.**

8           **(G) “PROJECT” MEANS A STRUCTURE OR FACILITY THAT IS REQUIRED**  
9 **OR USEFUL FOR THE EDUCATION OF STUDENTS IN THE BALTIMORE CITY**  
10 **PUBLIC SCHOOL SYSTEM AND INCLUDES:**

11                   **(1) A STRUCTURE SUITABLE FOR USE AS A CLASSROOM, AN**  
12 **ACADEMIC BUILDING, A CAFETERIA, A STUDENT CENTER, AN ADMINISTRATION**  
13 **BUILDING, A TESTING FACILITY, A LIBRARY, A LABORATORY, A RESEARCH**  
14 **FACILITY, AN ATHLETIC FACILITY, A RECREATION FACILITY, A PLAYGROUND, A**  
15 **MULTIPURPOSE SPACE, A HEALTH CARE FACILITY, A MAINTENANCE FACILITY, A**  
16 **STORAGE FACILITY, A UTILITY FACILITY, ANY OTHER SCHOOL SUPPORT**  
17 **FACILITY, OR A PARKING FACILITY; AND**

18                   **(2) EQUIPMENT AND ANY OTHER SIMILAR ITEMS.**

19           **(H) (1) “TRUST AGREEMENT” MEANS AN AGREEMENT ENTERED INTO**  
20 **BY THE AUTHORITY TO SECURE A BOND.**

21                   **(2) “TRUST AGREEMENT” MAY INCLUDE A BOND CONTRACT, A**  
22 **BOND RESOLUTION, AN INDENTURE OF TRUST, OR ANY OTHER CONTRACT WITH**  
23 **OR FOR THE BENEFIT OF A BONDHOLDER.**

24 **4-402.**

25           **(A) THIS SUBTITLE IS NECESSARY FOR THE WELFARE OF THE STATE**  
26 **AND ITS RESIDENTS AND SHALL BE CONSTRUED LIBERALLY TO ACCOMPLISH ITS**  
27 **PURPOSES.**

28           **(B) THIS SUBTITLE:**

29                   **(1) ONLY APPLIES TO BALTIMORE CITY;**

1           **(2) IS SUPPLEMENTAL AUTHORIZATION AND IS IN ADDITION TO**  
2 **THE POWERS CONFERRED BY OTHER LAWS; AND**

3           **(3) DOES NOT DEROGATE ANY POWERS.**

4 **4-403.**

5           **THE PURPOSE OF THE AUTHORITY IS TO IMPROVE THE CONDITION OF**  
6 **THE PUBLIC SCHOOL FACILITIES WITHIN THE BALTIMORE CITY PUBLIC**  
7 **SCHOOL SYSTEM IN ACCORDANCE WITH PLANS DEVELOPED AND APPROVED BY**  
8 **THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS THROUGH THE**  
9 **EFFICIENT USE OF FINANCING AND CONSTRUCTION ALTERNATIVES OR OTHER**  
10 **CONSTRUCTION RELATED ACTIVITIES.**

11 **4-404.**

12           **(A) THERE IS A BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION**  
13 **AUTHORITY.**

14           **(B) THE AUTHORITY IS A PUBLIC CORPORATION.**

15           **(C) THE EXERCISE OF A POWER UNDER THIS SUBTITLE IS THE**  
16 **PERFORMANCE OF AN ESSENTIAL GOVERNMENTAL FUNCTION.**

17           **(D) THE EXERCISE OF A POWER UNDER THIS SUBTITLE IS:**

18               **(1) FOR THE BENEFIT OF THE PEOPLE OF BALTIMORE CITY;**

19               **(2) TO INCREASE COMMERCE, WELFARE, AND PROSPERITY FOR**  
20 **THE PEOPLE OF BALTIMORE CITY; AND**

21               **(3) TO IMPROVE THE HEALTH, EDUCATION, AND LIVING**  
22 **CONDITIONS OF THE PEOPLE OF BALTIMORE CITY.**

23           **(E) THE AUTHORITY MAY NOT BE DEEMED AN AGENCY OF THE STATE**  
24 **OR BALTIMORE CITY.**

25 **4-405.**

26           **(A) THE AUTHORITY CONSISTS OF THE FOLLOWING NINE MEMBERS:**

1           **(1) THREE MEMBERS APPOINTED BY THE GOVERNOR, ONE OF**  
2 **WHOM SHALL BE A MEMBER OF THE INTERAGENCY COMMITTEE ON SCHOOL**  
3 **CONSTRUCTION;**

4           **(2) THREE MEMBERS APPOINTED BY THE MAYOR OF BALTIMORE**  
5 **CITY, ONE OF WHOM SHALL HAVE EXPERIENCE IN ARCHITECTURE,**  
6 **ENGINEERING, CONSTRUCTION, TECHNOLOGY, OR FINANCE; AND**

7           **(3) THREE MEMBERS APPOINTED BY THE BALTIMORE CITY**  
8 **BOARD OF SCHOOL COMMISSIONERS, TWO OF WHOM SHALL HAVE EXPERIENCE**  
9 **IN ARCHITECTURE, ENGINEERING, CONSTRUCTION, TECHNOLOGY, OR FINANCE.**

10           **(B) EACH YEAR THE AUTHORITY SHALL ELECT A CHAIR AND A VICE**  
11 **CHAIR FROM AMONG THE MEMBERS.**

12           **(C) BEFORE TAKING OFFICE, EACH MEMBER SHALL TAKE AN OATH TO**  
13 **ADMINISTER THE DUTIES OF THE OFFICE FAITHFULLY AND IMPARTIALLY.**

14           **(D) (1) THE TERM OF AN APPOINTED MEMBER IS 5 YEARS AND**  
15 **BEGINS ON JULY 1.**

16           **(2) AN APPOINTED MEMBER MAY NOT SERVE FOR MORE THAN**  
17 **TWO CONSECUTIVE FULL TERMS.**

18           **(3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**  
19 **SERVES ONLY FOR THE REMAINDER OF THAT TERM.**

20           **(4) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**  
21 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

22           **(E) A MEMBER MAY BE REMOVED ONLY FOR INCOMPETENCE,**  
23 **MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE POSITION BY A**  
24 **MAJORITY VOTE OF THE MEMBERS OF THE AUTHORITY.**

25 **4-406.**

26           **(A) THE AUTHORITY SHALL DETERMINE THE TIMES AND PLACES OF**  
27 **MEETINGS.**

28           **(B) (1) FIVE MEMBERS OF THE AUTHORITY SHALL CONSTITUTE A**  
29 **QUORUM.**

1           **(2) ACTION BY THE AUTHORITY REQUIRES THE AFFIRMATIVE**  
2 **VOTE OF AT LEAST FIVE MEMBERS.**

3           **(C) A MEMBER OF THE AUTHORITY:**

4                 **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**  
5 **AUTHORITY; BUT**

6                 **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**  
7 **STANDARD STATE TRAVEL REGULATIONS.**

8 **4-407.**

9           **(A) THE AUTHORITY SHALL APPOINT AN EXECUTIVE DIRECTOR.**

10           **(B) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE**  
11 **AUTHORITY.**

12           **(C) THE EXECUTIVE DIRECTOR IS THE CHIEF ADMINISTRATIVE**  
13 **OFFICER OF THE AUTHORITY AND SHALL:**

14                 **(1) DIRECT AND SUPERVISE THE ADMINISTRATIVE AFFAIRS AND**  
15 **ACTIVITIES OF THE AUTHORITY, IN ACCORDANCE WITH THE REGULATIONS AND**  
16 **POLICIES OF THE AUTHORITY;**

17                 **(2) ATTEND THE MEETINGS OF THE AUTHORITY;**

18                 **(3) KEEP A RECORD OF ALL PROCEEDINGS OF THE AUTHORITY;**  
19 **AND**

20                 **(4) PERFORM OTHER DUTIES THAT THE AUTHORITY REQUIRES**  
21 **IN ORDER TO CARRY OUT THIS SUBTITLE.**

22 **4-408.**

23           **THE AUTHORITY MAY EMPLOY OR RETAIN, EITHER AS EMPLOYEES OR**  
24 **INDEPENDENT CONTRACTORS, AND SET THE COMPENSATION OF CONSULTANTS,**  
25 **ENGINEERS, ARCHITECTS, ACCOUNTANTS, ATTORNEYS, FINANCIAL EXPERTS,**  
26 **CONSTRUCTION EXPERTS AND PERSONNEL, SUPERINTENDENTS AND**  
27 **MANAGERS, OTHER PROFESSIONAL AND NONPROFESSIONAL PERSONNEL, AND**  
28 **AGENTS AS THE AUTHORITY CONSIDERS NECESSARY.**

29 **4-409.**

1           **(A) THE AUTHORITY MAY:**

2                   **(1) ADOPT BYLAWS AND POLICIES FOR THE CONDUCT OF ITS**  
3 **BUSINESS;**

4                   **(2) SUE AND BE SUED;**

5                   **(3) ADOPT A SEAL;**

6                   **(4) MAINTAIN AN OFFICE IN BALTIMORE CITY AT A PLACE IT**  
7 **DESIGNATES;**

8                   **(5) ISSUE BONDS ITSELF OR THROUGH A CONDUIT ISSUER IN**  
9 **ACCORDANCE WITH THIS SUBTITLE;**

10                   **(6) ACCEPT A GRANT, LOAN, GIFT, OR ANY OTHER ASSISTANCE IN**  
11 **ANY FORM FROM ANY PUBLIC OR PRIVATE SOURCE, SUBJECT TO THE**  
12 **PROVISIONS OF THIS SUBTITLE;**

13                   **(7) CHARGE FOR THE ADMINISTRATIVE COSTS AND EXPENSES OF**  
14 **CARRYING OUT THIS SUBTITLE;**

15                   **(8) EXERCISE THE CORPORATE POWERS OF MARYLAND**  
16 **CORPORATIONS UNDER THE MARYLAND GENERAL CORPORATION LAW; AND**

17                   **(9) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT**  
18 **THE POWERS EXPRESSLY GRANTED BY THIS SUBTITLE.**

19           **(B) THE AUTHORITY MAY DELEGATE TO A MEMBER OR AN OFFICER A**  
20 **POWER GRANTED TO THE AUTHORITY BY THIS SUBTITLE, INCLUDING THE**  
21 **POWER TO EXECUTE A BOND, A CERTIFICATE, A DEED, A LEASE, A MORTGAGE,**  
22 **AN AGREEMENT, OR ANY OTHER DOCUMENT OR INSTRUMENT.**

23 **4-410.**

24           **(A) THE AUTHORITY MAY:**

25                   **(1) (I) ACQUIRE, DIRECTLY OR THROUGH AN AGENT, BY**  
26 **PURCHASE, GIFT, OR DEVICE, ANY PROPERTY, FRANCHISES, AND OTHER**  
27 **INTERESTS IN LAND, INCLUDING SUBMERGED LAND AND RIPARIAN RIGHTS,**  
28 **LOCATED IN THE STATE, AS NECESSARY OR CONVENIENT TO IMPROVE,**

1 ACQUIRE, OR OPERATE A PROJECT, ON TERMS AND AT PRICES THE AUTHORITY  
2 CONSIDERS REASONABLE; AND

3 (II) TAKE TITLE TO PROPERTY IN THE NAME OF THE  
4 AUTHORITY OR A DESIGNATED AGENT OF THE AUTHORITY;

5 (2) DETERMINE THE LOCATION AND CHARACTER OF A PROJECT  
6 TO BE FINANCED UNDER THIS SUBTITLE, OR DESIGNATE AN AGENT TO DO SO,  
7 PROVIDED THAT ANY PROJECT FINANCED UNDER THIS SUBTITLE SHALL HAVE  
8 PREVIOUSLY BEEN APPROVED FOR FINANCING BY THE BALTIMORE CITY  
9 BOARD OF SCHOOL COMMISSIONERS;

10 (3) DIRECTLY, OR THROUGH A DESIGNATED AGENT, ACQUIRE,  
11 IMPROVE, MAINTAIN, OPERATE, LEASE AS LESSEE OR LESSOR, AND ENTER INTO  
12 CONTRACTS TO CARRY OUT THE DUTIES OF THE AUTHORITY UNDER THIS  
13 SUBTITLE;

14 (4) FIX AND COLLECT RENTS, FEES, AND OTHER CHARGES FOR  
15 THE USE OF FACILITIES THAT A PROJECT PROVIDES OR MAKES AVAILABLE, AND  
16 RATES, RENTS, FEES, AND CHARGES MAY BE ESTABLISHED SOLELY BY THE  
17 AUTHORITY UNDER THIS SUBTITLE;

18 (5) MORTGAGE, PLEDGE, OR OTHERWISE ENCUMBER A PROJECT  
19 AND ITS SITE, OR HOLD A MORTGAGE OR OTHER ENCUMBRANCE ON A PROJECT  
20 AND ITS SITE FOR THE BENEFIT OF THE HOLDERS OF BONDS ISSUED TO  
21 FINANCE THE PROJECT;

22 (6) MAKE A LOAN TO:

23 (I) IMPROVE OR ACQUIRE A PROJECT IN ACCORDANCE  
24 WITH AN AGREEMENT BETWEEN THE AUTHORITY AND THE BALTIMORE CITY  
25 BOARD OF SCHOOL COMMISSIONERS;

26 (II) REFINANCE ANY PART OF THE COST OF A PROJECT; AND

27 (III) REFUND OR REPAY BONDS, MORTGAGES, ADVANCES,  
28 LOANS, OR OTHER OBLIGATIONS OF THE AUTHORITY, ANY PERSON, OR ANY  
29 UNIT OF FEDERAL, STATE, OR LOCAL GOVERNMENT INCURRED TO FINANCE ANY  
30 PART OF A PROJECT;

31 (7) CONTRACT FOR THE SERVICES OF ANY PERSON IN  
32 CONNECTION WITH ANY FINANCING, INCLUDING CONDUIT ISSUERS, FINANCIAL  
33 INSTITUTIONS, ISSUERS OF LETTERS OF CREDIT, AND INSURERS; AND

1           **(8) RECEIVE AND ACCEPT FROM ANY PUBLIC OR PRIVATE**  
2 **SOURCE CONTRIBUTIONS, GIFTS, OR GRANTS OF MONEY OR PROPERTY AND**  
3 **INVEST THE MONEY OR PROPERTY AS A WHOLE OR IN PART.**

4           **(B) THE AUTHORITY SHALL BE RESPONSIBLE FOR SCHOOL FACILITIES**  
5 **CONSTRUCTION AND IMPROVEMENT PROJECTS FINANCED WITH THE PROCEEDS**  
6 **OF BONDS ISSUED UNDER THIS SUBTITLE IN ACCORDANCE WITH THE SCHOOL**  
7 **FACILITIES CONSTRUCTION PLAN APPROVED BY THE BALTIMORE CITY BOARD**  
8 **OF SCHOOL COMMISSIONERS.**

9           **(C) NOTWITHSTANDING THE PROVISIONS OF § 4-114 OF THIS TITLE,**  
10 **PROPERTY USED FOR PUBLIC SCHOOL PURPOSES MAY BE MORTGAGED TO THE**  
11 **AUTHORITY.**

12           **(D) NO POWER GRANTED UNDER THIS SUBTITLE SHALL IN ANY WAY**  
13 **INTERFERE WITH THE ENUMERATED POWERS OF THE BALTIMORE CITY BOARD**  
14 **OF SCHOOL COMMISSIONERS UNDER SUBTITLE 3 OF THIS TITLE.**

15 **4-411.**

16           **EXPENSES INCURRED UNDER THIS SUBTITLE ARE PAYABLE ONLY FROM**  
17 **MONEY OBTAINED UNDER THIS SUBTITLE.**

18 **4-412.**

19           **(A) (1) THE AUTHORITY SHALL HAVE AN ANNUAL AUDIT OF**  
20 **FINANCIAL TRANSACTIONS AND ACCOUNTS CONDUCTED BY AN INDEPENDENT**  
21 **CERTIFIED PUBLIC ACCOUNTANT THAT MEETS THE REQUIREMENTS OF §**  
22 **5-109(B) OF THIS ARTICLE.**

23           **(2) THE RESULTS OF THE AUDIT CONDUCTED UNDER PARAGRAPH**  
24 **(1) OF THIS SUBSECTION, INCLUDING THE LETTER OF RECOMMENDATION**  
25 **SUBMITTED BY THE AUDITOR, ARE A MATTER OF PUBLIC RECORD AND SHALL BE**  
26 **SUBMITTED WITHIN 3 MONTHS AFTER THE CLOSE OF EACH FISCAL YEAR TO:**

27                   **(I) THE BALTIMORE CITY BOARD OF SCHOOL**  
28 **COMMISSIONERS;**

29                   **(II) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY;**

30                   **(III) THE INTERAGENCY COMMITTEE ON SCHOOL**  
31 **CONSTRUCTION;**

1 (IV) THE JOINT AUDIT COMMITTEE OF THE GENERAL  
2 ASSEMBLY;

3 (V) THE SENATE BUDGET AND TAXATION COMMITTEE;

4 (VI) THE HOUSE APPROPRIATIONS COMMITTEE; AND

5 (VII) THE DEPARTMENT OF LEGISLATIVE SERVICES.

6 (B) EVERY 6 YEARS, THE AUTHORITY MAY BE AUDITED BY THE OFFICE  
7 OF LEGISLATIVE AUDITS AT THE EXPENSE OF THE AUTHORITY, AND THIS AUDIT  
8 WILL CONSTITUTE THE AUDIT REQUIRED UNDER SUBSECTION (A) OF THIS  
9 SECTION IN THOSE YEARS.

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

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

22 4-413.

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

26 4-414.

27 (A) (1) THE AUTHORITY MAY PERIODICALLY:

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

1                   **(II) REFUND BONDS;**

2                   **(III) PURCHASE BONDS WITH ANY FUNDS AVAILABLE; AND**

3                   **(IV) HOLD, PLEDGE, CANCEL, OR RESELL BONDS.**

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

6                   **(I) GENERALLY DESCRIBES THE PROJECT OR PROJECTS**  
7 **FOR WHICH THE PROCEEDS OF THE BOND ISSUANCE ARE INTENDED;**

8                   **(II) SPECIFIES THE MAXIMUM PRINCIPAL AMOUNT OF THE**  
9 **BONDS THAT MAY BE ISSUED UNDER THIS SUBTITLE; AND**

10                   **(III) IMPOSES ANY TERMS OR CONDITIONS ON THE ISSUANCE**  
11 **AND SALE OF THE BONDS THAT THE AUTHORITY CONSIDERS APPROPRIATE.**

12                   **(3) BY RESOLUTION, THE AUTHORITY MAY AUTHORIZE THE**  
13 **CHAIR, VICE CHAIR, ONE OF ITS MEMBERS, A COMMITTEE OF ITS MEMBERS, OR**  
14 **THE EXECUTIVE DIRECTOR TO DETERMINE, PROVIDE FOR, OR APPROVE ANY**  
15 **MATTER RELATING TO BONDS THAT THE AUTHORITY CONSIDERS APPROPRIATE,**  
16 **INCLUDING:**

17                   **(I) SPECIFYING, DETERMINING, PRESCRIBING, AND**  
18 **APPROVING MATTERS, DOCUMENTS, AND PROCEDURES THAT RELATE TO THE**  
19 **AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, AND PAYMENT OF AND**  
20 **FOR THE BONDS;**

21                   **(II) CREATING SECURITY FOR THE BONDS;**

22                   **(III) PROVIDING FOR THE ADMINISTRATION OF BOND**  
23 **ISSUANCES; AND**

24                   **(IV) TAKING OTHER ACTIONS THE AUTHORITY CONSIDERS**  
25 **APPROPRIATE CONCERNING THE BONDS.**

26                   **(4) THE POWER GRANTED UNDER PARAGRAPH (2) OF THIS**  
27 **SUBSECTION IS IN ADDITION TO POWERS CONFERRED ON THE AUTHORITY BY**  
28 **THIS SUBTITLE AND DOES NOT LIMIT ANY POWER OF THE AUTHORITY UNDER**  
29 **THIS SUBTITLE.**

1           **(5) THE AUTHORITY MAY NOT ISSUE ANY BONDS BY ITSELF OR**  
2 **THROUGH A CONDUIT ISSUER TO FINANCE A PROJECT WITHOUT FIRST**  
3 **ENTERING INTO AN AGREEMENT WITH THE BALTIMORE CITY BOARD OF**  
4 **SCHOOL COMMISSIONERS REGARDING THE PROJECT TO BE FINANCED, THE USE**  
5 **OF SUCH PROJECT AS A PUBLIC SCHOOL FACILITY, AND THE SECURITY AND**  
6 **SOURCES OF PAYMENTS FOR THE BONDS.**

7           **(B) BONDS MAY BE GENERAL OBLIGATIONS OF THE AUTHORITY OR MAY**  
8 **BE PAYABLE SOLELY FROM ANY REVENUE OR MONEY PLEDGE OF THE**  
9 **AUTHORITY THAT ARE AVAILABLE AND NOT OTHERWISE PLEDGED, AS**  
10 **DETERMINED BY THE AUTHORITY.**

11           **(C) (1) PROJECTS FINANCED UNDER THIS SUBTITLE SHALL BE**  
12 **APPROVED BY THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION.**

13           **(2) THE AUTHORITY, THE BALTIMORE CITY BOARD OF SCHOOL**  
14 **COMMISSIONERS, AND THE INTERAGENCY COMMITTEE ON SCHOOL**  
15 **CONSTRUCTION SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING**  
16 **WITH RESPECT TO PROCEDURES REQUIRED UNDER PARAGRAPH (1) OF THIS**  
17 **SUBSECTION BEFORE ANY ISSUANCE OF BONDS UNDER THIS SUBTITLE AND IN**  
18 **ACCORDANCE WITH WHICH THE BALTIMORE CITY BOARD OF SCHOOL**  
19 **COMMISSIONERS SHALL ACT AS THE AUTHORITY'S AGENT FOR PURPOSES OF**  
20 **ASSURANCE COMPLIANCE WITH THE PROCEDURES.**

21           **(D) SUBJECT TO ANY PROVISION FOR THEIR REGISTRATION, BONDS**  
22 **ARE NEGOTIABLE INSTRUMENTS FOR ALL PURPOSES REGARDLESS OF**  
23 **WHETHER THEY ARE PAYABLE FROM A SPECIAL FUND.**

24           **(E) (1) THE AUTHORITY MAY NOT DIRECTLY OR INDIRECTLY HAVE**  
25 **OUTSTANDING DEBT OF MORE THAN \$1,200,000,000 AS OF JUNE 30 OF EACH**  
26 **YEAR.**

27           **(2) THE BONDS SHALL MATURE WITHIN A PERIOD NOT TO**  
28 **EXCEED 30 YEARS AFTER THEIR DATE.**

29           **(3) THE BONDS SHALL BE PAYABLE IN UNITED STATES**  
30 **CURRENCY.**

31           **(4) THE BONDS SHALL BE A "SECURITY" WITHIN THE MEANING**  
32 **OF § 8-102 OF THE COMMERCIAL LAW ARTICLE, WHETHER OR NOT EACH BOND**  
33 **IS ONE OF A CLASS OR SERIES OR IS DIVISIBLE BY ITS TERMS INTO A CLASS OR**  
34 **SERIES OF INSTRUMENTS.**

1           **(5) THE BONDS ARE EXEMPT FROM §§ 8-206 AND 8-208 OF THE**  
2 **STATE FINANCE AND PROCUREMENT ARTICLE.**

3           **(F) THE BONDS MAY BE SOLD BY COMPETITIVE OR NEGOTIATED SALE**  
4 **AT A PRICE DETERMINED BY THE AUTHORITY.**

5           **(G) (1) A TRUST AGREEMENT AUTHORIZING BONDS MAY CONTAIN**  
6 **PROVISIONS THAT ARE PART OF THE CONTRACT WITH BONDHOLDERS.**

7           **(2) THE PROVISIONS MAY INCLUDE:**

8                   **(I) PLEDGING THE FOLLOWING TO SECURE PAYMENT OF**  
9 **BONDS, SUBJECT TO ANY EXISTING AGREEMENTS WITH BONDHOLDERS:**

10                           **1. THE FULL FAITH AND CREDIT OF THE**  
11 **AUTHORITY;**

12                           **2. REVENUES OF A PROJECT;**

13                           **3. A REVENUE PRODUCING CONTRACT THE**  
14 **AUTHORITY HAS MADE WITH A PERSON OR PUBLIC ENTITY;**

15                           **4. THE PROCEEDS OF THE SALE OF BONDS; OR**

16                           **5. ANY MONEY THAT LAWFULLY MAY BE APPLIED TO**  
17 **THE PAYMENT OF THE BONDS, INCLUDING ANY APPROPRIATION BY THE STATE**  
18 **OR BALTIMORE CITY MADE AVAILABLE FOR SUCH PURPOSE;**

19                           **(II) THE RENTALS, FEES, AND OTHER CHARGES, THE**  
20 **AMOUNTS TO BE RAISED IN EACH YEAR, AND THE USE AND DISPOSITION OF THE**  
21 **REVENUES;**

22                           **(III) SETTING ASIDE OF RESERVES AND SINKING FUNDS AND**  
23 **THE DISPOSITION OF SUCH FUNDS;**

24                           **(IV) LIMITS ON THE RIGHT OF THE AUTHORITY OR ITS**  
25 **AGENTS TO RESTRICT AND REGULATE THE USE OF A PROJECT;**

26                           **(V) LIMITS ON THE PURPOSE TO WHICH THE PROCEEDS OF**  
27 **SALE OF BONDS MAY BE APPLIED;**

1           **(VI) LIMITS ON ISSUING ADDITIONAL BONDS, THE TERMS**  
2 **UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED AND SECURED, AND**  
3 **REFUNDING OUTSTANDING BONDS;**

4           **(VII) THE PROCEDURE TO AMEND OR ABROGATE THE TERMS**  
5 **OF A CONTRACT WITH BONDHOLDERS AND THE REQUIREMENTS FOR CONSENT;**

6           **(VIII) LIMITS ON THE AMOUNT OF REVENUES TO BE**  
7 **EXPENDED FOR OPERATING, ADMINISTRATIVE, OR OTHER EXPENSES OF THE**  
8 **AUTHORITY;**

9           **(IX) THE ACTS OR OMISSIONS THAT CONSTITUTE DEFAULT**  
10 **BY THE AUTHORITY AND THE RIGHTS AND REMEDIES OF THE BONDHOLDERS IN**  
11 **THE EVENT OF DEFAULT;**

12           **(X) THE CONVEYANCE OR MORTGAGING OF A PROJECT AND**  
13 **ITS SITE TO SECURE THE BONDHOLDERS; AND**

14           **(XI) THE CREATION AND MECHANICS FOR DISPOSITION OF A**  
15 **COLLATERAL FUND FOR THE PURPOSE OF SECURING THE BONDHOLDERS.**

16           **(H) THE MEMBERS AND OFFICERS OF THE AUTHORITY AND PERSON**  
17 **EXECUTING THE BONDS MAY NOT BE HELD LIABLE PERSONALLY ON THE BONDS.**

18           **(I) A MEMBER'S OR AN OFFICER'S SIGNATURE OR FACSIMILE**  
19 **SIGNATURE ON A BOND OF THE AUTHORITY REMAINS VALID AT DELIVERY EVEN**  
20 **IF THE MEMBER OR OFFICER LEAVES THE AUTHORITY BEFORE THE BOND IS**  
21 **DELIVERED.**

22 **4-415.**

23           **(A) THE AUTHORITY MAY SECURE BONDS BY A TRUST AGREEMENT.**

24           **(B) THE CORPORATE TRUSTEE UNDER A TRUST AGREEMENT MAY BE A**  
25 **TRUST COMPANY OR A BANK THAT HAS THE POWERS OF A TRUST COMPANY IN**  
26 **OR OUTSIDE THE STATE.**

27           **(C) IN ADDITION TO THE PROVISIONS DESCRIBED IN § 4-414(G) OF THIS**  
28 **SUBTITLE, THE TRUST AGREEMENT MAY CONTAIN:**

29           **(1) EITHER:**

1                   **(I) A PROVISION CONVEYING OR MORTGAGING ALL OR A**  
2 **PORTION OF A PROJECT; OR**

3                   **(II) A PROVISION CREATING A COLLATERAL ACCOUNT;**

4                   **(2) OTHER PROVISIONS THAT THE AUTHORITY CONSIDERS**  
5 **REASONABLE AND PROPER FOR THE SECURITY OF BONDHOLDERS; AND**

6                   **(3) A PROVISION THAT RESTRICTS THE INDIVIDUAL RIGHT OF**  
7 **ACTION BY BONDHOLDERS.**

8                   **(D) AN EXPENSE INCURRED IN CARRYING OUT THE TRUST AGREEMENT**  
9 **OR A RESOLUTION MAY BE TREATED AS PART OF THE COST OF THE OPERATION**  
10 **OF A PROJECT.**

11                   **(E) THE TRUST AGREEMENT AND ANY OTHER AGREEMENT OR LEASE**  
12 **CREATING A PLEDGE WITH RESPECT TO THE REPAYMENT OF BONDS ISSUED**  
13 **UNDER THIS SUBTITLE NEED NOT BE FILED OR RECORDED, EXCEPT IN THE**  
14 **RECORDS OF THE AUTHORITY.**

15 **4-416.**

16                   **(A) TO THE EXTENT CONSIDERED APPROPRIATE BY THE AUTHORITY,**  
17 **THE RECEIPTS OF THE AUTHORITY SHALL BE PLEDGED TO AND CHARGED WITH**  
18 **THE FOLLOWING, RELATING TO THE FINANCING OF IMPROVEMENTS TO THE**  
19 **BALTIMORE CITY PUBLIC SCHOOL FACILITIES:**

20                   **(1) THE PAYMENT OF DEBT SERVICE ON BONDS ISSUED IN**  
21 **ACCORDANCE WITH THIS SUBTITLE;**

22                   **(2) ALL REASONABLE CHARGES AND EXPENSES RELATED TO**  
23 **PUBLIC SCHOOL FACILITIES AND BORROWING BY THE AUTHORITY; AND**

24                   **(3) THE MANAGEMENT OF OBLIGATIONS OF THE AUTHORITY**  
25 **ASSOCIATED WITH SUCH FINANCING.**

26                   **(B) ANY SUCH PLEDGE SHALL BE EFFECTIVE AS PROVIDED IN THIS**  
27 **SUBTITLE AND ANY OTHER APPLICABLE AUTHORITY PROVISION.**

28                   **(C) FUNDS RECEIVED BY THE AUTHORITY IN EXCESS OF THE AMOUNT**  
29 **REQUIRED OR PROJECTED TO BE REQUIRED TO PAY ANNUAL DEBT SERVICE**  
30 **PAYMENTS UNDER § 5-301(C-1) OF THIS ARTICLE SHALL REVERT TO THE**  
31 **BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS AND MAY BE USED ONLY**

1 TO PAY FOR SCHOOL CONSTRUCTION AND IMPROVEMENT PROJECTS IN  
2 BALTIMORE CITY.

3 4-417.

4 A FINANCIAL INSTITUTION, INVESTMENT COMPANY, INSURANCE  
5 COMPANY OR ASSOCIATION, OR A PERSONAL REPRESENTATIVE, GUARDIAN,  
6 TRUSTEE, OR OTHER FIDUCIARY, MAY LEGALLY INVEST ANY MONEY BELONGING  
7 TO IT OR WITHIN ITS CONTROL IN ANY BONDS ISSUED IN ACCORDANCE WITH  
8 THIS SUBTITLE.

9 4-418.

10 (A) DEBT OF THE AUTHORITY INCLUDING A BOND:

11 (1) IS NOT A DEBT, LIABILITY, MORAL OBLIGATION, OR A PLEDGE  
12 OF THE FAITH AND CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION OF  
13 THE STATE, INCLUDING BALTIMORE CITY; AND

14 (2) IS PAYABLE SOLELY FROM MONEY AVAILABLE IN  
15 ACCORDANCE WITH THIS SUBTITLE.

16 (B) EACH BOND SHALL STATE ON ITS FACE THAT:

17 (1) NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF  
18 THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE BOND OR  
19 THE INTEREST THEREON EXCEPT FROM THE AMOUNTS PLEDGED THEREFOR;  
20 AND

21 (2) NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF  
22 THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE  
23 PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BOND.

24 (C) THE ISSUANCE OF BONDS OR INCURRENCE OF DEBT BY THE  
25 AUTHORITY DOES NOT DIRECTLY, INDIRECTLY, CONTINGENTLY, OR MORALLY  
26 OBLIGATE THE STATE OR ITS POLITICAL SUBDIVISIONS TO:

27 (1) LEVY OR PLEDGE A TAX TO PAY THE BONDS; OR

28 (2) MAKE AN APPROPRIATION TO PAY THE BONDS.

29 (D) THE BONDS ISSUED OR DEBT INCURRED IN ACCORDANCE WITH THIS  
30 SUBTITLE DO NOT CONSTITUTE A DEBT OR OBLIGATION CONTRACTED BY THE

1 GENERAL ASSEMBLY OR PLEDGE THE FAITH AND CREDIT OF THE STATE  
2 WITHIN THE MEANING OF ARTICLE III, § 34 OF THE MARYLAND CONSTITUTION.

3 (E) THIS SECTION DOES NOT PREVENT THE AUTHORITY FROM  
4 PLEDGING ITS FULL FAITH AND CREDIT TO PAY BONDS ISSUED IN ACCORDANCE  
5 WITH THIS SUBTITLE.

6 4-419.

7 (A) PROCEEDS FROM THE SALE OF BONDS AND OTHER REVENUES  
8 RECEIVED UNDER THIS SUBTITLE ARE TRUST FUNDS TO BE HELD AND APPLIED  
9 SOLELY AS PROVIDED IN THIS SUBTITLE.

10 (B) (1) EACH OFFICER, BANK, OR TRUST COMPANY THAT RECEIVES  
11 MONEY FROM THE AUTHORITY UNDER THIS SUBTITLE SHALL ACT AS TRUSTEE  
12 OF THE MONEY AND SHALL HOLD AND APPLY THE MONEY FOR THE PURPOSES  
13 SPECIFIED UNDER THIS SUBTITLE.

14 (2) THE OFFICER, BANK, OR TRUST COMPANY HOLDING MONEY IS  
15 SUBJECT TO:

16 (I) ANY REGULATION ADOPTED UNDER THIS SUBTITLE;  
17 AND

18 (II) THE TRUST AGREEMENT SECURING THE BONDS.

19 4-420.

20 (A) (1) THE AUTHORITY MAY ISSUE BONDS TO REFUND  
21 OUTSTANDING BONDS ISSUED TO FINANCE A PROJECT, INCLUDING PAYING:

22 (I) ANY REDEMPTION PREMIUM;

23 (II) INTEREST ACCRUED OR TO ACCRUE TO THE DATE OF  
24 REDEMPTION, PURCHASE, OR MATURITY OF THE BONDS; AND

25 (III) IF CONSIDERED ADVISABLE BY THE AUTHORITY, ANY  
26 PART OF THE COST OF ACQUIRING OR IMPROVING A PROJECT.

27 (2) REFUNDING BONDS MAY BE ISSUED FOR ANY CORPORATE  
28 PURPOSE, INCLUDING:

1                   **(I) REALIZING SAVINGS IN THE EFFECTIVE COSTS OF DEBT**  
2 **SERVICE, DIRECTLY OR THROUGH A DEBT RESTRUCTURING; OR**

3                   **(II) ALLEVIATING A POTENTIAL OR ACTUAL DEFAULT.**

4           **(B) A REFUNDING BOND THAT THE AUTHORITY ISSUES UNDER THIS**  
5 **SECTION SHALL BE ISSUED IN THE SAME MANNER AND IS SUBJECT TO THIS**  
6 **SUBTITLE TO THE SAME EXTENT AS ANY OTHER BOND.**

7           **(C) (1) THE AUTHORITY MAY ISSUE REFUNDING BONDS IN ONE OR**  
8 **MORE SERIES IN AN AMOUNT GREATER THAN THE AMOUNT OF THE BONDS TO**  
9 **BE REFUNDED.**

10                   **(2) (I) IN ADDITION TO OTHER SOURCES OF PAYMENT THAT**  
11 **THE AUTHORITY DETERMINES, REFUNDING BONDS MAY BE PAYABLE FROM**  
12 **ESCROWED BOND PROCEEDS AND EARNINGS AND PROFITS ON INVESTMENTS.**

13                   **(II) ESCROWED BOND PROCEEDS AND EARNINGS AND**  
14 **PROFITS ON INVESTMENTS USED UNDER SUBPARAGRAPH (I) OF THIS**  
15 **PARAGRAPH CONSTITUTE REVENUES OF A PROJECT UNDER THIS SUBTITLE.**

16 **4-421.**

17           **(A) THE AUTHORITY MAY ISSUE NEGOTIABLE BOND ANTICIPATION**  
18 **NOTES IN ANTICIPATION OF THE SALE OF BONDS FOR ANY CORPORATE**  
19 **PURPOSE.**

20           **(B) BOND ANTICIPATION NOTES ISSUED UNDER THIS SECTION SHALL**  
21 **BE ISSUED IN THE SAME MANNER AS BONDS.**

22           **(C) BOND ANTICIPATION NOTES ISSUED UNDER THIS SECTION AND THE**  
23 **RESOLUTION AUTHORIZING THEM MAY CONTAIN ANY PROVISIONS, CONDITIONS,**  
24 **OR LIMITATIONS THAT MAY BE INCLUDED IN A TRUST AGREEMENT.**

25           **(D) THE AUTHORITY MAY ISSUE BOND ANTICIPATION NOTES TO PAY**  
26 **ANY OTHER BOND ANTICIPATION NOTES.**

27           **(E) BOND ANTICIPATION NOTES SHALL BE PAID FROM:**

28                   **(1) REVENUES OF THE AUTHORITY;**

29                   **(2) MONEY AVAILABLE AND NOT OTHERWISE PLEDGED; AND**

1           **(3) THE PROCEEDS OF THE SALE OF THE BONDS IN ANTICIPATION**  
2 **OF WHICH THE NOTES WERE ISSUED.**

3 **4-422.**

4           **EXCEPT TO THE EXTENT RESTRICTED BY AN APPLICABLE RESOLUTION OR**  
5 **TRUST AGREEMENT, A BONDHOLDER OR TRUSTEE ACTING UNDER A TRUST**  
6 **AGREEMENT ENTERED INTO UNDER THIS SUBTITLE MAY, BY ANY SUITABLE**  
7 **FORM OF LEGAL PROCEEDINGS, PROTECT AND ENFORCE ANY RIGHTS GRANTED**  
8 **UNDER THE LAWS OF THE STATE OR BY ANY APPLICABLE RESOLUTION OR**  
9 **TRUST AGREEMENT.**

10 **4-423.**

11           **(A) THE AUTHORITY IS EXEMPT FROM TAXATION BY THE STATE AND**  
12 **LOCAL GOVERNMENT.**

13           **(B) THE AUTHORITY, ITS AGENT, OR ITS LESSEE IS NOT REQUIRED TO**  
14 **PAY A TAX OR AN ASSESSMENT ON:**

15                   **(1) A PROJECT OR PROPERTY THAT IT ACQUIRES OR USES UNDER**  
16 **THIS SUBTITLE; OR**

17                   **(2) THE INCOME FROM THAT PROJECT OR PROPERTY.**

18           **(C) THE PRINCIPAL OF AND INTEREST ON BONDS, THE TRANSFER OF**  
19 **BONDS, AND ANY INCOME DERIVED FROM THE BONDS, INCLUDING PROFITS**  
20 **MADE IN THEIR SALE OR TRANSFER, ARE FOREVER EXEMPT FROM ALL STATE**  
21 **AND LOCAL TAXES.**

22 **4-424.**

23           **THIS SUBTITLE MAY BE CITED AS THE BALTIMORE CITY PUBLIC**  
24 **SCHOOLS CONSTRUCTION AUTHORITY ACT.**

25 **5-301.**

26           **(C-1) (1) THIS SUBSECTION APPLIES ONLY TO BALTIMORE CITY.**

27                   **(2) (1) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE**  
28 **THE MEANINGS INDICATED.**

1                   **(II) "AUTHORITY" MEANS THE BALTIMORE CITY PUBLIC**  
2 **SCHOOLS CONSTRUCTION AUTHORITY ESTABLISHED UNDER TITLE 4,**  
3 **SUBTITLE 4 OF THIS ARTICLE.**

4                   **(III) "BLOCK GRANT" MEANS A LUMP SUM PAYMENT OF**  
5 **FUNDS.**

6                   **(3) BEGINNING IN FISCAL YEAR 2015, THE STATE SHALL**  
7 **PROVIDE A BLOCK GRANT OF \$32,000,000 TO THE AUTHORITY EACH YEAR TO**  
8 **PAY THE COST OF PUBLIC SCHOOL CONSTRUCTION PROJECTS AND PUBLIC**  
9 **SCHOOL CAPITAL IMPROVEMENTS IN BALTIMORE CITY, IN ACCORDANCE WITH**  
10 **THE SCHOOL FACILITIES CONSTRUCTION PLAN APPROVED BY THE BALTIMORE**  
11 **CITY BOARD OF SCHOOL COMMISSIONERS.**

12                   **(4) THE BLOCK GRANT:**

13                   **(I) SHALL BE PROVIDED FOR EACH YEAR IN WHICH BONDS**  
14 **ISSUED BY THE BALTIMORE CITY PUBLIC SCHOOLS CONSTRUCTION**  
15 **AUTHORITY OR OTHER ISSUER OF REVENUE BONDS FOR THE PURPOSE OF**  
16 **FINANCING PUBLIC SCHOOL CONSTRUCTION PROJECTS AND PUBLIC SCHOOL**  
17 **CAPITAL IMPROVEMENTS IN BALTIMORE CITY ARE OUTSTANDING;**

18                   **(II) MAY BE PLEDGED TO THE PAYMENT OF DEBT SERVICE**  
19 **ON THE BONDS DESCRIBED IN ITEM (I) OF THIS PARAGRAPH; AND**

20                   **(III) MAY BE USED TO MAKE PAYMENTS UNDER LEASES,**  
21 **INSTALLMENT PURCHASE AGREEMENTS, OR OTHER SIMILAR AGREEMENTS FOR**  
22 **THE FINANCING OF PUBLIC SCHOOL FACILITIES.**

23                   **(5) (I) THE TOTAL AMOUNT OF SCHOOL CONSTRUCTION**  
24 **FUNDING AVAILABLE TO BALTIMORE CITY EACH FISCAL YEAR SHALL BE IN THE**  
25 **AMOUNT OF THE GREATER OF:**

26                   1.   **12% OF THE ENTIRE STATE CAPITAL SCHOOL**  
27 **CONSTRUCTION PROGRAM; OR**

28                   2.   **\$32,000,000, ADJUSTED ANNUALLY BY THE**  
29 **GREATER OF:**

30                   A.   **THE CONSUMER PRICE INDEX FOR ALL URBAN**  
31 **CONSUMERS FOR THE BALTIMORE METROPOLITAN AREA AS PUBLISHED BY**  
32 **THE U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS;**

1                   **B. THE IMPLICIT PRICE DEFLATOR FOR STATE AND**  
2 **LOCAL GOVERNMENT EXPENDITURES; OR**

3                   **C. 5%.**

4                   **(II) TO THE EXTENT THAT THE TOTAL AMOUNT OF SCHOOL**  
5 **CONSTRUCTION FUNDING AVAILABLE TO BALTIMORE CITY EXCEEDS**  
6 **\$32,000,000, THE AMOUNT EXCEEDING \$32,000,000 SHALL BE PROVIDED TO**  
7 **THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS FOR ELIGIBLE**  
8 **PUBLIC SCHOOL CONSTRUCTION PROJECTS AS APPROVED BY THE BOARD OF**  
9 **PUBLIC WORKS.**

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

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

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

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

29           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 July 1, 2013.