

---

**By: Senators Frosh, Van Hollen, Middleton, Ferguson, Astle, Derr, Dyson, Pinsky, Roesser, Ruben, Forehand, Stoltzfus, Hogan, and Haines**

Introduced and read first time: January 31, 1996

Assigned to: Finance and Budget and Taxation

---

A BILL ENTITLED

1 AN ACT concerning

**2 Prohibition of State Funding to Subsidize a Football Stadium Anywhere in Maryland**

3 FOR the purpose of prohibiting the Maryland Stadium Authority from engaging in  
4 certain construction or entering into certain contracts to construct a new football  
5 stadium anywhere in the State; repealing certain authority of the Authority  
6 concerning professional football and a football stadium; prohibiting the Board of  
7 Public Works from approving the issuance of bonds for certain purposes; altering  
8 the face amount of certain bonds that may be issued for certain sports facilities at  
9 Camden Yards in Baltimore City; prohibiting State agencies from making certain  
10 expenditures; requiring the State Comptroller to transfer certain funds  
11 administered by the Authority to the State School Construction Program for certain  
12 purposes; and generally relating to the authority of the Maryland Stadium Authority  
13 and the Department of Transportation concerning professional football and a  
14 football stadium.

15 BY repealing and reenacting, with amendments,

16 Article - Financial Institutions  
17 Section 13-701(c), 13-708(b), 13-710, 13-712(a)(1), 13-712.1(1) and (4), and  
18 13-721(a)  
19 Annotated Code of Maryland  
20 (1992 Replacement Volume and 1995 Supplement)

21 BY repealing and reenacting, without amendments,

22 Article - Financial Institutions  
23 Section 13-712.1(2) and (3)  
24 Annotated Code of Maryland  
25 (1992 Replacement Volume and 1995 Supplement)

26 BY adding to

27 Article - Transportation  
28 Section 3-201.1  
29 Annotated Code of Maryland  
30 (1993 Replacement Volume and 1995 Supplement)

2

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

3 **Article - Financial Institutions**

4 13-701.

5 (c) "Sports facility" means:

6 (1) [Stadiums] A STADIUM for the primary purpose of holding  
7 [professional football games,] major league professional baseball games[, or both,] in  
8 the Baltimore metropolitan area, as defined under Regional Planning Council Law;

9 (2) Practice fields, or other areas where [professional football or] major  
10 league professional baseball teams may practice or perform;

11 (3) Offices for [professional football and] major league professional  
12 baseball teams or franchises; and

13 (4) Adjacent properties directly related to an item listed in paragraphs (1)  
14 through (3) of this section, including:

15 (i) Parking lots;

16 (ii) Garages; and

17 (iii) Other properties.

18 13-708.

19 (b) (1) An Authority sports facility may not be used to conduct professional  
20 basketball games.

21 (2) The Authority may not construct or enter into a contract to construct a  
22 sports facility other than at Camden Yards without the further approval of the General  
23 Assembly.

24 (3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE OR  
25 ANY OTHER LAW, THE AUTHORITY MAY NOT CONSTRUCT OR ENTER INTO A  
26 CONTRACT TO CONSTRUCT A NEW FOOTBALL STADIUM AT ANY LOCATION IN THE  
27 STATE, INCLUDING ANY CONSTRUCTION OR CONTRACT RELATING TO SITE  
28 ACQUISITION, SITE PREPARATION, DESIGN, INFRASTRUCTURE, AND  
29 TRANSPORTATION RELATED TO THE CONSTRUCTION OF A NEW FOOTBALL  
30 STADIUM.

31 13-710.

32 Subject to the prior approval of the Board of Public Works, which approval, if  
33 necessary, shall be renewable on an annual basis, the Authority may:

34 (1) Hold an ownership interest in, and operate, a [professional football or]  
35 major league professional baseball team or team franchise on a temporary basis, not to  
36 exceed 2 years, during a transition of the team or team franchise to private ownership;  
37 and

3

1 (2) Continue only to hold an ownership interest in a [professional football  
2 or] major league professional baseball team beyond the 2-year period.

3 13-712.

4 (a) (1) (i) Subject to the prior approval of the Board of Public Works and the  
5 provisions of [subparagraphs (ii), (iii), and (iv) of] this paragraph, the Authority may at  
6 any time and from time to time issue bonds for any corporate purpose, including the  
7 establishment of reserves and the payment of interest. In this subtitle the term "bonds"  
8 includes notes of any kind, interim certificates, refunding bonds, or any other evidence of  
9 obligation and "tax supported debt" of the State has the meaning assigned to such term in  
10 § 8-104 of the State Finance and Procurement Article.

11 (ii) 1. Unless authorized by the General Assembly, the Board of  
12 Public Works may not give approval to an issuance of bonds for sports facilities at  
13 Camden Yards which constitute tax supported debt of the State, if after issuance there  
14 would be outstanding and unpaid [\$235] MORE THAN \$155 million face amount of bonds  
15 which constitute tax supported debt of the State, whether taxable or tax exempt, for the  
16 purposes of financing site acquisition and preparation, relocation, demolition and  
17 removal, construction and related expenses for construction management, professional  
18 fees, and contingencies of A baseball [and football stadiums or a multiuse] stadium.

19 2. To exceed the following limits set forth below, the Authority  
20 shall obtain the authorization of the Board of Public Works and notify the Legislative  
21 Policy Committee with accompanying justification:

22 A. \$85 million in bonds which constitutes tax supported debt of  
23 the State for the purposes of site acquisition and preparation, relocation, demolition and  
24 removal at, and construction and related expenses for construction management,  
25 professional fees, and contingencies for Camden Yards; AND

26 B. \$70 million in bonds which constitutes tax supported debt of  
27 the State for the purposes of site work, construction and related expenses for construction  
28 management, professional fees, and contingencies of a baseball stadium[;

29 C. \$80 million in bonds which constitutes tax supported debt of  
30 the State for the purposes of site work, construction and related expenses for construction  
31 management, professional fees, and contingencies of a football stadium;and

32 D. \$195 million in bonds which constitutes tax supported debt of  
33 the State for the purposes of the site acquisition and preparation, relocation, demolition  
34 and removal, construction and related expenses for construction management,  
35 professional fees, and contingencies of a multiuse stadium].

36 (iii) Unless authorized by the General Assembly, the Board of Public  
37 Works may not give approval to an issuance by the Authority of bonds which constitute  
38 tax supported debt of the State for Baltimore Convention Center facilities if, after  
39 issuance, there would be outstanding and unpaid more than \$55 million face amount of  
40 such bonds, whether taxable or tax exempt, for the purpose of financing acquisition,  
41 construction, renovation, and related expenses for construction management,  
42 professional fees, and contingencies of Baltimore Convention Center facilities.

4

1 (iv) Unless authorized by the General Assembly, the Board of Public  
2 Works may not give approval to an issuance by the Authority of bonds that constitute tax  
3 supported debt of the State for Ocean City Convention Center facilitiesif, after issuance,  
4 there would be outstanding and unpaid more than \$17,340,000 face amountof such  
5 bonds, whether taxable or tax exempt, for the purpose of financing acquisition,  
6 construction, renovation, and related expenses for construction management,  
7 professional fees, and contingencies of Ocean City Convention Center facilities.

8 (V) THE BOARD OF PUBLIC WORKS MAY NOT APPROVE AN  
9 ISSUANCE OF BONDS UNDER THIS SUBTITLE OR ANY OTHER LAW:

10 1. TO FINANCE THE CONSTRUCTION OF A NEW FOOTBALL  
11 STADIUM AT ANY LOCATION IN THE STATE; OR

12 2. TO FINANCE ANY SITE ACQUISITION, SITE PREPARATION,  
13 DESIGN, INFRASTRUCTURE, OR TRANSPORTATION RELATED TO THE  
14 CONSTRUCTION OF A NEW FOOTBALL STADIUM.

15 13-712.1.

16 The Authority may not close on the sale of bonds which constitute tax supported  
17 debt of the State, and may not otherwise borrow money in amounts exceeding \$35,000 per  
18 year, to finance any segment of a facility unless the Authority:

19 (1) Has certified to the Legislative Policy Committee and the Board of  
20 Public Works that the Authority has endeavored to maximize private investment in the  
21 sports facility proposed to be financed and, with respect to a baseball[or football]  
22 stadium, to maximize the State's ability to assure that the professional baseball [and  
23 football franchises] FRANCHISE will remain permanently in Maryland. This certification  
24 shall be supported by a detailed report outlining these efforts;

25 (2) Has provided to the fiscal committees of the General Assembly, at least  
26 30 days prior to seeking approval of the Board of Public Works for eachbond issue or  
27 other borrowing, a comprehensive financing plan for the relevant segment of the facility  
28 and the effect of this financing plan on financing options for other segments of the  
29 facility, including anticipated revenues from private investment where applicable;

30 (3) Has obtained the approval of the Board of Public Works of the proposed  
31 bond issue and the plan for financing;

32 (4) Has secured, as approved by the Board of Public Works, [either:

33 (i) With] WITH respect to site acquisition and the construction of a  
34 baseball stadium, a long-term lease for a major league professional baseball team; [or

35 (ii) With respect to site acquisition and the constructionof a football  
36 stadium, a franchise for a National Football League team and a long-term lease;]

37 13-721.

38 (a) The Authority shall periodically meet and consult with the members of the  
39 Special Advisory Commission on Professional Sports and the Economy concerning issues  
40 relating to the economic, fiscal, and social effects of [professional football and] major

5

1 league professional baseball in Maryland, and shall work with the Commission to  
2 encourage the retention and expansion of [professional football and] major league  
3 professional baseball in Maryland.

4 **Article - Transportation**

5 3-201.1.

6 A STATE AGENCY MAY NOT EXPEND ANY FUNDS UNDER THIS SUBTITLE OR  
7 UNDER ANY OTHER LAW FOR ANY TRANSPORTATION FACILITY OR ANY OTHER  
8 INFRASTRUCTURE PROJECT FOR THE PURPOSE OF FACILITATING THE  
9 CONSTRUCTION, DEVELOPMENT, OR USE OF A NEW FOOTBALL STADIUM AT ANY  
10 LOCATION IN THE STATE.

11 SECTION 2. AND BE IT FURTHER ENACTED, That the State Comptroller  
12 shall transfer any funds administered by the Maryland Stadium Authority, which are  
13 reserved for the construction of a professional football stadium, to the operating budget  
14 of the State School Construction Program to be used for public school construction  
15 projects approved by the Board of Public Works under § 5-301 of the Education Article.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 July 1, 1996.