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

Introduced and read first time: January 31, 1996
Assigned to: Finance and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Stadium Authority - Use of Football Stadium Funds for School Construction**

3 FOR the purpose of repealing certain authority of the Maryland Stadium Authority
4 concerning professional football and a professional football stadium; altering the
5 face amount of certain bonds that may be issued for certain sports facilities;
6 prohibiting the Board of Public Works from approving the issuance of bonds for
7 certain purposes; requiring the State Comptroller to transfer certain funds
8 administered by the Authority to the State School Construction Program; providing
9 that certain transferred funds are in addition to certain other funds allocated to the
10 State School Construction Program; requiring the State Lottery Agency, in and after
11 Fiscal Year 1997, to transfer certain lottery proceeds to a special fund of the State
12 for the benefit of the State School Construction Program in and after a certain fiscal
13 year; and generally relating to the Maryland Stadium Authority and the use of
14 certain funds for certain school construction.

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 repealing and reenacting, with amendments,
27 Article - State Government
28 Section 9-120.1
29 Annotated Code of Maryland
30 (1995 Replacement Volume)

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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 SUBSECTION,
25 THIS SUBTITLE, OR ANY OTHER LAW, THE AUTHORITY MAY NOT CONSTRUCT A NEW
26 FOOTBALL STADIUM AT ANY LOCATION IN THE STATE.

27 13-710.

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

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

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

36 13-712.

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

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

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

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

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

26 C. \$80 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 football stadium;and

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

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

40 (iv) Unless authorized by the General Assembly, the Board of Public
 41 Works may not give approval to an issuance by the Authority of bonds that constitute tax
 42 supported debt of the State for Ocean City Convention Center facilities if, after issuance,
 43 there would be outstanding and unpaid more than \$17,340,000 face amount of such

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1 bonds, whether taxable or tax exempt, for the purpose of financing acquisition,
2 construction, renovation, and related expenses for construction management,
3 professional fees, and contingencies of Ocean City Convention Center facilities.

4 (V) THE BOARD OF PUBLIC WORKS MAY NOT APPROVE AN
5 ISSUANCE OF BONDS UNDER THIS SUBTITLE TO FINANCE THE CONSTRUCTION OF A
6 NEW FOOTBALL STADIUM AT ANY LOCATION IN THE STATE.

7 13-712.1.

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

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

17 (2) Has provided to the fiscal committees of the General Assembly, at least
18 30 days prior to seeking approval of the Board of Public Works for each bond issue or
19 other borrowing, a comprehensive financing plan for the relevant segment of the facility
20 and the effect of this financing plan on financing options for other segments of the
21 facility, including anticipated revenues from private investment where applicable;

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

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

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

27 (ii) With respect to site acquisition and the construction of a football
28 stadium, a franchise for a National Football League team and a long-term lease;]

29 13-721.

30 (a) The Authority shall periodically meet and consult with the members of the
31 Special Advisory Commission on Professional Sports and the Economy concerning issues
32 relating to the economic, fiscal, and social effects of [professional football and] major
33 league professional baseball in Maryland, and shall work with the Commission to
34 encourage the retention and expansion of [professional football and] major league
35 professional baseball in Maryland.

36 **Article - State Government**

37 9-120.1.

38 (a) (1) [During] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
39 DURING each fiscal year the Agency shall conduct at least 2, but no more than 4, sports

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1 lotteries for the benefit of the Maryland Stadium Authority AND THE MARYLAND
2 SCHOOL CONSTRUCTION PROGRAM.

3 (2) IN FISCAL YEAR 1997 AND IN EACH SUCCEEDING FISCAL YEAR, THE
4 AGENCY SHALL TRANSFER AT LEAST \$19 MILLION OF THE PROCEEDS THAT THE
5 AGENCY DERIVES FROM SPORTS LOTTERIES CONDUCTED UNDER PARAGRAPH (1)
6 OF THIS SUBSECTION TO A SPECIAL FUND FOR THE BENEFIT OF THE STATE SCHOOL
7 CONSTRUCTION PROGRAM FOR PUBLIC SCHOOL CONSTRUCTION PROJECTS IN
8 FISCAL YEAR 1998 AND IN EACH SUCCEEDING FISCAL YEAR, AS APPROVED BY THE
9 BOARD OF PUBLIC WORKS UNDER § 5-301 OF THE EDUCATION ARTICLE.

10 (b) In all advertising and on tickets, the Agency shall identify any lottery under
11 this section as being conducted for the benefit of the Maryland Stadium Authority AND
12 THE MARYLAND SCHOOL CONSTRUCTION PROGRAM.

13 SECTION 2. AND BE IT FURTHER ENACTED, That the State Comptroller
14 shall transfer any funds administered by the Maryland Stadium Authority, which are
15 reserved for the construction of a professional football stadium, to the General Fund for
16 inclusion in the operating budget of the State School Construction Program for Fiscal
17 Year 1998 for public school construction projects approved by the Board of Public Works
18 under § 5-301 of the Education Article.

19 SECTION 3. AND BE IT FURTHER ENACTED, That funds allocated to the
20 State School Construction Program under Section 2 of this Act are in addition to any
21 other funds allocated to the State School Construction Program for Fiscal Year 1998.

22 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 1996.