

SENATE BILL 312

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1998 Regular Session
8lr0948

By: **Senators Pinsky and Sfikas**

Introduced and read first time: February 5, 1998

Assigned to: Economic and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Public Institutions of Higher Education - Athletic Facilities - Fundraising**

3 FOR the purpose of providing that a public institution of higher education may accept
4 certain gifts, donations, bequests, endowments, or grants from certain
5 individuals in exchange for certain naming rights of athletic facilities only if the
6 donor agrees to certain conditions on the name of the athletic facility; and
7 generally relating to fundraising activities of public institutions of higher
8 education.

9 BY repealing and reenacting, with amendments,
10 Article - Education
11 Section 15-104
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 1997 Supplement)

14 **Preamble**

15 WHEREAS, Allowing a business or corporation to use its name or logo in the
16 naming of an athletic facility at a public institution of higher education in Maryland
17 would cast a shadow on the identity, prestige, and mission of the State's institutions of
18 higher education; and

19 WHEREAS, It is important that the athletic facilities at Maryland's public
20 institutions of higher education not be used as marketing techniques for corporations
21 and businesses and that sports continue to be protected from commercialization; and

22 WHEREAS, It is critical that the General Assembly act to preserve the
23 character and prominence of the State's public institutions of higher education; now,
24 therefore,

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

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Article - Education

2 15-104.

3 (a) [It] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, IT is the
4 public policy of the State that endowment funds of public institutions of higher
5 education and gifts, donations, bequests, private endowments, and private grants
6 received by public institutions of higher education or their governing boards,
7 including any income therefrom:

8 (1) Shall be used in accordance with the wishes of the donors; and

9 (2) May not be used as a substitute for State General Fund
10 appropriations.

11 (b) (1) The public institutions of higher education are encouraged to
12 promote private fundraising by strengthening institutional development activities
13 and by maintaining relationships with affiliated foundations.

14 (2) Affiliated foundations that are independently established for this
15 purpose shall operate subject to policies adopted by the governing boards and
16 approved for form and legal sufficiency by the Attorney General.

17 (3) Sections 15-501 through 15-504 of the State Government Article do
18 not bar an official or employee of a public institution of higher education from
19 becoming a director, official, or employee of an independent foundation organized to
20 foster fundraising and provide related services for the benefit of the institution.

21 (4) No funds shall be accepted from an affiliated foundation by a public
22 institution of postsecondary education unless the fiscal affairs of the affiliated
23 foundation are audited annually by an independent certified public accountant.

24 (C) A PUBLIC INSTITUTION OF HIGHER EDUCATION MAY ACCEPT A GIFT,
25 DONATION, BEQUEST, PRIVATE ENDOWMENT, OR PRIVATE GRANT IN EXCHANGE FOR
26 THE RIGHT TO NAME AN ATHLETIC FACILITY AT THE INSTITUTION ONLY IF THE
27 DONOR AGREES THAT THE NAME WILL NOT CONTAIN ANY REFERENCE TO OR LOGO
28 OF A CORPORATION OR OTHER COMMERCIAL OR BUSINESS INTEREST.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 1998.