

HOUSE BILL 129

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1999 Regular Session  
(9r0092)

*ENROLLED BILL*  
*-- Appropriations/Budget and Taxation --*

Introduced by **Chairman, Appropriations Committee (Departmental - Morgan State University)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Morgan State University and St. Mary's College of Maryland - Auxiliary and**  
3 **Academic Facilities Bonding Authority**

4 FOR the purpose of increasing the bonding authority of Morgan State University for  
5 the acquisition, development, and improvement of facilities including the  
6 development of auxiliary facilities for Morgan State University; approving the  
7 issuance of bonds by Morgan State University for financing a certain project,  
8 subject to certain requirements relating to review and comment by the General  
9 Assembly; increasing the bonding authority of St. Mary's College of Maryland for  
10 the acquisition, development, and improvement of auxiliary and academic  
11 facilities for the College; and generally relating to Morgan State University and  
12 St. Mary's College of Maryland.

13 BY repealing and reenacting, with amendments,  
14 Article - Education  
15 Section 19-102

1 Annotated Code of Maryland  
2 (1997 Replacement Volume and 1998 Supplement)

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

5 **Article - Education**

6 19-102.

7 (a) In order to provide auxiliary and academic facilities a system may:

8 (1) Acquire, construct, reconstruct, equip, maintain, repair, renovate,  
9 and operate auxiliary and academic facilities at any of its campuses or locations, now  
10 existing or hereafter acquired;

11 (2) (i) Issue bonds for the purpose of financing or refinancing all or  
12 any part of the costs of any 1 or more projects of a system, including any project  
13 previously financed by a system or any predecessor; or

14 (ii) Issue bonds for the purpose of acquiring any auxiliary facility or  
15 academic facility previously financed through a capital lease with a system or any  
16 predecessor;

17 (3) Establish 1 or more trust funds for the deposit of the proceeds of the  
18 bonds of any issue and retain the interest revenue or other investment income  
19 thereon to be applied to the costs of any project, but shall maintain separate accounts  
20 within any such trust funds for auxiliary facilities and for academic facilities;

21 (4) Fix, revise, charge, and collect auxiliary facilities fees and academic  
22 fees and pledge all or any part of such auxiliary facilities fees and academic fees as  
23 security for bonds issued for auxiliary and academic facilities by a system;

24 (5) Establish 1 or more trust funds for the deposit of any auxiliary  
25 facilities fees and academic fees which may be imposed pursuant to this subtitle, and  
26 retain the interest revenue or other investment income thereon, for the purpose of  
27 acquiring, constructing, reconstructing, renovating, equipping, maintaining,  
28 repairing, and operating auxiliary and academic facilities;

29 (6) Acquire, hold, and dispose of real and personal property in the  
30 exercise of its powers and the performance of its duties under this title;

31 (7) Enter into all contracts and agreements necessary or incidental to  
32 the performance of its duties and the execution of its powers under this title, and  
33 employ consulting engineers, architects, attorneys, construction and financial  
34 experts, and other employees and agents as may be necessary, and fix their  
35 compensation;

36 (8) Receive and accept from the United States of America or any agency  
37 thereof grants and loans for the purpose of financing or refinancing all or any part of

1 the costs of any 1 or more projects, and receive and accept aid or contributions from  
2 any sources of money, property, labor, or other things of value, to be held, used, and  
3 applied for the purposes for which such grants and contributions were made; and

4 (9) Do all acts and things necessary or convenient to carry out the  
5 powers expressly granted by the provisions of this title.

6 (b) A system may not pledge all or any part of the revenues received from:

7 (1) A State appropriation;

8 (2) Contracts, grants, or gifts received or to be received by a system,  
9 other than contracts for tuition, student fees, activity fees, or auxiliary facilities fees;  
10 or

11 (3) Any other source not expressly authorized by the General Assembly.

12 (c) (1) Except as provided in paragraph (3) of this subsection, the aggregate  
13 principal amount of bonds outstanding and the present value of capital lease  
14 payments, less the amount of any reserve fund or sinking fund requirement  
15 established for the bonds or capital leases, may not exceed, as of the date of issue of  
16 the bonds, the following:

17 (i) \$750,000,000 for the University System of Maryland;

18 (ii) [~~\$40,000,000~~] \$65,000,000 for Morgan State University;

19 (iii) [~~\$25,000,000~~] \$45,000,000 for St. Mary's College of Maryland;  
20 and

21 (iv) \$15,000,000 for Baltimore City Community College.

22 (2) Bonds outstanding do not include:

23 (i) Bonds previously issued by a system or any predecessor that are  
24 to be refunded, but only:

25 1. To the extent of any outstanding principal on the bonds  
26 that are being refunded; and

27 2. If an escrow or other similar arrangement has been made  
28 and held by the State Treasurer, a bank, or a trust company for the payment of such  
29 bonds, whether or not redeemed; or

30 (ii) Borrowings pursuant to § 12-105(c) of this article, except to the  
31 extent that such borrowings are subject to a financing agreement the term of which is  
32 for more than 5 years for the acquisition of the personal property.

33 (3) Notwithstanding any other provision in this subsection, the  
34 Baltimore City Community College may issue bonds only for the purpose of financing  
35 auxiliary facilities.

1 (d) (1) A system may not issue bonds for the purpose of financing all or any  
2 part of the costs of any academic facility or facilities until the General Assembly has  
3 approved in an act the:

4 (i) Project or projects for any academic facility or facilities; and

5 (ii) Maximum principal amount of bonds a system may issue in  
6 connection with such project or projects for any academic facility or facilities.

7 (2) The General Assembly's approval shall expressly authorize the  
8 project or projects for any academic facility or facilities and the maximum principal  
9 amount of bonds a system may issue in connection with such project or projects for  
10 the academic facility or facilities.

11 (3) Without the approval of the General Assembly, a system may issue  
12 bonds to refinance all or any part of the costs of any project for any academic facility  
13 or facilities for which a system previously issued bonds under the authority of this  
14 section.

15 (4) (i) Any bonds issued under the requirements of this subsection  
16 shall mature at such times not exceeding the useful life of the project for which the  
17 bonds are issued, but not later than 21 years after their respective dates of issue, as  
18 may be determined by a system.

19 (ii) Any bonds issued in accordance with paragraph (3) of this  
20 subsection shall mature at such times as may be determined by a system, but not  
21 later than 21 years after the date of issue of the bonds that were originally issued for  
22 the academic facility or facilities authorized under the requirements of this  
23 subsection.

24 (e) (1) A system shall maintain records identifying the sources and amounts  
25 of payments used to support:

26 (i) The auxiliary facilities; and

27 (ii) The academic facilities authorized under the requirements of  
28 this subtitle.

29 (2) A system shall report:

30 (i) By September 1 to the Board of Public Works and, subject to §  
31 2-1246 of the State Government Article, to the Department of Legislative Services,  
32 the information for the prior fiscal year required under paragraph (1) of this  
33 subsection; and

34 (ii) By December 1, subject to § 2-1246 of the State Government  
35 Article, to the Department of Legislative Services, the anticipated sources and  
36 amounts of payments required for the next fiscal year for:

37 1. Auxiliary facilities; and

1   2.             Academic facilities authorized under the requirements of  
2 this subtitle.

3             SECTION 2. AND BE IT FURTHER ENACTED, That, in accordance with  
4 Title 19 of the Education Article, the fine arts center, Morgan State University is  
5 hereby approved as a project for an academic facility and Morgan State University  
6 may issue, sell, and deliver bonds in the total principal amount of ~~\$3,000,000~~  
7 \$4,000,000 for the purposes of financing the cost of this project.

8             SECTION 3. AND BE IT FURTHER ENACTED, That bonds may not be  
9 issued for a new student center until Morgan State University submits a project plan  
10 to the budget committees of the General Assembly and 45 days have elapsed to allow  
11 the committees an opportunity to review and comment on the plan.

12             SECTION ~~3.~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
13 effect July 1, 1999.