
By: **Chairman, Appropriations Committee (Departmental - Morgan State University)**

Introduced and read first time: January 27, 1999

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Morgan State University - Auxiliary and Academic Facilities Bonding**
3 **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 and generally relating to Morgan State University.

9 BY repealing and reenacting, with amendments,
10 Article - Education
11 Section 19-102
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 1998 Supplement)

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

16 **Article - Education**

17 19-102.

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

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

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

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

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

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

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

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

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

20 (8) Receive and accept from the United States of America or any agency
21 thereof grants and loans for the purpose of financing or refinancing all or any part of
22 the costs of any 1 or more projects, and receive and accept aid or contributions from
23 any sources of money, property, labor, or other things of value, to be held, used, and
24 applied for the purposes for which such grants and contributions were made; and

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

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

28 (1) A State appropriation;

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

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

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

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

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

2 (iii) \$25,000,000 for St. Mary's College of Maryland; and

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

4 (2) Bonds outstanding do not include:

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (i) The auxiliary facilities; and

9 (ii) The academic facilities authorized under the requirements of
10 this subtitle.

11 (2) A system shall report:

12 (i) By September 1 to the Board of Public Works and, subject to §
13 2-1246 of the State Government Article, to the Department of Legislative Services,
14 the information for the prior fiscal year required under paragraph (1) of this
15 subsection; and

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

19 1. Auxiliary facilities; and

20 2. Academic facilities authorized under the requirements of
21 this subtitle.

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

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
28 effect July 1, 1999.