
By: **Chairman, Rules and Executive Nominations Committee**
(Departmental - Stadium Authority)

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Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 25, 2000

CHAPTER _____

1 AN ACT concerning

2 **Maryland Stadium Authority - Montgomery County Conference Center**

3 FOR the purpose of increasing the authorized bond issuance by the Maryland
4 Stadium Authority and the contributions of the Maryland Stadium Authority
5 and Montgomery County toward financing acquisition, construction, and related
6 expenses for construction management, professional fees, and contingencies of
7 the Montgomery County Conference Center in order to account for the
8 additional \$6 million in construction costs due to the passage of time since the
9 original authorization.

10 BY repealing and reenacting, with amendments,
11 Article - Financial Institutions
12 Section 13-712(a) and 13-712.1(7)
13 Annotated Code of Maryland
14 (1998 Replacement Volume and 1999 Supplement)

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

17 **Article - Financial Institutions**

18 13-712.

19 (a) (1) (i) Subject to the prior approval of the Board of Public Works and
20 the provisions of subparagraphs (ii), (iii), (iv), and (v) of this paragraph, the Authority
21 may at any time and from time to time issue bonds for any corporate purpose,

1 including the establishment of reserves and the payment of interest. In this subtitle
2 the term "bonds" includes notes of any kind, interim certificates, refunding bonds, or
3 any other evidence of obligation and "tax supported debt" of the State has the
4 meaning assigned to such term in § 8-104 of the State Finance and Procurement
5 Article.

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

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

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

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

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

29 D. \$195 million in bonds which constitutes tax supported
30 debt of the State for the purposes of the site acquisition and preparation, relocation,
31 demolition and removal, construction and related expenses for construction
32 management, 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
35 constitute tax supported debt of the State for Baltimore Convention Center facilities
36 if, after issuance, there would be outstanding and unpaid more than \$55 million face
37 amount of such bonds, whether taxable or tax exempt, for the purpose of financing
38 acquisition, construction, renovation, and related expenses for construction
39 management, professional fees, and contingencies of Baltimore Convention Center
40 facilities.

41 (iv) Unless authorized by the General Assembly, the Board of Public
42 Works may not give approval to an issuance by the Authority of bonds that constitute

1 tax supported debt of the State for Ocean City Convention Center facilities if, after
2 issuance, there would be outstanding and unpaid more than \$17,340,000 face amount
3 of such bonds, whether taxable or tax exempt, for the purpose of financing
4 acquisition, construction, renovation, and related expenses for construction
5 management, professional fees, and contingencies of Ocean City Convention Center
6 facilities.

7 (v) Unless authorized by the General Assembly, the Board of Public
8 Works may not give approval to an issuance by the Authority of bonds that constitute
9 tax supported debt of the State for the Montgomery County Conference Center facility
10 if, after issuance, there would be outstanding and unpaid more than [\$17,604,000]
11 \$23,185,000 face amount of such bonds, whether taxable or tax exempt, for the purpose
12 of financing acquisition, construction, and related expenses for construction
13 management, professional fees, and contingencies of the Montgomery County
14 Conference Center.

15 (2) The bonds of any issue shall be payable solely from the property or
16 receipts of the Authority, including, without limitation:

17 (i) Taxes, fees, charges, or other revenues payable to the Authority;

18 (ii) Payments by financial institutions, insurance companies, or
19 others pursuant to letters or lines of credit, policies of insurance, or purchase
20 agreements;

21 (iii) Investment earnings from funds or accounts maintained
22 pursuant to a bond resolution or trust agreement;

23 (iv) Proceeds of refunding bonds; and

24 (v) Any other source authorized by law.

25 (3) Bonds shall be authorized by a resolution of the Authority and may
26 be secured by a trust agreement by and between the Authority and a corporate
27 trustee or trustees, which may be any trust company or bank having the powers of a
28 trust company within or without the State. Bonds shall:

29 (i) Be issued at, above, or below par value, for cash or other
30 valuable consideration, and mature at a time or times, whether as serial bonds or as
31 term bonds or both, not exceeding 40 years from their respective dates of issue;

32 (ii) Bear interest at the fixed or variable rate or rates determined
33 by the method provided in the resolution or trust agreement;

34 (iii) Be payable at a time or times, in the denominations and form,
35 either coupon or registered or both, and carry the registration and privileges as to
36 conversion and for the replacement of mutilated, lost, or destroyed bonds as the
37 resolution or trust agreement may provide;

1 (iv) Be deemed a "security" within the meaning of § 8-102 of the
2 Commercial Law Article of the Code, whether or not it is either one of a class or series
3 or by its terms is divisible into a class or series of instruments and negotiable for all
4 purposes although payable from a limited source, notwithstanding any other law;

5 (v) Be payable in lawful money of the United States at a designated
6 place;

7 (vi) Be subject to the terms of purchase, payment, redemption,
8 refunding, or refinancing that the resolution or trust agreement provides;

9 (vii) Be executed by the manual or facsimile signatures of the
10 officers of the Authority designated by the Authority which signatures shall be valid
11 at delivery even for one who has ceased to hold office; and

12 (viii) Be sold in the manner and upon the terms determined by the
13 Authority including private (negotiated) sale and be exempt from the provisions of §§
14 8-206 and 8-208 of the State Finance and Procurement Article.

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
18 per year, to finance any segment of a facility unless the Authority:

19 (7) With respect to site acquisition and construction of the Montgomery
20 County Conference Center facility, has secured, as approved by the Board of Public
21 Works:

22 (i) A lease or other written agreement with Montgomery County
23 pursuant to which:

24 1. Montgomery County agrees to contribute [\$10,196,000]
25 \$13,196,000 for the capital costs of construction of the Montgomery County Conference
26 Center not later than the date of the Authority's bond issuance as authorized under §
27 13-712 (a)(1) of this subtitle;

28 2. The Authority agrees to issue bonds as authorized under §
29 13-712(a)(1) of this subtitle and to contribute [\$17,304,000] \$20,304,000 of the
30 proceeds from the sale of the bonds for the capital costs of the construction of the
31 Montgomery County Conference Center;

32 3. Montgomery County and the Authority agree that if the
33 actual capital costs for the construction of the Montgomery County Conference Center
34 are less than ~~\$27,500,000~~ \$33,500,000, the savings will be allocated:

35 A. One-half to the Authority; and

36 B. One-half to Montgomery County;

1 C. I. Require Montgomery County to be solely responsible
2 for all expenditures relating to the operation of the Conference Center facilities,
3 including net operating deficits (the amount by which expenditures exceed revenues)
4 that may be incurred; and

5 II. Allow Montgomery County to keep all operating profits
6 resulting from the operation of the Montgomery County Conference Center for all
7 years; and

8 D. Provide for remedies upon default which include the right
9 of the Authority, in the event of a material default by Montgomery County which has
10 not been corrected after a reasonable notice and cure period, to immediately assume
11 responsibility for maintenance and repairs of the Montgomery County Conference
12 Center facility and offset the costs of such maintenance and repairs against other
13 amounts owed by the Authority to Montgomery County, whether under the operating
14 agreement with Montgomery County or otherwise;

15 (iv) An agreement between Montgomery County and the Authority
16 for the Authority to select through a cooperative procurement agreement one or more
17 contractors to develop, design, construct, operate, and manage the Montgomery
18 County Conference Center facilities during the period that the Authority's
19 Montgomery County Conference Center facilities bonds are outstanding;

20 (v) An agreement between Montgomery County and the Authority
21 that may allow for the establishment of a board of directors to manage the
22 Montgomery County Conference Center, that provides that the board of directors may
23 include representatives of the Authority, Montgomery County, the private developer,
24 and the community, and that provides that unless action is taken to create a joint
25 venture, corporation, or other legal entity, the board of directors is not a separate
26 legal entity; and

27 (vi) An agreement among Montgomery County, the Authority, and a
28 private developer for the acquisition, construction, and operation of a hotel adjacent
29 to the Montgomery County Conference Center and providing for a capital
30 commitment from such developer for such hotel and, as appropriate, shared facilities.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
32 effect July 1, 2000.