

SENATE BILL 159

C8, F5

9lr0152
CF 9lr0153

By: **The President (By Request – Administration) and Senators Bailey, Carozza, Cassilly, Eckardt, Edwards, Gallion, Hershey, Hough, Jennings, Salling, Serafini, and West**

Introduced and read first time: January 21, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Building Opportunity Act of 2019**

3 FOR the purpose of authorizing the Maryland Stadium Authority to issue bonds to finance
4 the construction of or improvements to certain public school facilities subject to
5 certain limitations; specifying that certain expenses incurred by the Authority are
6 payable only from certain funds; specifying that certain bonds issued under this Act
7 are a limited obligation of the Authority payable solely from certain pledged money
8 and are not a debt, liability, moral obligation, or pledge of the faith and credit or
9 taxing power of the State, the Authority, or any other governmental unit; requiring
10 the Authority to obtain approval from the Board of Public Works before each issuance
11 of bonds to finance improvements to public school facilities; requiring the
12 Comptroller to deposit a certain amount into a certain fund until a certain condition
13 is met; requiring the Authority to transfer certain funds under certain
14 circumstances; authorizing the Authority to transfer certain funds under certain
15 circumstances; requiring county boards of education to take certain actions in
16 connection with improvements to public school facilities; providing for the payment
17 of certain costs; requiring the Authority to submit a certain annual report on or
18 before a certain date; requiring the Interagency Commission on School Construction
19 to provide certain recommendations regarding projects to be funded from a certain
20 fund; requiring the Authority to take certain actions related to public school facility
21 projects; establishing the Building Opportunity Financing Fund and the Building
22 Opportunity Facilities Fund as continuing, nonlapsing funds; specifying the contents
23 of the funds and providing for the uses of the funds; exempting the funds from a
24 certain provision of law requiring interest on State money in special funds to accrue
25 to the General Fund of the State; limiting the amount of debt that may be issued by
26 the Authority to finance certain public school facilities projects; providing that money
27 deposited in a certain fund may be used as security for a bond issue; requiring money
28 in the Education Trust Fund to be used to make a deposit equal to a certain amount
29 to a certain fund under certain circumstances; defining certain terms; altering

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain definitions; making a stylistic change; providing for a delayed effective date
2 for a certain provision of this Act; and generally relating to public school facilities
3 projects in the State.

4 BY repealing and reenacting, with amendments,
5 Article – Economic Development
6 Section 10–601, 10–620(e) and (f), 10–628(c), 10–634, and 10–658
7 Annotated Code of Maryland
8 (2018 Replacement Volume)

9 BY adding to
10 Article – Economic Development
11 Section 10–649, 10–650, 10–658, and 10–658.1
12 Annotated Code of Maryland
13 (2018 Replacement Volume)

14 BY repealing and reenacting, without amendments,
15 Article – State Finance and Procurement
16 Section 6–226(a)(2)(i)
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2018 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – State Finance and Procurement
21 Section 6–226(a)(2)(ii)112. and 113.
22 Annotated Code of Maryland
23 (2015 Replacement Volume and 2018 Supplement)

24 BY adding to
25 Article – State Finance and Procurement
26 Section 6–226(a)(2)(ii)114. and 115.
27 Annotated Code of Maryland
28 (2015 Replacement Volume and 2018 Supplement)

29 BY repealing and reenacting, with amendments,
30 Article – State Government
31 Section 9–1A–30
32 Annotated Code of Maryland
33 (2014 Replacement Volume and 2018 Supplement)

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

36 **Article – Economic Development**

37 10–601.

1 (a) In this subtitle the following words have the meanings indicated.

2 (b) “Authority” means the Maryland Stadium Authority.

3 (c) “Authority affiliate” means a for-profit or nonprofit entity in which the
4 Authority directly or indirectly owns any membership interest or equity interest.

5 (d) “Baltimore City” means, as the context requires:

6 (1) the geographic area of the City of Baltimore; or

7 (2) the Mayor and City Council of Baltimore.

8 (e) “Baltimore City Board of School Commissioners” means the Baltimore City
9 Board of School Commissioners of the Baltimore City Public School System established
10 under § 3–108.1 of the Education Article.

11 (f) “Baltimore City Public School Construction Facilities Fund” means the
12 Baltimore City Public School Construction Facilities Fund established under §
13 10–657 of this subtitle.

14 (g) “Baltimore City Public School Construction Financing Fund” means the
15 Baltimore City Public School Construction Financing Fund established under §
16 10–656 of this subtitle.

17 (h) “Baltimore City public school facility” means a property primarily used for
18 educational instruction that:

19 (1) is held in trust by Baltimore City or the Baltimore City Board of School
20 Commissioners for the benefit of the Baltimore City Public School System; and

21 (2) is designated for improvement under the memorandum of
22 understanding between the Authority, Baltimore City, the Baltimore City Board of School
23 Commissioners, and the Interagency [Committee] COMMISSION on School Construction
24 entered into in accordance with § 10–646 of this subtitle.

25 (i) “Baltimore City public school site” means the site of any Baltimore City public
26 school facility.

27 (j) (1) “Baltimore Convention facility” means:

28 (i) a convention center, trade show facility, meeting hall, or other
29 structure in Baltimore City used to hold conventions, trade shows, meetings, displays, or
30 similar events; and

31 (ii) offices, parking lots or garages, access roads, hotels, restaurants,
32 railroad sidings, and any other structures, improvements, equipment, furnishings, or other

1 property functionally related to the facilities described in item (i) of this paragraph.

2 (2) “Baltimore Convention facility” includes the following, if used, useful,
3 or usable in the future as, or in connection with, a Baltimore Convention facility:

4 (i) land, structures, equipment, property, property rights, property
5 appurtenances, rights-of-way, franchises, easements, and other interests in land;

6 (ii) land and facilities that are functionally related to a Baltimore
7 Convention facility; and

8 (iii) patents, licenses, and other rights necessary or useful to
9 construct or operate a Baltimore Convention facility.

10 (k) “Baltimore Convention Fund” means the Baltimore Convention Financing
11 Fund established under § 10–651 of this subtitle.

12 (l) “Baltimore Convention site” means the site of the Baltimore Convention
13 Center located in Baltimore City at the address generally known as 1 West Pratt Street,
14 identified in the State Department of Assessments and Taxation Real Property database
15 as tax identification number Ward 22, Section 01, Block 0682, Lots 001 and 001A.

16 (m) “Bond” includes a note, an interim certificate, refunding bond, and any other
17 evidence of obligation issued under this subtitle.

18 **(N) “BUILDING OPPORTUNITY FACILITIES FUND” MEANS THE BUILDING**
19 **OPPORTUNITY FACILITIES FUND ESTABLISHED UNDER § 10–658.1 OF THIS**
20 **SUBTITLE.**

21 **(O) “BUILDING OPPORTUNITY FINANCING FUND” MEANS THE BUILDING**
22 **OPPORTUNITY FINANCING FUND ESTABLISHED UNDER § 10–658 OF THIS SUBTITLE.**

23 [(n)] **(P)** “Camden Yards” means the area comprising approximately 85 acres in
24 Baltimore City bounded by Camden Street on the north, Russell Street on the west, Ostend
25 Street on the south, and Howard Street and Interstate 395 on the east.

26 [(o)] **(Q)** “Camden Yards Fund” means the Camden Yards Financing Fund
27 established under § 10–652 of this subtitle.

28 [(p)] **(R)** “Convention facility” means the Baltimore Convention facility, the
29 Montgomery County Conference facility, and the Ocean City Convention facility.

30 [(q)] **(S) “COUNTY BOARD OF EDUCATION” MEANS THE BOARD OF**
31 **EDUCATION OF A COUNTY AND INCLUDES THE BALTIMORE CITY BOARD OF SCHOOL**
32 **COMMISSIONERS.**

1 **(T)** “Facility” means:

2 (1) a structure or other improvement developed at Camden Yards;

3 (2) a convention facility;

4 (3) the Hippodrome Performing Arts facility;

5 (4) a sports facility; [or]

6 (5) a Baltimore City public school facility; **OR**

7 **(6) A PUBLIC SCHOOL FACILITY.**

8 **[(r)] (U)** “Governmental unit” means a county, a municipal corporation, a unit
9 of State or local government, or any other public body created under State or local law.

10 **[(s)] (V)** (1) “Hippodrome Performing Arts facility” means the performing
11 arts center facility located at the Hippodrome Performing Arts site.

12 (2) “Hippodrome Performing Arts facility” includes, at the Hippodrome
13 Performing Arts site:

14 (i) the Hippodrome theater and offices;

15 (ii) food service facilities; and

16 (iii) any other functionally related property, structures,
17 improvements, furnishings, or equipment.

18 **[(t)] (W)** “Hippodrome Performing Arts Fund” means the Hippodrome
19 Performing Arts Financing Fund established under § 10–653 of this subtitle.

20 **[(u)] (X)** “Hippodrome Performing Arts site” means the site of the
21 France–Merrick Performing Arts Center located in Baltimore City at the address generally
22 known as:

23 (1) 12 North Eutaw Street Building, identified in the State Department of
24 Assessments and Taxation Real Property database as tax identification number Ward 04,
25 Section 08, Block 0631, Lot 001; and

26 (2) 401 West Fayette Street, identified in the State Department of
27 Assessments and Taxation Real Property database as tax identification number Ward 04,
28 Section 08, Block 0631, Lot 013.

29 **[(v)] (Y)** “Improve” means to add, alter, construct, equip, expand, extend,

1 improve, install, reconstruct, rehabilitate, remodel, or repair.

2 **[(w)] (Z)** “Improvement” means addition, alteration, construction, equipping,
3 expansion, extension, improvement, installation, reconstruction, rehabilitation,
4 remodeling, or repair.

5 **[(x)] (AA)** “Montgomery County” includes the Montgomery County Revenue
6 Authority.

7 **[(y)] (BB)** (1) “Montgomery County Conference facility” means the Conference
8 Center facility located at the Montgomery County Conference site used for conferences,
9 trade shows, meetings, displays, or similar events.

10 (2) “Montgomery County Conference facility” includes, at the Montgomery
11 County Conference site, offices, parking lots and garages, access roads, food service
12 facilities, and other functionally related property, structures, improvements, furnishings, or
13 equipment.

14 (3) “Montgomery County Conference facility” does not include the privately
15 owned hotel adjacent to the Montgomery County Conference Center.

16 **[(z)] (CC)** “Montgomery County Conference Fund” means the Montgomery
17 County Conference Financing Fund established under § 10–654 of this subtitle.

18 **[(aa)] (DD)** “Montgomery County Conference site” means the site of the
19 Montgomery County Conference Center located in Rockville at the address generally
20 known as 5701 Marinelli Road, identified in the State Department of Assessments and
21 Taxation Real Property database as tax identification number District 04, Account Number
22 03392987.

23 **[(bb)] (EE)** (1) “Ocean City Convention facility” means:

24 (i) a convention center, trade show facility, meeting hall, or other
25 structure in Ocean City used to hold conventions, trade shows, meetings, displays, or
26 similar events; and

27 (ii) offices, parking lots or garages, access roads, food service
28 facilities, and any other structures, improvements, equipment, furnishings, or other
29 property functionally related to the facilities described in item (i) of this paragraph.

30 (2) “Ocean City Convention facility” includes the following, if used, useful,
31 or usable in the future as, or in connection with, an Ocean City Convention facility:

32 (i) land, structures, equipment, property, property rights, property
33 appurtenances, rights-of-way, franchises, easements, and other interests in land;

1 (ii) land and facilities that are functionally related to an Ocean City
2 Convention facility; and

3 (iii) patents, licenses, and other rights necessary or useful to
4 construct or operate an Ocean City Convention facility.

5 **[(cc)] (FF)** “Ocean City Convention Fund” means the Ocean City Convention
6 Financing Fund established under § 10–655 of this subtitle.

7 **[(dd)] (GG)** “Ocean City Convention site” means the site of the Ocean City
8 Convention Center located in Ocean City at the address generally known as 4001 Coastal
9 Highway, identified in the State Department of Assessments and Taxation Real Property
10 database as tax identification numbers District 10, Account Number 055237; District 10,
11 Account Number 066301; District 10, Account Number 247942; and District 10, Account
12 Number 280346.

13 **(HH) “PUBLIC SCHOOL FACILITY” MEANS A BUILDING, A PARKING FACILITY,
14 AN ATHLETIC FACILITY, A TESTING FACILITY, OR ANY OTHER FACILITY RELATED TO
15 EDUCATIONAL INSTRUCTION THAT:**

16 **(1) IS HELD IN TRUST BY A COUNTY BOARD OF EDUCATION FOR THE
17 BENEFIT OF THE COUNTY PUBLIC SCHOOL SYSTEM; AND**

18 **(2) IS DESIGNATED FOR IMPROVEMENT UNDER THE MEMORANDUM
19 OF UNDERSTANDING BETWEEN THE AUTHORITY, THE COUNTY, THE COUNTY BOARD
20 OF EDUCATION, AND THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION
21 ENTERED INTO IN ACCORDANCE WITH § 10–650 OF THIS SUBTITLE.**

22 **(II) “PUBLIC SCHOOL SITE” MEANS THE SITE OF ANY PUBLIC SCHOOL
23 FACILITY IN THE STATE.**

24 **[(ee)] (JJ)** (1) “Sports facility” means:

25 (i) a stadium primarily for professional football, major league
26 professional baseball, or both, in the Baltimore metropolitan region, as defined in § 13–301
27 of this article;

28 (ii) practice fields or other areas where professional football or major
29 league professional baseball teams practice or perform; and

30 (iii) offices for professional football and major league professional
31 baseball teams or franchises.

32 (2) “Sports facility” includes parking lots, garages, and any other property
33 adjacent and directly related to an item listed in paragraph (1) of this subsection.

1 **[(ff)] (KK)** “Tax supported debt” has the meaning stated in § 8–104 of the State
2 Finance and Procurement Article.

3 10–620.

4 (e) (1) This subsection does not apply to the Camden Yards site, Baltimore
5 Convention site, Ocean City Convention site, Hippodrome Performing Arts site, **[or]** any
6 Baltimore City public school site, **OR ANY PUBLIC SCHOOL SITE.**

7 (2) The Authority and any Authority affiliate is subject to applicable
8 planning, zoning, and development regulations to the same extent as a private commercial
9 or industrial enterprise.

10 (f) The Authority shall:

11 (1) in cooperation with Baltimore City, appoint a task force that includes
12 residents and business and institutional representatives from the area adjacent to Camden
13 Yards to review the schematic, preliminary, and final plans for facilities at Camden Yards;

14 (2) submit schematic plans for development of Camden Yards and the
15 Baltimore Convention site to Baltimore City for review and comment before acquiring any
16 property;

17 (3) with respect to Camden Yards, the Baltimore Convention facility, and
18 the Hippodrome Performing Arts facility, submit preliminary and final plans to Baltimore
19 City for review and comment;

20 (4) with respect to Camden Yards, the Baltimore Convention facility, and
21 the Hippodrome Performing Arts facility, participate in the design review processes of
22 Baltimore City; **[and]**

23 (5) with respect to a Baltimore City public school facility, perform the
24 actions required under §§ 10–645, 10–646, 10–656, and 10–657 of this subtitle; **AND**

25 **(6) WITH RESPECT TO A PUBLIC SCHOOL FACILITY, PERFORM THE**
26 **ACTIONS REQUIRED UNDER §§ 10–649, 10–650, 10–658, AND 10–658.1 OF THIS**
27 **SUBTITLE.**

28 10–628.

29 (c) (1) Unless authorized by the General Assembly, the Board of Public Works
30 may not approve an issuance by the Authority of bonds, whether taxable or tax exempt,
31 that constitute tax supported debt or nontax supported debt if, after issuance, there would
32 be outstanding and unpaid more than the following face amounts of the bonds for the
33 purpose of financing acquisition, **IMPROVEMENTS INCLUDING** construction~~[,]~~ **AND**

1 renovation, and related expenses for construction management, professional fees, and
2 contingencies in connection with:

- 3 (i) the Baltimore Convention facility — \$55,000,000;
- 4 (ii) the Hippodrome Performing Arts facility — \$20,250,000;
- 5 (iii) the Montgomery County Conference facility — \$23,185,000;
- 6 (iv) the Ocean City Convention facility — \$17,340,000; [and]
- 7 (v) Baltimore City public school facilities — \$1,100,000,000;

8 **AND**

9 (VI) PUBLIC SCHOOL FACILITIES IN THE STATE
10 — \$1,800,000,000.

11 (2) (i) The limitation under paragraph (1)(i) of this subsection applies
12 to the aggregate principal amount of bonds outstanding as of June 30 of any year.

13 (ii) Refunded bonds may not be included in the determination of an
14 outstanding aggregate amount under this paragraph.

15 10-634.

16 (a) A pledge by the Authority of revenues or money deposited in the Baltimore
17 City Public School Construction Financing Fund **OR THE BUILDING OPPORTUNITY**
18 **FINANCING FUND** as security for an issue of bonds is valid and binding from when the
19 pledge is made.

20 (b) (1) The revenues or money deposited in the Baltimore City Public School
21 Construction Financing Fund **OR THE BUILDING OPPORTUNITY FINANCING FUND**
22 that are pledged are immediately subject to the lien of the pledge without any physical
23 delivery or further act.

24 (2) The lien of any pledge is valid and binding against any person having a
25 claim against the Authority in tort, contract, or otherwise, regardless of whether the person
26 has notice of the lien.

27 (c) Notwithstanding any other provision of law, in order to perfect a lien on
28 pledged revenues or money deposited in the Baltimore City Public School Construction
29 Financing Fund **OR THE BUILDING OPPORTUNITY FINANCING FUND** against a third
30 person, it is not necessary to file or record any document adopted or entered into by the
31 Authority in any public record other than in the records of the Authority.

1 **10-649.**

2 (A) (1) THE AUTHORITY MAY NOT USE ANY CURRENT SOURCES OF
3 FUNDS, WHETHER APPROPRIATED OR NONBUDGETED, TO PAY FOR ANY COSTS OR
4 EXPENSES RELATED TO FINANCING PUBLIC SCHOOL FACILITIES.

5 (2) THE SOLE SOURCE OF PAYMENT FOR ANY COSTS OR EXPENSES
6 RELATED TO FINANCING PUBLIC SCHOOL FACILITIES SHALL BE THE MONEY ON
7 DEPOSIT IN THE BUILDING OPPORTUNITY FACILITIES FUND AND THE BUILDING
8 OPPORTUNITY FINANCING FUND AND BOND PROCEEDS HELD UNDER A TRUST
9 AGREEMENT.

10 (B) AT LEAST 45 DAYS BEFORE SEEKING APPROVAL OF THE BOARD OF
11 PUBLIC WORKS FOR EACH PUBLIC SCHOOL FACILITIES BOND ISSUE, THE
12 AUTHORITY SHALL PROVIDE TO THE FISCAL COMMITTEES OF THE GENERAL
13 ASSEMBLY WRITTEN NOTICE OF:

14 (1) THE AGGREGATE AMOUNT OF FUNDS NEEDED FOR THE PUBLIC
15 SCHOOL FACILITIES TO BE FINANCED WITH THE PROPOSED BONDS;

16 (2) A LIST OF THE PUBLIC SCHOOL FACILITIES TO BE CONSTRUCTED
17 OR RENOVATED;

18 (3) THE ANTICIPATED TOTAL DEBT SERVICE FOR THE PROPOSED
19 BOND ISSUE; AND

20 (4) THE ANTICIPATED TOTAL DEBT SERVICE WHEN COMBINED WITH
21 THE DEBT SERVICE FOR ALL PRIOR OUTSTANDING BOND ISSUES FOR PUBLIC
22 SCHOOL FACILITIES.

23 (C) (1) A BOND ISSUED TO FINANCE IMPROVEMENTS, CONSTRUCTION, OR
24 RENOVATIONS TO A PUBLIC SCHOOL FACILITY:

25 (I) IS A LIMITED OBLIGATION OF THE AUTHORITY PAYABLE
26 SOLELY FROM MONEY PLEDGED BY THE AUTHORITY TO THE PAYMENT OF THE
27 PRINCIPAL OF AND THE PREMIUM AND INTEREST ON THE BOND OR MONEY MADE
28 AVAILABLE TO THE AUTHORITY FOR THAT PURPOSE;

29 (II) IS NOT A DEBT, LIABILITY, OR PLEDGE OF THE FAITH AND
30 CREDIT OR THE TAXING POWER OF THE STATE, THE AUTHORITY, OR ANY OTHER
31 GOVERNMENTAL UNIT; AND

32 (III) MAY NOT GIVE RISE TO ANY PECUNIARY LIABILITY OF THE

1 STATE, THE AUTHORITY, OR ANY OTHER GOVERNMENTAL UNIT.

2 (2) THE ISSUANCE OF A BOND TO FINANCE IMPROVEMENTS TO A
3 PUBLIC SCHOOL FACILITY IS NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY A
4 MORAL OR OTHER OBLIGATION OF THE STATE, THE AUTHORITY, OR ANY OTHER
5 GOVERNMENTAL UNIT TO LEVY OR PLEDGE ANY TAX OR TO MAKE AN
6 APPROPRIATION TO PAY THE BOND.

7 (3) EACH BOND SHALL STATE ON ITS FACE THE PROVISIONS OF
8 PARAGRAPHS (1) AND (2) OF THIS SUBSECTION.

9 (D) BEFORE EACH ISSUANCE OF BONDS TO FINANCE IMPROVEMENTS TO A
10 PUBLIC SCHOOL FACILITY, THE AUTHORITY SHALL OBTAIN THE APPROVAL OF THE
11 BOARD OF PUBLIC WORKS OF THE PROPOSED BOND ISSUE.

12 (E) THE TOTAL DEBT SERVICE FOR ANY BOND ISSUE, WHEN ADDED TO ALL
13 PRIOR OUTSTANDING BOND ISSUES RELATED TO IMPROVEMENTS TO PUBLIC
14 SCHOOL FACILITIES, MAY NOT EXCEED THE TOTAL AMOUNT OF THE FUNDS
15 PROVIDED UNDER § 9-1A-30(C)(1) OF THE STATE GOVERNMENT ARTICLE AND THE
16 FUNDS PROVIDED UNDER SUBSECTION (G) OF THIS SECTION.

17 (F) BEGINNING JULY 1, 2020, AND CONTINUING UNTIL THE BONDS THAT
18 HAVE BEEN ISSUED TO FINANCE IMPROVEMENTS TO PUBLIC SCHOOL FACILITIES
19 ARE NO LONGER OUTSTANDING AND UNPAID, THE COMPTROLLER SHALL DEPOSIT
20 INTO THE BUILDING OPPORTUNITY FINANCING FUND THE AMOUNT SET FORTH IN
21 § 9-1A-30(C)(1) OF THE STATE GOVERNMENT ARTICLE.

22 (G) (1) IF THE MONEY DEPOSITED INTO THE BUILDING OPPORTUNITY
23 FINANCING FUND IN ACCORDANCE WITH SUBSECTION (F) OF THIS SECTION IS NOT
24 NEEDED FOR DEBT SERVICE OR DEBT SERVICE RESERVES, THE AUTHORITY MAY
25 TRANSFER THOSE FUNDS TO THE BUILDING OPPORTUNITY FACILITIES FUND.

26 (2) IF FUNDS ARE NEEDED FOR DEBT SERVICE OR DEBT SERVICE
27 RESERVES, THE AUTHORITY MAY TRANSFER MONEY IN THE BUILDING
28 OPPORTUNITY FACILITIES FUND TO THE BUILDING OPPORTUNITY FINANCING
29 FUND.

30 (H) IN CONNECTION WITH IMPROVEMENTS TO PUBLIC SCHOOL FACILITIES,
31 A COUNTY BOARD OF EDUCATION SHALL:

32 (1) DELIVER TO THE AUTHORITY BUILDABLE SITES, READY FOR
33 IMPROVEMENT AND FREE FROM ANY RESTRICTIONS, EASEMENTS, IMPEDIMENTS,
34 HAZARDS, OR CONDITIONS THAT WOULD AFFECT THE AUTHORITY'S SCHEDULE OR

1 BUDGET FOR THE IMPROVEMENT TO A PUBLIC SCHOOL FACILITY;

2 (2) DELIVER TO THE AUTHORITY A PUBLIC SCHOOL FACILITY WITH
3 TITLE THAT HAS VESTED IN THE COUNTY BOARD OF EDUCATION OR IN AN ENTITY
4 APPROVED BY THE COUNTY BOARD OF EDUCATION OTHER THAN THE AUTHORITY;

5 (3) EXCEPT FOR A TRANSFER OR AN ASSIGNMENT TO THE COUNTY
6 BOARD OF EDUCATION, OBTAIN THE APPROVAL OF THE STATE SUPERINTENDENT
7 OF SCHOOLS AND THE BOARD OF PUBLIC WORKS BEFORE THE SALE, ASSIGNMENT,
8 MORTGAGE, PLEDGE, OR ENCUMBRANCE OF ANY PUBLIC SCHOOL FACILITY OR ANY
9 INTEREST IN THE FACILITY; AND

10 (4) ENSURE THAT NO PUBLIC SCHOOL FACILITY IS SOLD, ASSIGNED,
11 MORTGAGED, PLEDGED, OR ENCUMBERED WITHOUT THE CONSENT OF THE
12 AUTHORITY IF THERE ARE PROCEEDS OF BONDS STILL OUTSTANDING OR UNPAID
13 THAT WERE USED IN THE CONSTRUCTION OF OR RENOVATIONS TO THE PUBLIC
14 SCHOOL FACILITY.

15 (I) (1) SUBJECT TO SUBSECTION (A) OF THIS SECTION, BEFORE ANY
16 BONDS ARE ISSUED TO FINANCE IMPROVEMENTS TO A PUBLIC SCHOOL FACILITY,
17 THE AUTHORITY MAY PAY FOR ANY COSTS OF START-UP, ADMINISTRATION,
18 OVERHEAD, AND OPERATIONS OF THE AUTHORITY OR COSTS OF ENGINEERING,
19 ARCHITECTURAL, AND OTHER DESIGN PROFESSIONALS.

20 (2) PRIOR TO AVAILABILITY OF FUNDS FROM THE BUILDING
21 OPPORTUNITY FACILITIES FUND, THE AUTHORITY SHALL BE ENTITLED TO
22 REIMBURSEMENT FOR ANY COSTS INCURRED UNDER PARAGRAPH (1) OF THIS
23 SUBSECTION FROM THE BUILDING OPPORTUNITY FINANCING FUND.

24 (3) (I) ANY COST OVERRUNS, UNBUDGETED EXPENSES, OR
25 UNFORESEEN COSTS INCURRED IN CONNECTION WITH AN IMPROVEMENT TO A
26 PUBLIC SCHOOL FACILITY SHALL BE PAYABLE SOLELY FROM THE BUILDING
27 OPPORTUNITY FACILITIES FUND.

28 (II) IF ANY COST OVERRUNS, UNBUDGETED EXPENSES, OR
29 UNFORESEEN COSTS OCCUR AS DESCRIBED IN SUBPARAGRAPH (I) OF THIS
30 PARAGRAPH, THE AUTHORITY STAFF SHALL PROVIDE A DETAILED REPORT TO THE
31 AUTHORITY EXPLAINING THE REASONS FOR THE COST OVERRUNS, UNBUDGETED
32 EXPENSES, OR UNFORESEEN COSTS AND A DESCRIPTION OF THE ACTIONS TAKEN BY
33 THE AUTHORITY TO CONTROL COSTS WITHIN THE BUDGET ESTABLISHED FOR EACH
34 IMPROVEMENT TO A PUBLIC SCHOOL FACILITY.

35 (J) ON JANUARY 15, 2021, AND EACH JANUARY 15 THEREAFTER, THE

1 AUTHORITY SHALL REPORT TO THE GOVERNOR, THE BOARD OF PUBLIC WORKS,
2 AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE
3 FISCAL COMMITTEES OF THE GENERAL ASSEMBLY, ON THE PROGRESS OF
4 CONSTRUCTION AND RENOVATIONS OF PUBLIC SCHOOL FACILITIES, INCLUDING
5 ACTIONS:

6 (1) TAKEN DURING THE PREVIOUS FISCAL YEAR; AND

7 (2) PLANNED FOR THE CURRENT FISCAL YEAR.

8 10-650.

9 (A) THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION SHALL,
10 IN ACCORDANCE WITH THE PROCESS ESTABLISHED IN § 5-304 OF THE EDUCATION
11 ARTICLE, PROVIDE RECOMMENDATIONS FOR PUBLIC SCHOOL FACILITY PROJECTS
12 TO BE FUNDED FROM THE BUILDING OPPORTUNITY FACILITIES FUND.

13 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE
14 AUTHORITY SHALL CONTRACT, MANAGE, AND OVERSEE PUBLIC SCHOOL FACILITY
15 PROJECTS FUNDED FROM THE BUILDING OPPORTUNITY FACILITIES FUND.

16 (2) BEFORE A PUBLIC SCHOOL FACILITY PROJECT IS APPROVED FOR
17 FUNDING FROM THE BUILDING OPPORTUNITY FACILITIES FUND, THE AUTHORITY
18 SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE INTERAGENCY
19 COMMISSION ON SCHOOL CONSTRUCTION, AND THE COUNTY BOARD OF EDUCATION
20 OR THE COUNTY, OR BOTH, FOR THE MANAGEMENT AND OVERSIGHT OF A PUBLIC
21 SCHOOL FACILITY PROJECT.

22 (3) (I) THE MEMORANDUM OF UNDERSTANDING SHALL
23 AUTHORIZE THE AUTHORITY TO DESIGN AND IMPROVE, OR CONTRACT FOR THE
24 DESIGN AND IMPROVEMENT OF, A PUBLIC SCHOOL FACILITY.

25 (II) THE MEMORANDUM OF UNDERSTANDING SHALL INCLUDE A
26 PROVISION THAT THE STATE AND LOCAL COST-SHARE FOR THE COUNTY
27 ESTABLISHED IN REGULATIONS SHALL APPLY TO THE PUBLIC SCHOOL FACILITY
28 PROJECT.

29 (C) THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION MAY
30 GRANT A WAIVER FROM THE MANAGEMENT REQUIREMENT SET FORTH IN
31 SUBSECTION (B)(1) OF THIS SECTION IF THE INTERAGENCY COMMISSION
32 DETERMINES THAT A COUNTY BOARD OF EDUCATION EMPLOYS STAFF AND
33 POSSESSES THE RESOURCES NECESSARY TO MANAGE AND OVERSEE PUBLIC
34 SCHOOL FACILITY PROJECTS.

1 **10-658.**

2 (A) **THERE IS A BUILDING OPPORTUNITY FINANCING FUND.**

3 (B) (1) **THE BUILDING OPPORTUNITY FINANCING FUND IS A**
4 **CONTINUING, NONLAPSING FUND THAT SHALL BE AVAILABLE TO IMPLEMENT THIS**
5 **SUBTITLE CONCERNING PUBLIC SCHOOL FACILITIES.**

6 (2) **THE AUTHORITY SHALL:**

7 (I) **USE THE BUILDING OPPORTUNITY FINANCING FUND AS A**
8 **REVOLVING FUND FOR CARRYING OUT THIS SUBTITLE CONCERNING PUBLIC**
9 **SCHOOL FACILITIES; AND**

10 (II) **PAY ANY AND ALL EXPENSES FROM THE BUILDING**
11 **OPPORTUNITY FINANCING FUND THAT ARE INCURRED BY THE AUTHORITY**
12 **RELATED TO ANY PUBLIC SCHOOL FACILITIES.**

13 (C) (1) **TO THE EXTENT CONSIDERED APPROPRIATE BY THE AUTHORITY,**
14 **THE MONEY ON DEPOSIT IN THE BUILDING OPPORTUNITY FINANCING FUND SHALL**
15 **BE PLEDGED TO AND USED TO PAY THE FOLLOWING RELATING TO PUBLIC SCHOOL**
16 **FACILITIES:**

17 (I) **DEBT SERVICE ON AUTHORITY BONDS;**

18 (II) **DEBT SERVICE RESERVES UNDER A TRUST AGREEMENT;**

19 (III) **ALL REASONABLE CHARGES AND EXPENSES RELATED TO**
20 **AUTHORITY BORROWING; AND**

21 (IV) **ALL REASONABLE CHARGES AND EXPENSES RELATED TO**
22 **THE AUTHORITY'S ADMINISTRATION OF THE BUILDING OPPORTUNITY FINANCING**
23 **FUND AND MANAGEMENT OF THE AUTHORITY'S OBLIGATIONS.**

24 (2) **THE PLEDGE SHALL BE EFFECTIVE AS PROVIDED IN § 10-634 OF**
25 **THIS SUBTITLE AND ANY APPLICABLE AUTHORITY RESOLUTION.**

26 (D) **THE BUILDING OPPORTUNITY FINANCING FUND CONSISTS OF:**

27 (1) **MONEY DEPOSITED INTO THE BUILDING OPPORTUNITY**
28 **FINANCING FUND;**

1 **(2) TO THE EXTENT THAT THE PROCEEDS ARE NOT UNDER A TRUST**
2 **AGREEMENT, PROCEEDS FROM THE SALE OF BONDS CONCERNING PUBLIC SCHOOL**
3 **FACILITIES;**

4 **(3) REVENUES COLLECTED OR RECEIVED FROM ANY SOURCE UNDER**
5 **THIS SUBTITLE RELATED TO PUBLIC SCHOOL BUILDING OPPORTUNITY FACILITIES;**

6 **(4) FUNDS TO BE DEPOSITED IN ACCORDANCE WITH § 10-649 OF THIS**
7 **SUBTITLE; AND**

8 **(5) ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY PUBLIC**
9 **SOURCE FOR THE PURPOSES ESTABLISHED FOR THE BUILDING OPPORTUNITY**
10 **FINANCING FUND.**

11 **(E) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
12 **BUILDING OPPORTUNITY FINANCING FUND IN THE SAME MANNER AS OTHER STATE**
13 **FUNDS.**

14 **(2) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE**
15 **BUILDING OPPORTUNITY FINANCING FUND.**

16 **(3) NO PART OF THE BUILDING OPPORTUNITY FINANCING FUND**
17 **MAY REVERT OR BE CREDITED TO THE GENERAL FUND OR ANY SPECIAL FUND OF**
18 **THE STATE.**

19 **(F) THE MONEY IN THE BUILDING OPPORTUNITY FINANCING FUND SHALL**
20 **BE USED TO SUPPLEMENT, BUT NOT SUPPLANT, MONEY APPROPRIATED TO THE**
21 **PUBLIC SCHOOL CONSTRUCTION PROGRAM ESTABLISHED IN TITLE 5, SUBTITLE 3**
22 **OF THE EDUCATION ARTICLE.**

23 **10-658.1.**

24 **(A) THERE IS A BUILDING OPPORTUNITY FACILITIES FUND.**

25 **(B) (1) THE BUILDING OPPORTUNITY FACILITIES FUND IS A**
26 **CONTINUING, NONLAPSING FUND THAT SHALL BE AVAILABLE TO IMPLEMENT THIS**
27 **SUBTITLE CONCERNING PUBLIC SCHOOL FACILITIES.**

28 **(2) THE AUTHORITY SHALL:**

29 **(I) USE THE BUILDING OPPORTUNITY FACILITIES FUND AS A**
30 **REVOLVING FUND FOR CARRYING OUT THIS SUBTITLE CONCERNING PUBLIC**
31 **SCHOOL FACILITIES; AND**

1 **(II) TO THE EXTENT AUTHORIZED BY FEDERAL TAX LAW, PAY**
2 **ANY AND ALL EXPENSES FROM THE BUILDING OPPORTUNITY FACILITIES FUND**
3 **THAT ARE INCURRED BY THE AUTHORITY RELATED TO ANY PUBLIC SCHOOL**
4 **FACILITIES.**

5 **(C) (1) TO THE EXTENT CONSIDERED APPROPRIATE BY THE AUTHORITY,**
6 **THE MONEY ON DEPOSIT IN THE BUILDING OPPORTUNITY FACILITIES FUND SHALL**
7 **BE USED TO PAY THE FOLLOWING RELATING TO PUBLIC SCHOOL FACILITIES:**

8 **(I) DEBT SERVICE ON AUTHORITY BONDS;**

9 **(II) DESIGN AND CONSTRUCTION COSTS RELATING TO PUBLIC**
10 **SCHOOL FACILITIES;**

11 **(III) TO THE EXTENT AUTHORIZED BY FEDERAL TAX LAW, COSTS**
12 **OF START-UP, ADMINISTRATION, OVERHEAD, AND OPERATIONS RELATED TO THE**
13 **MANAGEMENT OF IMPROVEMENTS TO PUBLIC SCHOOL FACILITIES AUTHORIZED**
14 **UNDER THIS SUBTITLE; AND**

15 **(IV) ALL REASONABLE CHARGES AND EXPENSES RELATED TO**
16 **THE AUTHORITY'S ADMINISTRATION OF THE BUILDING OPPORTUNITY FACILITIES**
17 **FUND AND THE BUILDING OPPORTUNITY FINANCING FUND AND MANAGEMENT OF**
18 **THE AUTHORITY'S OBLIGATIONS.**

19 **(2) IN ADDITION TO THE USES AUTHORIZED IN PARAGRAPH (1) OF**
20 **THIS SUBSECTION, THE AUTHORITY MAY TRANSFER MONEY ON DEPOSIT IN THE**
21 **BUILDING OPPORTUNITY FACILITIES FUND TO THE LOCAL SHARE OF SCHOOL**
22 **CONSTRUCTION COSTS REVOLVING LOAN FUND ESTABLISHED UNDER § 5-315 OF**
23 **THE EDUCATION ARTICLE TO PROVIDE LOANS TO LOCAL GOVERNMENTS IN**
24 **ACCORDANCE WITH THE REQUIREMENTS SPECIFIED IN THAT SECTION.**

25 **(D) THE BUILDING OPPORTUNITY FACILITIES FUND CONSISTS OF:**

26 **(1) FUNDS TRANSFERRED FROM THE BUILDING OPPORTUNITY**
27 **FINANCING FUND TO THE BUILDING OPPORTUNITY FACILITIES FUND IN**
28 **ACCORDANCE WITH § 10-649 OF THIS SUBTITLE; AND**

29 **(2) ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY PUBLIC**
30 **SOURCE FOR THE PURPOSES ESTABLISHED FOR THE BUILDING OPPORTUNITY**
31 **FACILITIES FUND.**

32 **(E) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**

1 **BUILDING OPPORTUNITY FACILITIES FUND IN THE SAME MANNER AS OTHER STATE**
 2 **FUNDS.**

3 **(2) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE**
 4 **BUILDING OPPORTUNITY FACILITIES FUND.**

5 **(3) NO PART OF THE BUILDING OPPORTUNITY FACILITIES FUND**
 6 **MAY REVERT OR BE CREDITED TO THE GENERAL FUND OR ANY SPECIAL FUND OF**
 7 **THE STATE.**

8 **(F) THE MONEY IN THE BUILDING OPPORTUNITY FACILITIES FUND SHALL**
 9 **BE USED TO SUPPLEMENT, BUT NOT SUPPLANT, MONEY APPROPRIATED TO THE**
 10 **PUBLIC SCHOOL CONSTRUCTION PROGRAM ESTABLISHED IN TITLE 5, SUBTITLE 3**
 11 **OF THE EDUCATION ARTICLE.**

12 **[10-658.] 10-659.**

13 This subtitle may be cited as the Maryland Stadium Authority Act.

14 **Article – State Finance and Procurement**

15 **6-226.**

16 **(a) (2) (i)** Notwithstanding any other provision of law, and unless
 17 inconsistent with a federal law, grant agreement, or other federal requirement or with the
 18 terms of a gift or settlement agreement, net interest on all State money allocated by the
 19 State Treasurer under this section to special funds or accounts, and otherwise entitled to
 20 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
 21 Fund of the State.

22 **(ii)** The provisions of subparagraph (i) of this paragraph do not apply
 23 to the following funds:

24 112. the Pretrial Services Program Grant Fund; [and]

25 113. the Veteran Employment and Transition Success Fund;

26 114. **THE BUILDING OPPORTUNITY FACILITIES FUND;**

27 **AND**

28 115. **THE BUILDING OPPORTUNITY FINANCING FUND.**

29 **SECTION 2. AND BE IT FURTHER ENACTED,** That the Laws of Maryland read
 30 as follows:

Article – State Government

9–1A–30.

(a) There is an Education Trust Fund which is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(b) (1) There shall be credited to the Education Trust Fund all proceeds allocated to the Fund under § 9–1A–27 of this subtitle.

(2) Money in the Education Trust Fund shall be invested and reinvested by the Treasurer, and interest and earnings shall accrue to the Fund.

(c) Money in the Education Trust Fund shall be used to:

(1) **MAKE A DEPOSIT INTO THE BUILDING OPPORTUNITY FINANCING FUND ESTABLISHED UNDER § 10–658 OF THE ECONOMIC DEVELOPMENT ARTICLE IN AN AMOUNT EQUAL TO \$125,000,000 IN EACH FISCAL YEAR THAT BONDS ARE OUTSTANDING AND UNPAID;**

(2) provide funding for public elementary and secondary education, through continuation of the funding and formulas established under the programs commonly known as the Bridge to Excellence in Public Schools Act, first enacted by Chapter 288 of the Acts of the General Assembly of 2002, including the funding for regional differences in the cost of education under § 5–202(f) of the Education Article;

[(2)] (3) provide funds to construct public school buildings and provide public school capital improvements in accordance with Title 5, Subtitle 3 of the Education Article;

[(3)] (4) provide funds for capital projects at community colleges and public senior higher education institutions; and

[(4)] (5) provide funds to expand public early childhood education programs in the State.

(d) Expenditures from the Education Trust Fund shall be made each fiscal year in accordance with the State budget.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2020.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect July 1, 2019.