HOUSE BILL 897

By: Chair, Appropriations Committee (By Request – Departmental – Stadium Authority)
Introduced and read first time: February 7, 2022
Assigned to: Appropriations
Committee Report: Favorable with amendments
House action: Adopted with floor amendments
Read second time: March 27, 2022

CHAPTER _____

AN ACT concerning

**Sports Entertainment Facilities Act of 2022**
Economic Development – Sports Entertainment Facilities and Events, Prince George’s County Blue Line Corridor Facilities, and Racing Facilities

FOR the purpose of authorizing the Maryland Stadium Authority to issue certain bonds to finance site acquisition, design, and construction of any portion of a certain sports entertainment facility, subject to certain limitations; authorizing the Authority to issue certain bonds to finance the planning, design, and construction of certain Prince George’s County Blue Line Corridor facilities, subject to certain limitations; authorizing the Authority to review and make recommendations on certain Prince George’s County Blue Line Corridor facilities and to acquire certain Prince George’s County Blue Line Corridor facility sites or an interest in the sites; establishing the Major Sports and Entertainment Event Program in the Authority; requiring the Authority to submit a certain report, prepared in cooperation with the Office of the Comptroller and the Department of Budget and Management, to the Governor and the General Assembly; requiring the Authority to provide a certain financing plan to certain committees of the General Assembly before seeking approval of the Board of Public Works for a certain bond issuing or other borrowing; requiring the Authority to obtain Board of Public Works approval for a certain agreement containing certain terms; establishing the Sports Entertainment Facilities Financing Fund, the Major Sports and Entertainment Event Program Fund, and the Prince George’s County Blue Line Corridor Facility Fund as continuing, nonlapsing fund funds; requiring the interest earnings of the Sports Entertainment Facilities Financing Fund funds to be credited to the Fund funds; requiring the Comptroller to distribute...

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
Strikeout indicates matter stricken from the bill by amendment or deleted from the law by amendment.
a certain amount from the State Lottery Fund to the Sports Entertainment Facilities Financing Fund certain funds and the Department of Transportation for certain purposes in a certain manner; exempting from the sales and use tax certain construction material purchased for a sports entertainment facility or a Prince George’s County Blue Line Corridor facility under certain circumstances; requiring the Department of Transportation to award grants to certain counties and municipal corporations for bus rapid transit systems under certain circumstances; requiring the Authority to report on the progress of certain racing facility redevelopment plans on or before certain dates; requiring the Maryland Economic Development Corporation to take certain actions regarding the redevelopment and construction of facilities at a certain racing facility site; and generally relating to the Maryland Stadium Authority and major sports and entertainment events, the financing and construction of sports entertainment facilities, Prince George’s County Blue Line Corridor facilities, and racing facilities.

BY renumbering

Article – Economic Development
Section 10–601(zz) through (eee) 10–601(oo) through (xx), respectively to be Section 10–601(bbb) through (ggg) 10–601(qq) through (zz), respectively Annotated Code of Maryland (2018 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development
Section 10–601(s) and (yy) through (eee), 10–613(b), 10–618(b), 10–620(d) 10–620(b), (d), and (e), 10–625(a)(2), and 10–628(c)(1) Annotated Code of Maryland (2018 Replacement Volume and 2021 Supplement)

BY adding to

Article – Economic Development
Section 10–601(yy) and (zz), 10–646.3, and 10–657.5 10–601(oo), (pp), (aaa), and (bbb), 10–611.1, 10–611.2, 10–646.3, 10–646.4, 10–657.5, and 10–657.6 Annotated Code of Maryland (2018 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(i) Annotated Code of Maryland (2021 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)144. and 145. Annotated Code of Maryland (2021 Replacement Volume)
BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii) through 148.
Annotated Code of Maryland
(2021 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – State Government
Section 9–120(b)(1)(i)
Annotated Code of Maryland
(2021 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–120(b)(1)(vii) and (viii)
Annotated Code of Maryland
(2021 Replacement Volume)

BY adding to
Article – State Government
Section 9–120(b)(1)(viii) through (xi)
Annotated Code of Maryland
(2021 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 11–243
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

BY adding to
Article – Transportation
Section 2–802
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 10–601(zz) through (ooo) 10–601(oo) through (xx), respectively, of Article –
Economic Development of the Annotated Code of Maryland be renumbered to be Section(s)
10–601(bbb) through (ggg) 10–601(qq) through (zz), respectively.

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

Article – Economic Development
“Facility” means:

1. a structure or other improvement developed at Camden Yards;
2. a convention facility;
3. the Hippodrome Performing Arts facility;
4. a sports facility;
5. a Baltimore City public school facility;
6. a racing facility;
7. a public school facility; [or]
8. the Hagerstown Multi–Use Sports and Events Facility; OR
9. A SPORTS ENTERTAINMENT FACILITY; OR
10. A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY.

“PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR” MEANS AN AREA, THE SPECIFIC BOUNDARIES OF WHICH ARE DESIGNATED BY PUBLIC LOCAL LAW, IN CENTRAL PRINCE GEORGE’S COUNTY NEAR THE INTERSECTIONS OF I–495 AND LANOVER ROAD, ARENA DRIVE, AND CENTRAL AVENUE.

“PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY” MEANS A FACILITY LOCATED WITHIN THE PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR THAT IS:

1. A CONVENTION CENTER;
2. AN ARTS AND ENTERTAINMENT AMPHITHEATER; AND
3. ANY OTHER FUNCTIONALLY RELATED STRUCTURES, IMPROVEMENTS, INFRASTRUCTURE, FURNISHINGS, OR EQUIPMENT OF THE FACILITY, INCLUDING PARKING GARAGES.

“SPORTS ENTERTAINMENT FACILITY” MEANS A STRUCTURE OR OTHER IMPROVEMENT IN THE STATE AT WHICH MINOR LEAGUE GAMES ARE PLAYED OR OTHER NON–MAJOR LEAGUE SPORTING EVENTS ARE HELD.
(2) “SPORTS ENTERTAINMENT FACILITY” includes parking lots, garages, and any other property adjacent and directly related to a facility described under paragraph (1) of the subsection.

(3) “SPORTS ENTERTAINMENT FACILITY” does not include:

(I) A facility located at Camden Yards;

(II) A SPORTS FACILITY; or

(III) A high school, collegiate, or recreational venue that does not generate positive incremental tax benefits to the State.

(zz) (BBB) “SPORTS ENTERTAINMENT FACILITIES FINANCING FUND” means the SPORTS ENTERTAINMENT FACILITIES FINANCING FUND established under § 10–657.5 of this subtitle.

(yy) (AAA) (CCC) (1) “Sports facility” means:

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

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

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

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

(zz) (DDD) “Supplemental Facilities Fund” means the Supplemental Facilities Fund established under § 10–657.1 of this subtitle.

(aaa) (EEE) (1) “Supplemental facility” means a structure or other improvement developed in Baltimore City outside Camden Yards.

(2) “Supplemental facility” does not include the Baltimore Convention facility or the Hippodrome Performing Arts facility.

(bbb) (FFF) “Supplemental facility site” means the site of any supplemental facility.
[ccc] (GGG) “Supplemental Public School Construction Facilities Fund” means the Supplemental Public School Construction Facilities Fund established under § 10–658.1 of this subtitle.

[ddd] (HHH) “Supplemental Public School Construction Financing Fund” means the Supplemental Public School Construction Financing Fund established under § 10–658 of this subtitle.

[eee] (III) “Tax supported debt” has the meaning stated in § 8–104 of the State Finance and Procurement Article.

10–611.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) (I) “MAJOR ENTERTAINMENT EVENT” MEANS, EXCEPT AS OTHERWISE SPECIFIED BY THE AUTHORITY, AN INDOOR OR OUTDOOR EVENT ORGANIZED FOR THE PRIMARY PURPOSE OF THE ENTERTAINMENT OR AMUSEMENT OF PEOPLE WITH:

1. AN EXPECTED ATTENDANCE OF AT LEAST 20,000 PEOPLE;

2. A NEGOTIATED BROADCASTING DEAL WITH EITHER LIVE OR DELAYED BROADCASTING;

3. COMMERCIAL SPONSORSHIP OPPORTUNITIES; OR

4. A DEMONSTRATED POSITIVE ECONOMIC IMPACT FOR THE STATE.

(II) “MAJOR ENTERTAINMENT EVENT” INCLUDES:

1. A PARADE;

2. A CARNIVAL;

3. A FAIR;

4. A FESTIVAL;

5. A CONCERT;
6. AN EXHIBITION; AND

7. A SHOW.

(3) "MAJOR SPORTING EVENT" MEANS, EXCEPT AS OTHERWISE SPECIFIED BY THE AUTHORITY, A PROFESSIONAL OR AN AMATEUR SPORTING EVENT THAT IS SANCTIONED BY A REGIONAL, NATIONAL, OR INTERNATIONAL ORGANIZATION OR ASSOCIATION WITH:

1. AN EXPECTED ATTENDANCE OF AT LEAST 20,000 PEOPLE;

2. A NEGOTIATED BROADCASTING DEAL WITH EITHER LIVE OR DELAYED BROADCASTING;

3. COMMERCIAL SPONSORSHIP OPPORTUNITIES; OR

4. A DEMONSTRATED POSITIVE ECONOMIC IMPACT FOR THE STATE.

(II) "MAJOR SPORTING EVENT" DOES NOT INCLUDE:

1. A PROFESSIONAL FOOTBALL GAME, EXCEPT FOR:

   A. THE SUPER BOWL; OR

   B. AN EXHIBITION OR CHAMPIONSHIP GAME FOR AN ORGANIZATION OTHER THAN THE NATIONAL FOOTBALL LEAGUE;

2. A PROFESSIONAL BASEBALL GAME, EXCEPT FOR:

   A. A MAJOR LEAGUE BASEBALL ALL-STAR GAME; OR

   B. AN EXHIBITION OR CHAMPIONSHIP GAME FOR AN ORGANIZATION OTHER THAN MAJOR LEAGUE BASEBALL; OR

3. A PROFESSIONAL BASKETBALL GAME.

(4) "PROGRAM" MEANS THE MAJOR SPORTS AND ENTERTAINMENT EVENT PROGRAM.

(B) (1) THERE IS A MAJOR SPORTS AND ENTERTAINMENT EVENT PROGRAM IN THE AUTHORITY.

(2) THE PURPOSE OF THE PROGRAM IS TO:
(I) ATTRACT MAJOR SPORTING EVENTS AND MAJOR
ENTERTAINMENT EVENTS TO THE STATE;

(II) ATTRACT FANS, PARTICIPANTS, AND TOURISTS TO THE
STATE FOR MAJOR SPORTING EVENTS;

(III) GENERATE POSITIVE MEDIA COVERAGE FOR THE STATE;

AND

(IV) GENERATE A POSITIVE ECONOMIC IMPACT FOR THE STATE.

(C) MARYLAND SPORTS, ESTABLISHED UNDER § 10–611 OF THIS SUBTITLE,
SHALL IMPLEMENT AND ADMINISTER THE PROGRAM IN ACCORDANCE WITH THIS
SECTION.

(D) WITH APPROVAL FROM THE AUTHORITY AND TO ASSIST WITH THE
COSTS OF ATTRACTING AND ORGANIZING A MAJOR SPORTING EVENT OR MAJOR
ENTERTAINMENT EVENT, INCLUDING EXPENSES ASSOCIATED WITH ADVERTISING,
PROMOTIONS, AND CAPITAL PROJECTS, FUNDING MAY BE AWARDED TO:

(1) A NONPROFIT ORGANIZATION;

(2) A FOR–PROFIT ORGANIZATION;

(3) A COUNTY; OR

(4) A BUSINESS ENTITY.

10–611.2.

(A) IN THIS SECTION, “FUND” MEANS THE MAJOR SPORTS AND
ENTERTAINMENT EVENT PROGRAM FUND.

(B) THERE IS A MAJOR SPORTS AND ENTERTAINMENT EVENT PROGRAM
FUND.

(C) (1) THE MAJOR SPORTS AND ENTERTAINMENT EVENT PROGRAM
FUND IS A CONTINUING, NONLAPSING FUND THAT SHALL BE AVAILABLE TO
IMPLEMENT THE MAJOR SPORTS AND ENTERTAINMENT EVENT PROGRAM
ESTABLISHED UNDER § 10–611.1 OF THIS SUBTITLE.

(2) (1) THE AUTHORITY SHALL:
1. Use the Fund as a revolving fund for carrying out the provisions of § 10–611.1 of this subtitle; and

2. Pay expenses from the Fund related to the Major Sports and Entertainment Event Program established under § 10–611.1 of this subtitle.

   (II) The Authority may use the Fund to pay administrative and operating costs of the Program including costs to market and advertise the Program.

(D) The Fund consists of:

(1) Money distributed to the Fund under § 9–120(b)(1)(ix) of the State Government Article;

(2) Money appropriated in the State budget to the Fund;

(3) Any interest earnings of the Fund; and

(4) Any additional money made available from any public source for the purposes established for the Fund.

(E) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State funds.

(2) Any investment earnings shall be credited to the Fund.

(3) No part of the Fund may revert or be credited to the General Fund or any special fund of the State.

(b) The Authority may review and make recommendations on proposed convention center facilities, the Hippodrome Performing Arts facility, [and] the Hagerstown Multi–Use Sports and Events Facility, AND A PRINCE GEORGE'S COUNTY BLUE LINE CORRIDOR FACILITY, including the expansion and enhancement of the Baltimore City Convention Center and the Ocean City Convention Center and the development and construction of the Montgomery County Conference Center, the Hippodrome Performing Arts Center, [and] the Hagerstown Multi–Use Sports and Events Facility, AND A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY with respect to location, purpose, design, function, capacity, parking, costs, funding mechanisms, and revenue alternatives, with specific recommendations on:

   (1) the level of support from the private sector;
the type of support from the private sector;

special taxing sources;

projected revenues;

bonding authority and the source of debt service; and

the fiscal impact on the State of any revenue alternatives.

10–618.

(b) The Authority may:

(1) acquire by any of the means specified in § 10–620(a) of this subtitle:

(i) a site at Camden Yards for a facility;

(ii) a Baltimore Convention site or an interest in the site;

(iii) an Ocean City Convention site or an interest in the site;

(iv) a Montgomery County Conference site or an interest in the site;

(v) a Hippodrome Performing Arts site or an interest in the site; and

(vi) a Hagerstown Multi–Use Sports and Events Facility site or an interest in the site; and

(VII) A SPORTS ENTERTAINMENT FACILITY SITE OR AN INTEREST IN THE SITE; AND

(VIII) A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY SITE OR AN INTEREST IN THE SITE; AND

(2) construct or enter into a contract to construct a facility on a site it acquires under this subsection.

10–620.

(b) (1) The exercise of authority under this subsection is subject to subsection (a) of this section, the prior approval of the Board of Public Works, and review by the Legislative Policy Committee.
(2) The Authority may condemn any private property for any purpose of the Authority:

(i) in accordance with Title 12 of the Real Property Article; and

(ii) only in Camden Yards [and], at the Hippodrome Performing Arts site, AND AT A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY SITE.

(d) (1) The exercise of authority under this subsection is subject to the prior approval of the Board of Public Works.

(2) On request of the Authority, the State, a unit of the State, or a political subdivision may lease, lend, grant, or otherwise convey to the Authority, property, including property devoted to public use, as necessary or convenient for the purposes of this subtitle.

(3) The State may lease or sublease a facility, or an interest in a facility, from or to the Authority, whether or not constructed or usable.

(4) Lease payments to the Authority appropriated by the State shall be transferred to:

(i) the Baltimore Convention Fund if appropriated for a Baltimore Convention facility;

(ii) the Camden Yards Fund if appropriated for a sports facility or other facility at Camden Yards;

(iii) the Hippodrome Performing Arts Fund if appropriated for a Hippodrome Performing Arts facility;

(iv) the Montgomery County Conference Fund if appropriated for a Montgomery County Conference facility;

(v) the Ocean City Convention Fund if appropriated for an Ocean City Convention facility; [or]

(vi) the Hagerstown Multi–Use Sports and Events Facility Fund if appropriated for a Hagerstown Multi–Use Sports and Events Facility; OR

(VII) THE SPORTS ENTERTAINMENT FACILITIES FINANCING FUND IF APPROPRIATED FOR A SPORTS ENTERTAINMENT FACILITY; OR

(VIII) THE PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY FUND IF APPROPRIATED FOR A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY.
(e) (1) This subsection does not apply to the Camden Yards site, Baltimore Convention site, Ocean City Convention site, Hippodrome Performing Arts site, any Baltimore City public school site, any racing facility, the Hagerstown Multi–Use Sports and Events Facility site, any supplemental facility site, or any public school site, OR A SPORTS ENTERTAINMENT FACILITY, OR A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY SITE.

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

10–625.

(a) Except as provided in subsection (b) of this section, the Authority shall submit:

(2) annual reports on the additional tax revenues generated by each of the following facilities, prepared in cooperation with the Office of the Comptroller and the Department of Budget and Management:

(i) the Baltimore Convention facility;

(ii) the Hippodrome Performing Arts facility;

(iii) the Montgomery County Conference facility;

(iv) the Ocean City Convention facility; [and]

(v) the Hagerstown Multi–Use Sports and Events Facility; AND

(VI) A SPORTS ENTERTAINMENT FACILITY; AND

(VII) A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY SITE.

10–628.

(c) (1) Unless authorized by the General Assembly, the Board of Public Works may not approve an issuance by the Authority of bonds, whether taxable or tax exempt, that constitute tax supported debt or nontax supported debt if, after issuance, there would be outstanding and unpaid more than the following face amounts of the bonds for the purpose of financing acquisition, construction, renovation, and related expenses for construction management, professional fees, and contingencies in connection with:

(i) the Baltimore Convention facility – $55,000,000;
(ii) the Hippodrome Performing Arts facility – $20,250,000;
(iii) the Montgomery County Conference facility – $23,185,000;
(iv) the Ocean City Convention facility – $24,500,000;
(v) Baltimore City public school facilities – $1,100,000,000;
(vi) supplemental facilities – $25,000,000;
(vii) racing facilities – $375,000,000;
(viii) public school facilities in the State – $2,200,000,000; [and]
(ix) the Hagerstown Multi–Use Sports and Events Facility – $59,500,000; AND

(X) SPORTS ENTERTAINMENT FACILITIES – $200,000,000; AND

(XI) PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITIES – $400,000,000.

10–646.3.

(A) EXCEPT AS AUTHORIZED BY § 10–639 OF THIS SUBTITLE, TO FINANCE SITE ACQUISITION, DESIGN, CONSTRUCTION, EQUIPPING, AND FURNISHING OF ANY SEGMENT OF A SPORTS ENTERTAINMENT FACILITY, THE AUTHORITY SHALL COMPLY WITH THIS SECTION.

(B) (1) THE AUTHORITY SHALL HAVE RECEIVED A WRITTEN REQUEST FOR FINANCING AND CONSTRUCTION MANAGEMENT SERVICES FROM THE STATE, A COUNTY, OR A LOCAL GOVERNMENT IN WHICH THE SPORTS ENTERTAINMENT FACILITY IS LOCATED OR TO BE LOCATED.

(2) THE REQUEST SHALL INCLUDE:

(I) THE LOCATION OF THE PROPOSED SPORTS ENTERTAINMENT FACILITY;

(II) THE AMOUNT, SOURCE, AND TIMING OF FUNDING NOT INCLUDING AUTHORITY BONDS WHICH MAY BE ISSUED TO FINANCE THE PROPOSED SPORTS ENTERTAINMENT FACILITY; AND

(III) A DESCRIPTION OF THE ANTICIPATED USE OF THE PROPOSED SPORTS ENTERTAINMENT FACILITY.
(C) The Authority shall provide the fiscal committees of the General Assembly, at least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, a comprehensive financing plan for the relevant segment of the facility.

(D) The Authority shall obtain the approval of the Board of Public Works of the proposed bond issue, the financing plan, and the agreement under subsection (e) of this section.

(E) The Authority may not issue bonds to finance a sports entertainment facility until the Authority secures a written agreement with the State, county, or local government in which the sports entertainment facility is located, as approved by the Board of Public Works, under which:

(1) The source of funding and the order in which funds will be spent is described; and

(2) The State, county, or local government agrees to:

   (I) Own, market, promote, and operate or contract for the marketing, promotion, and operation of the sports entertainment facility in a manner that maximizes the facility’s economic return;

   (II) Maintain and repair or contract for the maintenance and repair of the sports entertainment facility so as to keep the sports entertainment facility in first-class operating condition; and

   (III) Any other terms or conditions deemed necessary or appropriate by the Authority.

(F) On or before December 31 each year, a county or local government in which a sports entertainment facility financed in whole or in part under this subtitle is located shall report to the Senate Budget and Taxation Committee and the House Appropriations Committee, in accordance with § 2–1257 of the State Government Article, on the sports entertainment facility’s assessment of the maintenance and repair needed to keep the facility in operating order.

(G) (1) A bond issued to finance a sports entertainment facility:
(I) is a limited obligation of the Authority payable solely from money pledged by the Authority to the payment of the principal of and the premium and interest on the bond or money made available to the Authority for that purpose;

(II) is not a debt, liability, or pledge of the faith and credit or the taxing power of the State, the Authority, or any other governmental unit but is only a limited obligation of the Authority payable solely from money made available to the Authority for that purpose; and

(III) may not give rise to any pecuniary liability of the State, the Authority, or any other governmental unit but is only a limited obligation of the Authority payable solely from money pledged by the Authority.

(2) The issuance of a bond to finance a sports entertainment facility is not directly, indirectly, or contingently a moral or other obligation of the State, the Authority, or any other governmental unit to levy or pledge any tax or to make an appropriation to pay the bond.

(3) Each bond shall state on its face the provisions of paragraphs (1) and (2) of this subsection.

(H) The sole source of payment for bonds issued for a sports entertainment facility shall be money on deposit in the Sports Entertainment Facilities Financing Fund.

10–646.4.

(A) Except as allowed by § 10–639 of this subtitle, to finance site acquisition and the planning, design, and construction of a Prince George's County Blue Line Corridor facility, the Authority shall comply with this section.

(B) At least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, the Authority shall provide, in accordance with § 2–1257 of the State Government Article, to the fiscal committees of the General Assembly a comprehensive financing plan for the relevant Prince George's County Blue Line Corridor facility that includes:
(1) The aggregate amount of funds needed for the Prince George’s County Blue Line Corridor facility to be financed with the proposed bonds;

(2) A description of the Prince George’s County Blue Line Corridor facility to be constructed or renovated;

(3) The anticipated total debt service for the proposed bond issue;

(4) The anticipated total debt service when combined with the debt service for all prior outstanding bond issues for Prince George’s County Blue Line Corridor facilities; and

(5) Anticipated project costs for the Prince George’s County Blue Line Corridor facility.

(C) (1) A bond issued to finance site acquisition, planning, design, and construction or renovations of or improvements to a Prince George’s County Blue Line Corridor facility:

(I) Is a limited obligation of the Authority payable solely from money pledged by the Authority to the payment of the principal of and the premium and interest on the bond or money made available to the Authority for that purpose;

(II) Is not a debt, a liability, or a pledge of the faith and credit or the taxing power of the State, the Authority, or any other governmental unit; and

(III) May not give rise to any pecuniary liability of the State, the Authority, or any other governmental unit.

(2) The issuance of a bond to finance the site acquisition, planning, design, and construction or renovations of or improvements to a Prince George’s County Blue Line Corridor facility is not directly, indirectly, or contingently a moral or other obligation of the State, the Authority, or any other governmental unit to levy or pledge any tax or make any appropriation to pay the bond.

(3) Each bond shall state on its face the provisions of paragraphs (1) and (2) of this subsection.
(D) The Authority shall obtain the approval of the Board of Public Works of the proposed bond issue, the financing plan, and the agreement under subsection (E) of this section.

(E) The Authority may not issue bonds to finance a Prince George’s County Blue Line Corridor facility until the Authority secures a written agreement with Prince George’s County identifying the roles and responsibilities of each party with respect to the Prince George’s County Blue Line Corridor facility.

(F) For fiscal year 2024 and each fiscal year thereafter, until the bonds that have been issued to finance Prince George’s County Blue Line Corridor facilities are no longer outstanding and unpaid, the Comptroller shall deposit into the Prince George’s County Blue Line Corridor Facility Fund an amount not to exceed $27,000,000 from the State Lottery Fund under § 9–120(b)(1)(xi) of the State Government Article. 10–657.5.

(A) In this section, “Fund” means the Sports Entertainment Facilities Financing Fund.

(B) There is a Sports Entertainment Facilities Financing Fund.

(C) (1) The Fund is a continuing, nonlapsing fund that shall be available to implement this subtitle concerning sports entertainment facilities.

(2) The Authority shall:

(I) use the Fund as a revolving fund for carrying out this subtitle concerning sports entertainment facilities; and

(II) pay any and all expenses from the Fund that are incurred by the Authority related to any sports entertainment facility.

(D) To the extent considered appropriate by the Authority, the money on deposit in the Fund shall be pledged to and used to pay the following related to sports entertainment facilities:

(1) debt service on Authority bonds;
(2) DEBT SERVICE RESERVES UNDER A TRUST AGREEMENT;

(3) ALL REASONABLE CHARGES AND EXPENSES RELATED TO AUTHORITY BORROWING; AND

(4) ALL REASONABLE CHARGES AND EXPENSES RELATED TO THE AUTHORITY’S ADMINISTRATION OF THE FUND AND MANAGEMENT OF THE AUTHORITY’S OBLIGATIONS.

(E) THE FUND CONSISTS OF:

(1) MONEY DEPOSITED INTO THE FUND;

(2) TO THE EXTENT THAT THE PROCEEDS ARE NOT UNDER A TRUST AGREEMENT, PROCEEDS FROM THE SALE OF BONDS CONCERNING SPORTS ENTERTAINMENT FACILITIES;

(3) REVENUES COLLECTED OR RECEIVED FROM ANY SOURCE UNDER THIS SUBTITLE RELATED TO SPORTS ENTERTAINMENT FACILITY PROJECTS;

(4) ANY INTEREST EARNINGS OF THE FUND; AND

(5) ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY PUBLIC SOURCE FOR THE PURPOSES ESTABLISHED FOR THE FUND.

(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE FUNDS.

(2) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE FUND.

(3) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO THE GENERAL FUND OR ANY SPECIAL FUND OF THE STATE.

10–657.6.

(A) IN THIS SECTION, “FUND” MEANS THE PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY FUND.

(B) THERE IS A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY FUND.

(C) THE PURPOSE OF THE FUND IS TO ENABLE THE AUTHORITY TO:
(1) Use the Fund as a revolving fund for implementing this subtitle as it relates to a Prince George’s County Blue Line Corridor facility; and

(2) Pay any expenses incurred by the Authority that are related to a Prince George’s County Blue Line Corridor facility.

(D) The Authority shall administer the Fund.

(E) (1) The Fund is a continuing, nonlapsing fund that is not subject to reversion under § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(F) (1) To the extent considered appropriate by the Authority, the receipts of the Fund shall be pledged to and charged with the following related to a Prince George’s County Blue Line Corridor facility:

(i) Payment of debt service on Authority bonds;

(ii) All reasonable charges and expenses related to the Authority’s borrowing; and

(iii) The management of the Authority’s obligations.

(2) The pledge shall be effective in the same manner as provided in § 10–634 of this subtitle.

(G) The Fund consists of:

(1) Money distributed to the Fund under § 9–120(b)(1)(xi) of the State Government Article;

(2) Money appropriated for deposit in the Fund;

(3) Proceeds from the sale of bonds concerning a Prince George’s County Blue Line Corridor facility;
REVENUES COLLECTED OR RECEIVED FROM ANY SOURCE UNDER THIS SUBTITLE RELATED TO A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY;

ANY INTEREST EARNINGS OF THE FUND; AND

ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY SOURCE FOR THE PURPOSES ESTABLISHED FOR THE FUND.

THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE FUNDS.

ANY INTEREST EARNINGS SHALL BE CREDITED TO THE FUND.

Article – State Finance and Procurement

6–226.

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

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

144. the Health Equity Resource Community Reserve Fund;
145. the Access to Counsel in Evictions Special Fund; AND
146. THE SPORTS ENTERTAINMENT FACILITIES FINANCING FUND;
147. THE MAJOR SPORTS AND ENTERTAINMENT EVENT PROGRAM FUND; AND
148. THE PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY FUND.

Article – State Government

9–120.
(b) (1) By the end of the month following collection, the Comptroller shall deposit, cause to be deposited, or pay:

(i) into the Maryland Stadium Facilities Fund established under § 7–312 of the State Finance and Procurement Article from the money that remains in the State Lottery Fund, after the distribution under subsection (a) of this section, an amount not to exceed $20,000,000 in any fiscal year;

(vii) after June 30, 2021, to Anne Arundel County or Baltimore City each fiscal year the amount required to be distributed under § 9–1A–31(a)(7)(ii) of this title to be used as required under § 9–1A–31 of this title; [and]

(VIII) AFTER JUNE 1, 2022, TO THE SPORTS ENTERTAINMENT FACILITIES FINANCING FUND ESTABLISHED UNDER § 10–657.5 OF THE ECONOMIC DEVELOPMENT ARTICLE FROM THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES AFTER THE DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I) THROUGH (VII) OF THIS PARAGRAPH, AN AMOUNT EQUAL TO NOT TO EXCEED $25,000,000 TO BE PAID IN TWO INSTALLMENTS NOT LATER THAN NOVEMBER 1 AND JUNE 1 OF EACH FISCAL YEAR; AND

(IX) AFTER JUNE 30, 2022, TO THE MAJOR SPORTS AND ENTERTAINMENT EVENT PROGRAM FUND ESTABLISHED UNDER § 10–611.2 OF THE ECONOMIC DEVELOPMENT ARTICLE FROM THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES AFTER THE DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I) THROUGH (VIII) OF THIS PARAGRAPH:

1. FOR FISCAL YEAR 2023, AN AMOUNT EQUAL TO $10,000,000; AND

2. FOR EACH FISCAL YEAR THEREAFTER, THE AMOUNT NECESSARY TO RESTORE THE MAJOR SPORTS AND ENTERTAINMENT EVENT PROGRAM FUND TO A BALANCE OF $10,000,000;

(X) IF A DEPOSIT OR PAYMENT IS MADE UNDER ITEM (I) OF THIS PARAGRAPH, AN AMOUNT EQUAL TO 50% OF THE DEPOSIT OR PAYMENT, BUT NOT EXCEEDING $27,000,000, TO THE DEPARTMENT OF TRANSPORTATION FOR BUS RAPID TRANSIT SYSTEM GRANTS IN ACCORDANCE WITH § 2–802 OF THE TRANSPORTATION ARTICLE FROM THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES AFTER THE DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I) THROUGH (IX) OF THIS PARAGRAPH;
(XI) after June 30, 2023, into the Prince George's County Blue Line Corridor Facility Fund established under § 10–657.6 of the Economic Development Article from the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) through (X) of this paragraph, an amount not to exceed $27,000,000 to be paid in two installments not later than November 1 and June 1 of each fiscal year; and

[(viii) (IX) (XII)] into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) through [(vi) (VIII) (XI)] of this paragraph.

Article – Tax – General

11–243.

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

(2) (i) “Construction material” means an item of tangible personal property that is used to construct or renovate a building, a structure, or an improvement on land and that typically loses its separate identity as personal property once incorporated into the real property.

(ii) “Construction material” includes building materials, building systems equipment, landscaping materials, and supplies.

(3) “Hagerstown Multi–Use Sports and Events Facility” has the meaning stated in § 10–601 of the Economic Development Article.

(4) “PRINCE GEORGE'S COUNTY BLUE LINE CORRIDOR FACILITY” HAS THE MEANING STATED IN § 10–601 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(5) “SPORTS ENTERTAINMENT FACILITY” HAS THE MEANING STATED IN § 10–601 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(b) The sales and use tax does not apply to a sale of construction material if:

(1) the construction material is purchased by a person solely for use in furtherance of the provisions of Title 10, Subtitle 6 of the Economic Development Article for the construction or redevelopment of:
(I) the Hagerstown Multi–Use Sports and Events Facility that is managed by the Maryland Stadium Authority; OR

(II) A SPORTS ENTERTAINMENT FACILITY THAT IS MANAGED BY THE MARYLAND STADIUM AUTHORITY; OR

(III) A PRINCE GEORGE’S COUNTY BLUE LINE CORRIDOR FACILITY;

(2) the sale is made on or after October 1, 2021; and

(3) the buyer provides the vendor with evidence of eligibility for the exemption issued by the Comptroller.

(c) The Comptroller shall adopt regulations to implement this section.

Article – Transportation

2–802.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “BUS RAPID TRANSIT SYSTEM” MEANS A BUS LINE THAT OPERATES ON AT LEAST SOME PORTION OF ROADWAY DEDICATED TO BUSES AND OFFERS OFF–BOARD FARE COLLECTION IF A FARE IS CHARGED.

(3) “ELIGIBLE GRANTEE” MEANS A COUNTY OR MUNICIPAL CORPORATION THAT HAS:

(I) A BUS RAPID TRANSIT SYSTEM THAT OPERATES IN THE COUNTY OR MUNICIPAL CORPORATION; AND

(II) NO ONGOING OR COMPLETED FACILITY, AS THAT TERM IS DEFINED IN § 10–601(S)(1), (4), OR (10) OF THE ECONOMIC DEVELOPMENT ARTICLE.

(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF A DEPOSIT OR PAYMENT IS MADE IN ACCORDANCE WITH § 9–120(B)(1)(I) OF THE STATE GOVERNMENT ARTICLE INTO THE MARYLAND STADIUM AUTHORITY FACILITIES FUND ESTABLISHED UNDER § 7–312 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THEN THE DEPARTMENT SHALL AWARD A GRANT TO AN ELIGIBLE GRANTEE EQUAL TO THE AMOUNT DISTRIBUTED TO THE DEPARTMENT UNDER § 9–120(B)(1)(X) OF THE STATE GOVERNMENT ARTICLE.
(2) If more than one county or municipal corporation is an eligible grantee, then the Department shall distribute the total amount of the deposit or payment under § 9–120(b)(1)(X) of the State Government Article to the eligible grantees based on each eligible grantee’s pro rata share of the statewide population.

(C) The Department:

(1) shall distribute grants under this section to eligible grantees in a timely manner; and

(2) may not impose any additional conditions on an eligible grantee on receipt of a grant under this section.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Stadium Authority shall provide two reports, on or before September 30, 2022, and January 1, 2023, in accordance with § 2–1257 of the State Government Article, to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Ways and Means Committee, on the progress of the Pimlico and Laurel Park racing facility redevelopment plans under Chapter 590 of the Acts of the General Assembly of 2020.

(b) Each report required under subsection (a) of this section shall:

(1) describe efforts by interested parties and the Maryland Stadium Authority to reduce the overall project costs;

(2) report on the cost and schedule for the Laurel Park racing facility site based on the programmatic desires of current ownership; and

(3) report on the cost and schedule for Laurel Park based on the implementation of recommendations in subsection (f) of this section.

(c) It is the intent of the General Assembly that the Maryland Stadium Authority shall spend at least $2,500,000 from the current balance in the Racing and Community Development Facilities Fund established under § 10–657.3 of the Economic Development Article, for professional services to complete the reports under subsection (a) of this section.

(d) It is the intent of the General Assembly that the following projects proceed on or before September 1, 2022, using funds from the Racing and Community Development Facilities Fund established under § 10–657.3 of the Economic Development Article:

(1) design, architecture, engineering, and permitting at the Pimlico site;
(2) testing and evaluation of the existing racing surfaces at the Laurel Park racing facility site, including geophysical borings as needed; and

(3) after considering the ongoing racing operations at the Pimlico racing facility site during construction, and in consultation with the Pimlico racing licensee, demolition of the Pimlico Old Grandstand on an expedited basis.

(e) (1) It is the intent of the General Assembly that the Maryland Economic Development Corporation shall undertake all efforts necessary to evaluate the feasibility, limitations, costs, and potential benefits related to the acquisition of the Laurel Park site by a government or nonprofit entity to ensure the redevelopment and construction of facilities at the Laurel Park racing facility site.

(2) The Maryland Economic Development Corporation shall, to the extent necessary, consult with:

(i) the mile thoroughbred racing licensees;

(ii) the Maryland Thoroughbred Horsemen’s Association;

(iii) the Maryland Horse Breeders Association;

(iv) the Maryland Racing Commission;

(v) the Maryland Stadium Authority; and

(vi) any additional parties, as necessary.

(3) (i) The Maryland Economic Development Corporation shall enter into discussions with the owner of the Laurel Park racing facility site to determine the terms and conditions of a potential purchase or other transfer of all or a portion of the site to a government entity or a nonprofit entity.

(ii) The Maryland Economic Development Corporation may contract for one or more appraisals to make the determination under subparagraph (i) of this paragraph.

(4) On or before September 1, 2022, the Maryland Economic Development Corporation shall report, in accordance with § 2–1257 of the State Government Article, to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Ways and Means Committee on the progress of the efforts taken under this subsection.

(f) On or before September 30, 2022, the mile thoroughbred licensees, the Maryland Thoroughbred Horsemen’s Association, and the Maryland Horse Breeders Association shall report, in accordance with § 2–1257 of the State Government Article, to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the
House Ways and Means Committee on the status of the Maryland thoroughbred racing operations, including models and recommendations regarding future and planning operations of the Maryland thoroughbred racing industry.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2022.

Approved:

__________________________________________________________
Governor.

__________________________________________________________
Speaker of the House of Delegates.

__________________________________________________________
President of the Senate.