SENATE BILL 1007

By: Chair, Budget and Taxation Committee (By Request – Departmental – University System of Maryland)

Introduced and read first time: February 25, 2022
Assigned to: Rules
Re–referred to: Budget and Taxation, February 28, 2022

Committee Report: Favorable
Senate action: Adopted
Read second time: March 11, 2022

CHAPTER _____

1 AN ACT concerning

2 University System of Maryland – Academic Facilities Bonding Authority

3 FOR the purpose of increasing the bonding authority for the University System of Maryland; approving certain projects for the acquisition, development, and improvement of certain academic facilities for the University System of Maryland; authorizing the issuance of bonds by the University System of Maryland in a certain total principal amount for financing the projects; providing that the bonds are not a debt or an obligation of the State or any of its subdivisions; and generally relating to academic facilities bonding authority of the University System of Maryland and certain projects.

BY repealing and reenacting, with amendments,
Article – Education
Section 19–102(c)(1) and (d)(4)
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

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

Article – Education

19–102.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
Strike-out indicates matter stricken from the bill by amendment or deleted from the law by amendment.
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(c) (1) The aggregate principal amount of bonds outstanding and the present value of capital lease payments, less the amount of any reserve fund or sinking fund requirement established for the bonds or capital leases, may not exceed, as of the date of issue of the bonds, the following:

(i) \([\$1,400,000,000] \$, \(1,700,000,000\) for the University System of Maryland;

(ii) \(88,000,000\) for the Morgan State University;

(iii) \(60,000,000\) for St. Mary’s College of Maryland; and

(iv) \(65,000,000\) for Baltimore City Community College.

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

(ii) Any bonds issued in accordance with paragraph (3) of this subsection shall mature at such times as may be determined by a system, but not later than \([21] 33\) years after the date of issue of the bonds that were originally issued for the academic facility or facilities authorized under the requirements of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) In accordance with § 19–102(d) of the Education Article, each of the following projects is approved as a project for an academic facility, and the University System of Maryland may issue, sell, and deliver bonds in the total principal amount of \(4,692,000\) for the purposes of financing and refinancing the costs of the following projects:

- University of Maryland, College Park (Prince George’s County):
  - Campuswide Building Systems and Infrastructure Improvements

- University of Maryland, Eastern Shore (Somerset County):
  - Flood Mitigation Project

(b) In accordance with § 19–102(d) of the Education Article, those systemwide capital facilities renewal projects for existing academic facilities of the constituent institutions and centers of the University System of Maryland as are authorized by the Board of Regents are hereby approved as facility renewal projects for academic facilities, and the University System of Maryland may issue, sell, and deliver bonds in the total principal amount of \(25,308,000\) for the purposes of financing and refinancing the costs of those academic facilities renewal projects.

(c) The bonds issued under the authority of this Act do not create or constitute
any indebtedness or obligation of the State or of any political subdivision thereof except for
the University System of Maryland, and the bonds shall so state on their face. The bonds
do not constitute a debt or obligation contracted by the General Assembly of Maryland or
pledge the faith and credit of the State within the meaning of Article III, § 34 of the
Maryland Constitution.

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.