

Department of Legislative Services
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 883 (Senator Hayes)
Finance

Economic Development - Maryland Stadium Authority - Carroll Park Soccer Stadium and Facility

This bill authorizes the Maryland Stadium Authority (MSA) to issue up to \$216.6 million in bonds to finance the Carroll Park Soccer Stadium and Facility (CPSSF), subject to specified requirements. The bill establishes the CPSSF Fund to use to implement the bill and pay for related expenses incurred by MSA. The Comptroller must annually distribute the amount necessary to pay related debt service for that fiscal year to the CPSSF Fund from mobile sports wagering proceeds beginning in fiscal 2028 until the bonds are no longer outstanding and unpaid. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: No effect in FY 2027. *Under one set of assumptions*, general fund and special fund revenues annually decrease by \$5.5 million and \$16.5 million, respectively, beginning in FY 2029 due to the redirection of mobile sports wagering proceeds to cover debt service. Nonbudgeted revenues and expenditures for MSA increase by \$72.2 million annually in FY 2028 through 2030 from bond issuances and spending of the bond proceeds for CPSSF. Special fund revenues and expenditures for the CPSSF Fund increase by \$22.0 million annually beginning in FY 2029, reflecting receipt of the mobile sports wagering proceeds and debt service payments. Special fund expenditures for education decrease by \$16.5 million annually beginning in FY 2029, and general fund expenditures for education increase correspondingly.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GF Revenue	\$0	\$0	(\$5.5)	(\$5.5)	(\$5.5)
SF Revenue	\$0	\$0	\$5.5	\$5.5	\$5.5
NonBud Rev.	\$0	\$72.2	\$72.2	\$72.2	\$0
GF Expenditure	\$0	\$0	\$16.5	\$16.5	\$16.5
SF Expenditure	\$0	\$0	\$5.5	\$5.5	\$5.5
NonBud Exp.	\$0	\$72.2	\$72.2	\$72.2	\$0
Net Effect	\$0.0	\$0.0	(\$22.0)	(\$22.0)	(\$22.0)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Meaningful, as discussed below.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Facilities Financing and Operation

CPSSF means a soccer stadium and facility located in Baltimore City that is used primarily for professional soccer and as a soccer academy and school.

Generally, to finance site acquisition, design, and construction of any segment of CPSSF, MSA must obtain the approval of the Board of Public Works (BPW) of the proposed bond issue and the financing plan. MSA must provide the fiscal committees of the General Assembly, as specified, a comprehensive financing plan at least 45 days before obtaining the approval of BPW for each bond issue or other borrowing. MSA may not issue bonds to finance CPSSF until MSA and United Partnership secure a written operating agreement.

MSA is authorized to review and make recommendations on CPSSF, with respect to location, purpose, design, function, capacity, parking, costs, funding mechanisms, and revenue alternatives, with specific recommendations on specified items. While MSA and any MSA affiliate are generally subject to applicable planning, zoning, and development regulations to the same extent as a private commercial or industrial enterprise, the bill specifies that CPSSF is exempt from these requirements.

If lease payments are appropriated to MSA by the State for CPSSF, MSA must transfer the lease payments to CPSSF.

MSA must submit an annual report to the Governor and the General Assembly on the additional tax revenues generated by CPSSF.

Carroll Park Soccer Stadium and Facility Fund

The CPSSF Fund is established as a special, nonlapsing fund, administered by MSA, to enable MSA to (1) use the fund as a revolving fund for implementing the bill as it relates to CPSSF and to (2) pay any expenses incurred by MSA that are related to CPSSF. To the extent considered appropriate by MSA, the receipts of the fund must be pledged to and used to pay the following relating to CPSSF:

- payment of debt service on MSA bonds;
- all reasonable charges and expenses related to MSA's borrowing; and
- the management of MSA's obligations.

The CPSSF Fund consists of:

- money appropriated for deposit in the fund;
- revenues collected or received from any source concerning CPSSF;
- interest earnings; and
- any additional money made available from any public or private source for the purposes established for the fund.

Current Law: MSA was established in 1986 as an independent unit in the Executive Department to be responsible for the construction, operation, and maintenance of facilities for use by professional baseball and/or football teams. Over the years, MSA's authority has been expanded further to include a variety of State and local projects. MSA may, in fact, manage any type of construction project for local governments and State agencies upon request and approval by the General Assembly.

Maryland Stadium Authority Studies and Preliminary Design

In May 2022, the MSA Board of Directors approved a request from the Secretary of Commerce for MSA to provide advisory services related to a proposed new multi-use soccer stadium in the Baltimore Metro area. The primary operator of the facility is Major League Soccer's D.C. United. The MSA board approved a request from the Department of Commerce to manage a Phase 2 preliminary design effort in March 2024. This phase included site analysis, conceptual design, budget analysis, and due diligence for two identified sites in Baltimore City, one of which was Carroll Park. In May 2025, MSA published a preliminary design report, which established the programming, preliminary design concept, and a cost of construction estimate.

Sports Wagering Revenues

Chapter 492 of 2020 authorized sports and event wagering generally, subject to voter referendum, which was approved by Maryland voters in November 2020. The Act also provided that revenues from sports and event wagering must primarily be used for public education. Chapter 356 of 2021 implemented sports and event wagering in the State and provided for regulation of sports wagering by the State Lottery Gaming and Control Commission. Chapter 604 of 2025 increased the mobile sports wagering tax rate from 15% to 20%. Mobile sports wagering licensees receive 80% of mobile sports wagering proceeds, while all other licensees receive 85% of proceeds from sports wagering and

fantasy gaming. Beginning in fiscal 2026, 5% of mobile sports wagering proceeds (*i.e.*, 25% of State mobile sports wagering revenues) is distributed to the general fund and the remainder is distributed to the Blueprint for Maryland’s Future Fund (BMFF), which supports public education. For fiscal 2026, mobile sports wagering revenues are estimated to total \$112.0 million, of which \$28.0 million is distributed to the general fund and \$84.0 million is distributed to BMFF.

State Fiscal Effect:

Carroll Park Soccer Stadium and Facility Financing and Construction

MSA does not expect debt to be issued until fiscal 2028, as several steps need to be completed before debt issuance, including negotiating and executing a management agreement. MSA does not know the timing of issuing debt for CPSSF. Assuming bonds are issued evenly over a three-year period, nonbudgeted revenues increase by approximately \$72.2 million annually in fiscal 2028 through 2030 from bonds issued by MSA under the bill, and nonbudgeted expenditures increase correspondingly to pay for the construction and site preparation for CPSSF. However, the precise timing of such expenditures is also unknown at this time and may vary from this estimate.

As part of the overall funding to support the stadium and facility described above, nonbudgeted MSA administrative expenditures increase by \$398,663 in fiscal 2028, which reflects employees starting July 1, 2027, around the time of bond issuance. This estimate reflects the cost of hiring one contractual project manager, one contractual assistant project manager, and one contractual executive assistant to oversee MSA’s role in the construction of the facility and provide related support beginning in fiscal 2028. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Positions	3.0
Salaries and Fringe Benefits	\$369,074
Operating Expenses	<u>29,589</u>
FY 2028 MSA Administrative Expenditures	\$398,663

Future year administrative expenditures reflect annual increases and employee turnover as well as annual increases in ongoing operating expenses through fiscal 2030, when the contractual positions are eliminated upon the completion of the project.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Debt Service

The Comptroller must annually distribute the amount necessary to cover CPSFF debt service payments until the debt is no longer outstanding from mobile sports wagering proceeds (after which 25% of mobile sports wagering proceeds are distributed to the general fund and 75% of mobile sports wagering proceeds are distributed to BMFF). MSA anticipates debt service payments of \$22.0 million annually beginning in fiscal 2029 until the debt is paid off. Thus, beginning in fiscal 2029, BMFF special fund revenues decrease by \$16.5 million annually and general fund revenues decrease by \$5.5 million annually as a result of redirecting mobile sports wagering proceeds to the CPSFF Fund. BMFF special fund expenditures decrease correspondingly (by \$16.5 million annually). Current projections indicate that, under current law, revenues in BMFF, including prior-year fund balances, will be less than the required increases to annual expenditures under the Blueprint for Maryland's Future beginning in fiscal 2028. Thus, general fund expenditures for education increase by \$16.5 million annually beginning in fiscal 2029 to backfill for the loss of BMFF revenues resulting from the bill.

Special fund revenues for the CPSSF Fund increase by \$22.0 million annually from fiscal 2029 until the debt is no longer outstanding as a result of receiving the mobile sports wagering proceeds, and CPSSF special fund expenditures increase correspondingly to make debt service payments.

Local Fiscal Effect: Baltimore City may benefit from the construction and operation of CPSSF. Local revenues may increase from additional economic activity associated with the stadium and facility's construction and operation. Local expenditures may increase to support the project's construction and/or operation; however, the amount and timing of such expenditures are unknown at this time.

Small Business Effect: Small businesses associated with the design, construction, operation, and maintenance of the proposed facility, as well as businesses located adjacent to the CPSSF site, benefit from an increase in the demand for their services under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Cross File: HB 1078 (Delegate Edelson) - Appropriations.

Information Source(s): Board of Public Works; Maryland Stadium Authority; State Lottery and Gaming Control Agency; Department of Legislative Services

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