

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 575 (Charles County Senators)
 Budget and Taxation

Economic Development - Maryland Stadium Authority - Charles County Sports and Wellness Center

This bill authorizes the Maryland Stadium Authority (MSA) to issue up to \$45.0 million in bonds for the purpose of financing acquisition, design, construction, and related expenses in connection with the Charles County Sports and Wellness Center, subject to specified requirements. This includes MSA transferring ownership of the center to Charles County under a written operating agreement. The bill establishes the Charles County Sports and Wellness Center Fund to implement the bill and pay for related expenses incurred by MSA.

Fiscal Summary

State Effect: Nonbudgeted revenues are assumed to increase by approximately \$5.0 million in FY 2027 and \$46.7 million in FY 2028 from bonds issued by MSA; nonbudgeted expenditures increase in total by that amount from FY 2027 through 2030 for construction and related costs. General fund expenditures increase by \$4.0 million annually from FY 2029 through 2048 to provide funding for debt service; nonbudgeted revenues and expenditures increase correspondingly.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
NonBud Rev.	\$5.0	\$46.7	\$4.0	\$4.0	\$4.0
GF Expenditure	\$0	\$0	\$4.0	\$4.0	\$4.0
NonBud Exp.	\$5.0	\$20.5	\$27.5	\$6.7	\$4.0
Net Effect	\$0.0	\$26.2	(\$27.5)	(\$6.7)	(\$4.0)

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

“Charles County Sports and Wellness Center” means the events facility located in Charles County, Maryland, used for community events, recreational events, and other related activities. It includes fields and amphitheaters, offices, parking lots and garages, access roads, food service facilities, and other functionally related structures and improvements.

Generally, to finance site acquisition, design, and construction of any segment of the center, MSA must notify the fiscal committees of the General Assembly, as specified, and obtain the approval of the Board of Public Works (BPW) of the proposed bond issue and the financing plan. MSA must also secure a written operating agreement to transfer ownership of the center from MSA to Charles County, as approved by BPW:

- in which the county agrees to (1) own, market, promote, and operate or contract for the marketing, promotion, and operation of the center in a manner that maximizes the center’s economic return; (2) maintain and repair or contract for the maintenance and repair of the center; and (3) be solely responsible for all expenditures relating to the operation, maintenance, and repair of the center; and
- that (1) protects the investments of MSA and the county in the center; (2) requires the county to contribute to a capital improvement reserve fund an amount sufficient to keep the center in first-class operating condition; (3) requires the county to be solely responsible for all expenditures relating to the operation of the center that may be incurred, including operating deficits; and (4) allows the county to keep all operating profits resulting from the operation of the center each year.

Charles County must annually report to the fiscal committees of the General Assembly on the county’s assessment of the maintenance and repair needed to keep the center in operating order.

Charles County Sports and Wellness Center Fund

The Charles County Sports and Wellness Center Fund is established as a continuing, nonlapsing fund to enable MSA to (1) use the fund as a revolving fund for implementing the bill as it relates to the center and (2) pay any expenses incurred by MSA that are related to the center. MSA administers the fund. To the extent considered appropriate by MSA, the receipts of the fund must be pledged to and charged with the following relating to the center:

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

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. In 1992, legislation was enacted which assigned to the authority the responsibility for expansion of the Baltimore City Convention Center. MSA's responsibility was further extended in 1995 when legislation was enacted to have MSA participate in and manage construction of the Ocean City Convention Center. Legislation in 1996 authorized MSA to participate with Montgomery County in the construction of a conference center, and in 2000, MSA was authorized to participate in construction of the Hippodrome Performing Arts Center in Baltimore. Since then, MSA has been authorized to construct a variety of other projects and facilities. MSA may, in fact, manage any type of construction project for local governments and State agencies upon request and approval by the General Assembly.

State Fiscal Effect: Nonbudgeted revenues are assumed to increase by approximately \$5.0 million in fiscal 2027 and \$46.7 million in fiscal 2028 from bonds issued by MSA under the bill (which includes bond premium and is net of bond issuance costs), totaling \$51.7 million over the two-year period. Nonbudgeted expenditures increase in total by that amount from fiscal 2027 through 2030 for costs associated with building the Charles County Sports and Wellness Center. The precise timing of such expenditures is unknown at this time; however, for the purposes of this estimate, assumed MSA expenditures are \$5.0 million in fiscal 2027, \$20.5 million in fiscal 2028, \$23.5 million in fiscal 2029, and \$2.7 million in fiscal 2030.

MSA advises that it is currently conducting a feasibility study for the proposed Charles County Sports and Wellness Center. The study is anticipated to be completed during fiscal 2027. The economic impact component of this study may help determine the net benefit to the State and demonstrate how the revenues generated by the project can support the State's contribution.

Additionally, MSA anticipates using current staff to oversee the project; therefore, additional staff is not needed. MSA advises that, with most of the Baltimore City school projects nearing completion, personnel will be available to cover the workload for this project.

The bill does not identify a revenue source to repay the bonds. The Maryland Constitution requires any legislation authorizing the issuance of debt to provide for the collection of tax or taxes sufficient to service the debt. The Department of Legislative Services assumes an annual appropriation of \$4.0 million is provided to MSA to service the debt beginning in SB 575/ Page 3

fiscal 2029. Accordingly, general fund expenditures increase by \$4.0 million annually from fiscal 2029 through 2048 to provide funding for the associated debt service payments, based on the assumption that MSA issues 20-year bonds and structures the repayments to match the availability of appropriations for debt service. Nonbudgeted revenues and expenditures for the Charles County Sports and Wellness Center Fund are assumed to increase correspondingly as funds are received and used to make debt service payments, although there may be slight timing differences, depending on the final debt service schedule.

Local Fiscal Effect: Local government expenditures increase to support the project’s construction, operation, and maintenance; the county advises that it may be contributing approximately \$53.5 million toward the project – although the timing for those expenditures is unknown. Likewise, the costs for operation and maintenance are not yet known. Local government revenues increase from additional economic activity associated with the facility’s construction and eventual operation.

Small Business Effect: Small businesses associated with the design, construction, operation, and maintenance of the proposed center, and businesses located adjacent to the center, benefit from increased demand for their services under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced in the last three years. See SB 130 of 2023.

Designated Cross File: None.

Information Source(s): Charles County; Board of Public Works; Maryland Stadium Authority; Department of Legislative Services

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caw/ljm

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