

SENATE BILL 926

C8

1lr2763
CF HB 1162

By: **Senators Corderman and Edwards**

Introduced and read first time: February 9, 2021

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Maryland Stadium Authority – Hagerstown Multi-Use**
3 **Sports and Events Facility**

4 FOR the purpose of authorizing the Maryland Stadium Authority to review certain matters
5 and make certain recommendations relating to the Hagerstown Multi-Use Sports
6 and Events Facility; authorizing the Authority to acquire by certain means a
7 Hagerstown Multi-Use Sports and Events Facility site or an interest in the site;
8 requiring the Authority to transfer certain lease payments to the Hagerstown
9 Multi-Use Sports and Events Facility Fund under certain circumstances; requiring
10 the Authority to submit a certain annual report, prepared in cooperation with the
11 Office of the Comptroller and the Department of Budget and Management, to the
12 Governor and the General Assembly; prohibiting the Board of Public Works from
13 approving an issuance by the Authority of certain bonds under certain
14 circumstances; requiring the Authority, with certain exceptions, to comply with
15 certain requirements to finance certain site acquisition and construction activities;
16 requiring the Authority to obtain the approval of the Board of Public Works for
17 certain matters; requiring the Comptroller to pay a certain amount from the State
18 Lottery Fund each year until certain bonds are no longer outstanding and unpaid;
19 requiring the Authority or an affiliate of the Authority to carry out certain tasks and
20 secure certain agreements with certain parties containing certain terms to carry out
21 the Authority's duties under this Act; establishing the Hagerstown Multi-Use Sports
22 and Events Facility Fund as a continuing, nonlapsing fund; specifying the purpose
23 of the Fund; requiring the Authority to administer the Fund; requiring the State
24 Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying
25 the contents of the Fund; specifying the purpose for which the Fund may be used;
26 providing for the investment of money in and expenditures from the Fund; requiring
27 interest earnings of the Fund to be credited to the Fund; defining certain terms; and
28 generally relating to the financing and construction of the Hagerstown Multi-Use
29 Sports and Events Facility.

30 BY renumbering

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Economic Development
Section 10–601(s) through (tt), respectively
to be Section 10–601(v) through (ww), respectively
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 10–601(a) and (b), 10–620(a)(1), and 10–628(a)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 10–601(q), 10–613(a)(14) and (b), 10–618, 10–620(d) and (e), 10–625, and
10–628(c)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

BY adding to
Article – Economic Development
Section 10–601(s), (t), and (u), 10–646.2, and 10–657.4
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)122. and 123.
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)124.
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–120
Annotated Code of Maryland

(2014 Replacement Volume and 2020 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 10–601(s) through (tt), respectively, of Article – Economic Development of the Annotated Code of Maryland be renumbered to be Section(s) 10–601(v) through (ww), respectively.

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

Article – Economic Development

10–601.

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

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

(q) “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; [or]

(6) a racing facility; OR

(7) THE HAGERSTOWN MULTI–USE SPORTS AND EVENTS FACILITY.

(S) (1) “HAGERSTOWN MULTI–USE SPORTS AND EVENTS FACILITY” MEANS THE SPORTS AND EVENTS FACILITY LOCATED IN HAGERSTOWN, MARYLAND, USED FOR MINOR LEAGUE BASEBALL GAMES, OTHER EVENTS, AND RELATED ACTIVITIES.

(2) “HAGERSTOWN MULTI–USE SPORTS AND EVENTS FACILITY” INCLUDES:

(I) FIELDS AND FIELD HOUSES;

(II) OFFICES;

(III) PARKING LOTS AND GARAGES;

(IV) ACCESS ROADS;

(V) FOOD SERVICE FACILITIES; AND

(VI) OTHER FUNCTIONALLY RELATED STRUCTURES,
IMPROVEMENTS, FURNISHINGS, OR EQUIPMENT.

(T) “HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY FUND”
MEANS THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY FUND
ESTABLISHED UNDER § 10-657.4 OF THIS SUBTITLE.

(U) “HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY SITE”
MEANS THE SITE OF THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY
IN HAGERSTOWN, MARYLAND.

10-613.

(a) The Authority may:

(14) with respect to site acquisition, construction, and development of the
Hippodrome Performing Arts facility **AND THE HAGERSTOWN MULTI-USE SPORTS AND
EVENTS FACILITY**, establish and participate in Authority affiliates;

(b) The Authority may review and make recommendations on proposed
convention center facilities [and], the Hippodrome Performing Arts facility, **AND THE
HAGERSTOWN MULTI-USE SPORTS AND EVENTS 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 [and], the Hippodrome Performing Arts Center, **AND THE HAGERSTOWN
MULTI-USE SPORTS AND EVENTS 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;

(2) the type of support from the private sector;

(3) special taxing sources;

(4) projected revenues;

(5) bonding authority and the source of debt service; and

(6) the fiscal impact on the State of any revenue alternatives.

10–618.

(a) Contracts to acquire any facility site, to construct the facility, or for construction on the facility site require the prior approval of the Board of Public Works.

(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;

[and]

(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**

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

10–620.

(a) (1) Subject to annual appropriations and this subtitle, the Authority may acquire in its own name, by gift, purchase, or condemnation, any property or interest in property necessary or convenient to construct, improve, or operate a facility.

(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; [or]

(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.

(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**, or any supplemental facility site.

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

10-625.

The Authority shall submit:

(1) an annual detailed report of the activities and financial status of the Authority to the Governor, and, in accordance with § 2-1257 of the State Government Article, the General Assembly; and

(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; [and]

(iv) the Ocean City Convention facility; AND

(V) THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY.

10-628.

(a) Except as provided in subsections (b) and (c) of this section and subject to the prior approval of the Board of Public Works, the Authority may issue bonds at any time for any corporate purpose of the Authority, including the establishment of reserves and the payment of interest.

(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; [and]

(vii) racing facilities – \$375,000,000; AND

(VIII) THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY – \$59,500,000.

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

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

10-646.2.

(A) EXCEPT AS AUTHORIZED BY § 10-639 OF THIS SUBTITLE, TO FINANCE

1 SITE ACQUISITION AND CONSTRUCTION OF ANY SEGMENT OF THE HAGERSTOWN
2 MULTI-USE SPORTS AND EVENTS FACILITY, THE AUTHORITY SHALL COMPLY WITH
3 THIS SECTION.

4 (B) THE AUTHORITY SHALL PROVIDE CERTIFICATION TO THE LEGISLATIVE
5 POLICY COMMITTEE AND THE BOARD OF PUBLIC WORKS, SUPPORTED BY A
6 DETAILED REPORT, THAT THE AUTHORITY HAS ATTEMPTED TO MAXIMIZE PRIVATE
7 INVESTMENT IN THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY
8 PROPOSED TO BE FINANCED.

9 (C) AT LEAST 45 DAYS BEFORE SEEKING APPROVAL OF THE BOARD OF
10 PUBLIC WORKS FOR EACH BOND ISSUE OR OTHER BORROWING, THE AUTHORITY
11 SHALL PROVIDE TO THE FISCAL COMMITTEES OF THE GENERAL ASSEMBLY, IN
12 ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, A
13 COMPREHENSIVE FINANCING PLAN FOR THE RELEVANT SEGMENT OF THE FACILITY.

14 (D) THE AUTHORITY SHALL OBTAIN THE APPROVAL OF THE BOARD OF
15 PUBLIC WORKS OF THE PROPOSED BOND ISSUE AND THE FINANCING PLAN.

16 (E) FOR FISCAL YEAR 2023 AND EACH FISCAL YEAR THEREAFTER, UNTIL
17 THE BONDS THAT HAVE BEEN ISSUED TO FINANCE THE HAGERSTOWN MULTI-USE
18 SPORTS AND EVENTS FACILITY ARE NO LONGER OUTSTANDING AND UNPAID, THE
19 COMPTROLLER SHALL DEPOSIT INTO THE HAGERSTOWN MULTI-USE SPORTS AND
20 EVENTS FACILITY FUND AN AMOUNT NOT GREATER THAN \$3,750,000 FROM THE
21 STATE LOTTERY FUND UNDER § 9-120(B)(1)(V) OF THE STATE GOVERNMENT
22 ARTICLE.

23 (F) THE AUTHORITY SHALL SECURE A WRITTEN AGREEMENT WITH AN
24 AUTHORITY AFFILIATE, AS APPROVED BY THE BOARD OF PUBLIC WORKS, BY WHICH
25 THE AUTHORITY AFFILIATE AGREES:

26 (1) TO MARKET, PROMOTE, AND OPERATE OR CONTRACT, SUBJECT TO
27 THE APPROVAL OF THE AUTHORITY, FOR THE MARKETING, PROMOTION, AND
28 OPERATION OF THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY;

29 (2) TO MAINTAIN AND REPAIR OR CONTRACT, SUBJECT TO THE
30 APPROVAL OF THE AUTHORITY, FOR THE MAINTENANCE AND REPAIR OF THE
31 HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY SO AS TO KEEP THE
32 HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY IN FIRST-CLASS
33 OPERATING CONDITION; AND

34 (3) TO BE SOLELY RESPONSIBLE FOR ALL EXPENDITURES RELATING
35 TO THE OPERATION, MAINTENANCE, AND REPAIR OF THE HAGERSTOWN

MULTI-USE SPORTS AND EVENTS FACILITY THAT MAY BE INCURRED, INCLUDING THE AMOUNT BY WHICH EXPENDITURES EXCEED REVENUES.

10-657.4.

(A) IN THIS SECTION, "FUND" MEANS THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY FUND.

(B) THERE IS A HAGERSTOWN MULTI-USE SPORTS AND EVENTS 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 THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY; AND

(2) PAY ANY EXPENSES INCURRED BY THE AUTHORITY THAT ARE RELATED TO THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS 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 RELATING TO THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS 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 AUTHORITY OBLIGATIONS.

(2) THE PLEDGE SHALL BE EFFECTIVE AS PROVIDED IN § 10-634 OF THIS SUBTITLE.

(G) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED FOR DEPOSIT IN THE FUND;

(2) REVENUES COLLECTED OR RECEIVED FROM ANY SOURCE UNDER THIS SUBTITLE CONCERNING THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY;

(3) MONEY PAID TO THE FUND UNDER § 9-120 OF THE STATE GOVERNMENT ARTICLE; AND

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

(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE PAID INTO THE FUND.

Article – State Finance and Procurement

6-226.

(a) (2) (i) 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.

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

122. the Racing and Community Development Financing Fund;

[and]

123. the Racing and Community Development Facilities Fund;

AND

124. THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY FUND.

Article – State Government

1 9–120.

2 (a) The Comptroller shall distribute, or cause to be distributed, the State Lottery
3 Fund to pay:

4 (1) on a pro rata basis for the daily and nondaily State lottery games, the
5 expenses of administering and operating the State lottery, as authorized under this subtitle
6 and the State budget; and

7 (2) then, except as provided in § 10–113.1 of the Family Law Article, §
8 11–618 of the Criminal Procedure Article, and § 3–307 of the State Finance and
9 Procurement Article, the holder of each winning ticket or share.

10 (b) (1) By the end of the month following collection, the Comptroller shall
11 deposit or cause to be deposited:

12 (i) into the Maryland Stadium Facilities Fund established under §
13 7–312 of the State Finance and Procurement Article from the money that remains in the
14 State Lottery Fund, after the distribution under subsection (a) of this section, an amount
15 not to exceed \$20,000,000 in any fiscal year;

16 (ii) after June 30, 2014, into the Maryland Veterans Trust Fund 10%
17 of the money that remains in the State Lottery Fund from the proceeds of sales of tickets
18 from instant ticket lottery machines by veterans' organizations under § 9–112(d) of this
19 subtitle, after the distribution under subsection (a) of this section;

20 (iii) after June 30, 2014, into the Baltimore City Public School
21 Construction Financing Fund established under § 10–656 of the Economic Development
22 Article the money that remains in the State Lottery Fund from the proceeds of all lotteries
23 after the distributions under subsection (a) of this section and items (i) and (ii) of this
24 paragraph, an amount equal to \$20,000,000 in each fiscal year that bonds are outstanding
25 and unpaid, to be paid in two installments with at least \$10,000,000 paid no later than
26 December 1 of each fiscal year;

27 (iv) after June 30, 2021, into the Racing and Community
28 Development Financing Fund established under § 10–657.2 of the Economic Development
29 Article from the money that remains in the State Lottery Fund, after the distribution under
30 subsection (a) of this section, an amount equal to \$17,000,000 in each fiscal year until the
31 bonds issued for a racing facility have matured; [and]

32 **(V) AFTER JUNE 30, 2022, INTO THE HAGERSTOWN MULTI-USE**
33 **SPORTS AND EVENTS FACILITY FUND ESTABLISHED UNDER § 10–657.4 OF THE**
34 **ECONOMIC DEVELOPMENT ARTICLE FROM THE MONEY THAT REMAINS IN THE**
35 **STATE LOTTERY FUND, AFTER THE DISTRIBUTION UNDER SUBSECTION (A) OF THIS**
36 **SECTION, AN AMOUNT NOT GREATER THAN \$3,750,000 IN EACH FISCAL YEAR THAT**

1 **BONDS ARE OUTSTANDING AND UNPAID; AND**

2 ~~[(v)] (VI)~~ into the General Fund of the State the money that remains
3 in the State Lottery Fund from the proceeds of all lotteries after the distributions under
4 subsection (a) of this section and items (i), (ii), (iii), ~~[and] (iv), AND (V)~~ of this paragraph.

5 (2) The money paid into the General Fund under this subsection is
6 available in the fiscal year in which the money accumulates in the State Lottery Fund.

7 (c) The regulations of the Agency shall apportion the money in the State Lottery
8 Fund in accordance with subsection (b) of this section.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2021.