

SENATE BILL 442

C8

3lr1804

By: **Senator Corderman**

Introduced and read first time: February 2, 2023

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 1, 2023

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Sports Entertainment Facilities – Financing and**
3 **Construction**

4 FOR the purpose of altering the amount of taxable or tax exempt bonds that the Maryland
5 Stadium Authority may issue for certain sports entertainment facilities; altering the
6 entities from which the Authority is required to have received a request for financing
7 and construction management services concerning a sports entertainment facility;
8 altering the entities with which the Authority is required to enter into an agreement
9 before issuing bonds to finance a sports entertainment facility; and generally
10 relating to sports entertainment facilities.

11 BY repealing and reenacting, with amendments,
12 Article – Economic Development
13 Section 10–628(c)(1) and 10–646.3(b), (e), and (f)
14 Annotated Code of Maryland
15 (2018 Replacement Volume and 2022 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – Economic Development
18 Section 10–646.3(a)
19 Annotated Code of Maryland
20 (2018 Replacement Volume and 2022 Supplement)

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

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.



Article – Economic Development

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;
- (ix) the Hagerstown Multi–Use Sports and Events Facility – \$59,500,000;
- (x) sports entertainment facilities – **[\$200,000,000] \$220,000,000;**
- 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 **OR A NONPROFIT**

1 **ORGANIZATION THAT WILL OWN OR OPERATE THE SPORTS ENTERTAINMENT**
2 **FACILITY.**

3 (2) The request shall include:

4 (i) the location of the proposed sports entertainment facility;

5 (ii) the amount, source, and timing of funding not including
6 Authority bonds which may be issued to finance the proposed sports entertainment facility;
7 and

8 (iii) a description of the anticipated use of the proposed sports
9 entertainment facility.

10 (e) The Authority may not issue bonds to finance a sports entertainment facility
11 until the Authority secures a written agreement with the State, county, or local government
12 in which the sports entertainment facility is located **OR A NONPROFIT ORGANIZATION**
13 **THAT WILL OWN OR OPERATE THE SPORTS ENTERTAINMENT FACILITY**, as approved
14 by the Board of Public Works, under which:

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

17 (2) the State, county, [or] local government, **OR NONPROFIT**
18 **ORGANIZATION** agrees to:

19 (i) own, market, promote, and operate or contract for the marketing,
20 promotion, and operation of the sports entertainment facility in a manner that maximizes
21 the facility's economic return;

22 (ii) maintain and repair or contract for the maintenance and repair
23 of the sports entertainment facility so as to keep the sports entertainment facility in
24 first-class operating condition; and

25 (iii) any other terms or conditions deemed necessary or appropriate
26 by the Authority.

27 (f) On or before December 31 each year, a county or local government in which a
28 sports entertainment facility financed in whole or in part under this subtitle is located **OR**
29 **A NONPROFIT ORGANIZATION THAT OWNS OR OPERATES A SPORTS ENTERTAINMENT**
30 **FACILITY** shall report to the Senate Budget and Taxation Committee and the House
31 Appropriations Committee, in accordance with § 2-1257 of the State Government Article,
32 on the sports entertainment facility's assessment of the maintenance and repair needed to
33 keep the facility in operating order.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.