

SENATE BILL 926

C8

(11r2763)

ENROLLED BILL

— Budget and Taxation/Appropriations —

Introduced by **Senators Corderman and Edwards**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

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, design, and construction

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.

Italics indicate opposite chamber/conference committee amendments.



1 activities; requiring the Authority to obtain the approval of the Board of Public
 2 Works for certain matters; ~~requiring the Comptroller to pay a certain amount from~~
 3 ~~the State Lottery Maryland Stadium Facilities Fund each year~~ requiring the
 4 Governor to include in the annual budget bill a certain appropriation until certain
 5 bonds are no longer outstanding and unpaid; requiring the Authority ~~or an affiliate~~
 6 ~~of the Authority~~ to carry out certain tasks and secure certain agreements with
 7 certain parties containing certain terms to carry out the Authority's duties under
 8 this Act; requiring the Hagerstown–Washington County Industrial Foundation to
 9 report to certain committees of the General Assembly on or before a certain date each
 10 year; establishing the Hagerstown Multi–Use Sports and Events Facility Fund as a
 11 continuing, nonlapsing fund; specifying the purpose of the Fund; requiring the
 12 Authority to administer the Fund; requiring the State Treasurer to hold the Fund
 13 and the Comptroller to account for the Fund; specifying the contents of the Fund;
 14 specifying the purpose for which the Fund may be used; providing for the investment
 15 of money in and expenditures from the Fund; requiring interest earnings of the Fund
 16 to be credited to the Fund; exempting from the sales and use tax certain construction
 17 material purchased by the Authority for a certain project; defining certain terms; and
 18 generally relating to the financing and construction of the Hagerstown Multi–Use
 19 Sports and Events Facility.

20 BY renumbering

21 Article – Economic Development
 22 Section 10–601(s) through (tt), respectively
 23 to be Section 10–601(v) through (ww), respectively
 24 Annotated Code of Maryland
 25 (2018 Replacement Volume and 2020 Supplement)

26 BY repealing and reenacting, without amendments,

27 Article – Economic Development
 28 Section 10–601(a) and (b), 10–620(a)(1), and 10–628(a)
 29 Annotated Code of Maryland
 30 (2018 Replacement Volume and 2020 Supplement)

31 BY repealing and reenacting, with amendments,

32 Article – Economic Development
 33 Section 10–601(q), 10–613(a)(14) and (b), 10–618, 10–620(d) and (e), 10–625, and
 34 10–628(c)
 35 Annotated Code of Maryland
 36 (2018 Replacement Volume and 2020 Supplement)

37 BY adding to

38 Article – Economic Development
 39 Section 10–601(s), (t), and (u), 10–646.2, and 10–657.4
 40 Annotated Code of Maryland
 41 (2018 Replacement Volume and 2020 Supplement)

42 BY repealing and reenacting, without amendments,

1 Article – State Finance and Procurement
 2 Section 6–226(a)(2)(i)
 3 Annotated Code of Maryland
 4 (2015 Replacement Volume and 2020 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – State Finance and Procurement
 7 Section 6–226(a)(2)(ii)122. and 123.
 8 Annotated Code of Maryland
 9 (2015 Replacement Volume and 2020 Supplement)

10 BY adding to
 11 Article – State Finance and Procurement
 12 Section 6–226(a)(2)(ii)124.
 13 Annotated Code of Maryland
 14 (2015 Replacement Volume and 2020 Supplement)

15 ~~BY repealing and reenacting, with amendments,~~
 16 ~~Article – State Government~~
 17 ~~Section 9–120~~
 18 ~~Annotated Code of Maryland~~
 19 ~~(2014 Replacement Volume and 2020 Supplement)~~

20 BY adding to
 21 Article – Tax – General
 22 Section 11–242
 23 Annotated Code of Maryland
 24 (2016 Replacement Volume and 2020 Supplement)

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

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

31 **Article – Economic Development**

32 10–601.

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

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

35 (q) “Facility” means:

1 (1) a structure or other improvement developed at Camden Yards;

2 (2) a convention facility;

3 (3) the Hippodrome Performing Arts facility;

4 (4) a sports facility;

5 (5) a Baltimore City public school facility; [or]

6 (6) a racing facility; OR

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

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

12 (2) **“HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY”**
 13 **INCLUDES:**

14 (I) **FIELDS AND FIELD HOUSES;**

15 (II) **OFFICES;**

16 (III) **PARKING LOTS AND GARAGES;**

17 (IV) **ACCESS ROADS;**

18 (V) **FOOD SERVICE FACILITIES; AND**

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

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

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

27 10-613.

1 (a) The Authority may:

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

5 (b) The Authority may review and make recommendations on proposed
6 convention center facilities [and], the Hippodrome Performing Arts facility, **AND THE**
7 **HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY**, including the expansion
8 and enhancement of the Baltimore City Convention Center and the Ocean City Convention
9 Center and the development and construction of the Montgomery County Conference
10 Center [and], the Hippodrome Performing Arts Center, **AND THE HAGERSTOWN**
11 **MULTI-USE SPORTS AND EVENTS FACILITY**, with respect to location, purpose, design,
12 function, capacity, parking, costs, funding mechanisms, and revenue alternatives, with
13 specific recommendations on:

14 (1) the level of support from the private sector;

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

16 (3) special taxing sources;

17 (4) projected revenues;

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

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

20 10-618.

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

23 (b) The Authority may:

24 (1) acquire by any of the means specified in § 10-620(a) of this subtitle:

25 (i) a site at Camden Yards for a facility;

26 (ii) a Baltimore Convention site or an interest in the site;

27 (iii) an Ocean City Convention site or an interest in the site;

28 (iv) a Montgomery County Conference site or an interest in the site;

29 [and]

1 (v) a Hippodrome Performing Arts site or an interest in the site; and

2 (VI) A HAGERSTOWN MULTI-USE SPORTS AND EVENTS
3 FACILITY SITE OR AN INTEREST IN THE SITE; AND

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

6 10-620.

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

10 (d) (1) The exercise of authority under this subsection is subject to the prior
11 approval of the Board of Public Works.

12 (2) On request of the Authority, the State, a unit of the State, or a political
13 subdivision may lease, lend, grant, or otherwise convey to the Authority, property,
14 including property devoted to public use, as necessary or convenient for the purposes of this
15 subtitle.

16 (3) The State may lease or sublease a facility, or an interest in a facility,
17 from or to the Authority, whether or not constructed or usable.

18 (4) Lease payments to the Authority appropriated by the State shall be
19 transferred to:

20 (i) the Baltimore Convention Fund if appropriated for a Baltimore
21 Convention facility;

22 (ii) the Camden Yards Fund if appropriated for a sports facility or
23 other facility at Camden Yards;

24 (iii) the Hippodrome Performing Arts Fund if appropriated for a
25 Hippodrome Performing Arts facility;

26 (iv) the Montgomery County Conference Fund if appropriated for a
27 Montgomery County Conference facility; [or]

28 (v) the Ocean City Convention Fund if appropriated for an Ocean
29 City Convention facility; OR

30 (VI) THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS
31 FACILITY FUND IF APPROPRIATED FOR A HAGERSTOWN MULTI-USE SPORTS AND
32 EVENTS FACILITY.

1 (e) (1) This subsection does not apply to the Camden Yards site, Baltimore
2 Convention site, Ocean City Convention site, Hippodrome Performing Arts site, any
3 Baltimore City public school site, any racing facility, **THE HAGERSTOWN MULTI-USE**
4 **SPORTS AND EVENTS FACILITY SITE**, or any supplemental facility site.

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

8 10-625.

9 The Authority shall submit:

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

13 (2) annual reports on the additional tax revenues generated by each of the
14 following facilities, prepared in cooperation with the Office of the Comptroller and the
15 Department of Budget and Management:

16 (i) the Baltimore Convention facility;

17 (ii) the Hippodrome Performing Arts facility;

18 (iii) the Montgomery County Conference facility; [and]

19 (iv) the Ocean City Convention facility; **AND**

20 (v) **THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS**
21 **FACILITY.**

22 10-628.

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

27 (c) (1) Unless authorized by the General Assembly, the Board of Public Works
28 may not approve an issuance by the Authority of bonds, whether taxable or tax exempt,
29 that constitute tax supported debt or nontax supported debt if, after issuance, there would
30 be outstanding and unpaid more than the following face amounts of the bonds for the
31 purpose of financing acquisition, construction, renovation, and related expenses for
32 construction management, professional fees, and contingencies in connection with:

- 1 (i) the Baltimore Convention facility – \$55,000,000;
- 2 (ii) the Hippodrome Performing Arts facility – \$20,250,000;
- 3 (iii) the Montgomery County Conference facility – \$23,185,000;
- 4 (iv) the Ocean City Convention facility – \$24,500,000;
- 5 (v) Baltimore City public school facilities – \$1,100,000,000;
- 6 (vi) supplemental facilities – \$25,000,000; [and]
- 7 (vii) racing facilities – \$375,000,000; AND

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

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

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

14 **10-646.2.**

15 (A) EXCEPT AS AUTHORIZED BY § 10-639 OF THIS SUBTITLE, TO FINANCE
16 SITE ACQUISITION, DESIGN, AND CONSTRUCTION OF ANY SEGMENT OF THE
17 HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY, THE AUTHORITY SHALL
18 COMPLY WITH THIS SECTION.

19 ~~(B) THE AUTHORITY SHALL PROVIDE CERTIFICATION TO THE LEGISLATIVE~~
20 ~~POLICY COMMITTEE AND THE BOARD OF PUBLIC WORKS, SUPPORTED BY A~~
21 ~~DETAILED REPORT, THAT THE AUTHORITY HAS ATTEMPTED TO MAXIMIZE PRIVATE~~
22 ~~INVESTMENT IN THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY~~
23 ~~PROPOSED TO BE FINANCED.~~

24 ~~(B)~~ (B) AT LEAST 45 DAYS BEFORE SEEKING APPROVAL OF THE BOARD
25 OF PUBLIC WORKS FOR EACH BOND ISSUE OR OTHER BORROWING, THE AUTHORITY
26 SHALL PROVIDE TO THE FISCAL COMMITTEES OF THE GENERAL ASSEMBLY, IN
27 ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, A
28 COMPREHENSIVE FINANCING PLAN FOR THE RELEVANT SEGMENT OF THE FACILITY.

29 ~~(C)~~ (C) THE AUTHORITY SHALL OBTAIN THE APPROVAL OF THE BOARD
30 OF PUBLIC WORKS OF THE PROPOSED BOND ISSUE AND THE FINANCING PLAN.

1 ~~(E)~~ (D) FOR FISCAL YEAR 2023 AND EACH FISCAL YEAR THEREAFTER,
 2 UNTIL THE BONDS THAT HAVE BEEN ISSUED TO FINANCE THE HAGERSTOWN
 3 MULTI-USE SPORTS AND EVENTS FACILITY ARE NO LONGER OUTSTANDING AND
 4 UNPAID, ~~THE COMPTROLLER SHALL DEPOSIT INTO THE HAGERSTOWN MULTI-USE~~
 5 ~~SPORTS AND EVENTS FACILITY FUND AN AMOUNT NOT GREATER THAN \$3,750,000~~
 6 ~~SUFFICIENT TO FINANCE THE PROJECT AND THE PROJECT'S DEBT SERVICING COSTS~~
 7 ~~FROM THE STATE LOTTERY FUND UNDER § 9-120(B)(1)(V) OF THE STATE~~
 8 ~~GOVERNMENT ARTICLE~~ GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL
 9 AN APPROPRIATION OF \$3,750,000 TO THE HAGERSTOWN MULTI-USE SPORTS AND
 10 EVENTS FACILITY FUND.

11 ~~(F) THE AUTHORITY SHALL SECURE A WRITTEN AGREEMENT WITH AN~~
 12 ~~AUTHORITY AFFILIATE, AS APPROVED BY THE BOARD OF PUBLIC WORKS, BY WHICH~~
 13 ~~THE AUTHORITY AFFILIATE AGREES:~~

14 (E) THE AUTHORITY MAY NOT ISSUE BONDS TO FINANCE THE
 15 HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY UNTIL THE AUTHORITY
 16 AND THE HAGERSTOWN-WASHINGTON COUNTY INDUSTRIAL FOUNDATION SECURE
 17 A WRITTEN OPERATING AGREEMENT.

18 (F) THE AUTHORITY SHALL SECURE A WRITTEN AGREEMENT TO TRANSFER
 19 OWNERSHIP OF THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY
 20 FROM THE AUTHORITY TO THE HAGERSTOWN-WASHINGTON COUNTY INDUSTRIAL
 21 FOUNDATION, AS APPROVED BY THE BOARD OF PUBLIC WORKS:

22 (1) IN WHICH THE HAGERSTOWN-WASHINGTON COUNTY
 23 INDUSTRIAL FOUNDATION AGREES TO:

24 ~~(1)~~ (I) ~~TO OWN, MARKET, PROMOTE, AND OPERATE OR CONTRACT,~~
 25 ~~SUBJECT TO THE APPROVAL OF THE AUTHORITY,~~ FOR THE MARKETING,
 26 PROMOTION, AND OPERATION OF THE HAGERSTOWN MULTI-USE SPORTS AND
 27 EVENTS FACILITY; IN A MANNER THAT MAXIMIZES THE FACILITY'S ECONOMIC
 28 RETURN; AND

29 ~~(2)~~ (II) 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 (2) THAT INCLUDES PROVISIONS:

1 **(I) PROTECTING THE INVESTMENTS OF THE AUTHORITY AND**
2 **THE HAGERSTOWN-WASHINGTON COUNTY INDUSTRIAL FOUNDATION IN THE**
3 **HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY;**

4 **(II) REQUIRING THE HAGERSTOWN-WASHINGTON COUNTY**
5 **INDUSTRIAL FOUNDATION TO CONTRIBUTE TO A CAPITAL IMPROVEMENT RESERVE**
6 **FUND AN AMOUNT SUFFICIENT TO KEEP THE HAGERSTOWN MULTI-USE SPORTS**
7 **AND EVENTS FACILITY IN FIRST-CLASS OPERATING CONDITION;**

8 **(III) REQUIRING THE HAGERSTOWN-WASHINGTON COUNTY**
9 **INDUSTRIAL FOUNDATION TO BE SOLELY RESPONSIBLE FOR ALL EXPENDITURES**
10 **RELATING TO THE OPERATION OF THE HAGERSTOWN MULTI-USE SPORTS AND**
11 **EVENTS FACILITY THAT MAY BE INCURRED, INCLUDING OPERATING DEFICITS; AND**

12 **(IV) ALLOWING THE HAGERSTOWN-WASHINGTON COUNTY**
13 **INDUSTRIAL FOUNDATION TO KEEP ALL OPERATING PROFITS RESULTING FROM**
14 **THE OPERATION OF THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY**
15 **EACH YEAR; AND**

16 **(3) TO BE SOLELY RESPONSIBLE FOR ALL EXPENDITURES RELATING**
17 **TO THE OPERATION, MAINTENANCE, AND REPAIR OF THE HAGERSTOWN**
18 **MULTI-USE SPORTS AND EVENTS FACILITY THAT MAY BE INCURRED, INCLUDING**
19 **THE AMOUNT BY WHICH EXPENDITURES EXCEED REVENUES.**

20 **(G) ON OR BEFORE DECEMBER 31 EACH YEAR, THE**
21 **HAGERSTOWN-WASHINGTON COUNTY INDUSTRIAL FOUNDATION SHALL REPORT**
22 **TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE**
23 **APPROPRIATIONS COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE**
24 **GOVERNMENT ARTICLE, ON THE FACILITY'S ASSESSMENT OF THE MAINTENANCE**
25 **AND REPAIR NEEDED TO KEEP THE HAGERSTOWN MULTI-USE SPORTS AND EVENT**
26 **FACILITY IN OPERATING ORDER.**

27 **10-657.4.**

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

30 **(B) THERE IS A HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY**
31 **FUND.**

32 **(C) THE PURPOSE OF THE FUND IS TO ENABLE THE AUTHORITY TO:**

1 (1) USE THE FUND AS A REVOLVING FUND FOR IMPLEMENTING THIS
2 SUBTITLE AS IT RELATES TO THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS
3 FACILITY; AND

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

6 (D) THE AUTHORITY SHALL ADMINISTER THE FUND.

7 (E) (1) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT
8 SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND
9 PROCUREMENT ARTICLE.

10 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
11 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

12 (F) (1) TO THE EXTENT CONSIDERED APPROPRIATE BY THE AUTHORITY,
13 THE RECEIPTS OF THE FUND SHALL BE PLEDGED TO AND CHARGED WITH THE
14 FOLLOWING RELATING TO THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS
15 FACILITY:

16 (I) PAYMENT OF DEBT SERVICE ON AUTHORITY BONDS;

17 (II) ALL REASONABLE CHARGES AND EXPENSES RELATED TO
18 THE AUTHORITY'S BORROWING; AND

19 (III) THE MANAGEMENT OF AUTHORITY OBLIGATIONS.

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

22 (G) THE FUND CONSISTS OF:

23 (1) MONEY APPROPRIATED FOR DEPOSIT IN THE FUND;

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

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

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

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

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

5 **Article – State Finance and Procurement**

6 6–226.

7 (a) (2) (i) Notwithstanding any other provision of law, and unless
8 inconsistent with a federal law, grant agreement, or other federal requirement or with the
9 terms of a gift or settlement agreement, net interest on all State money allocated by the
10 State Treasurer under this section to special funds or accounts, and otherwise entitled to
11 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
12 Fund of the State.

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

15 122. the Racing and Community Development Financing Fund;

16 [and]

17 123. the Racing and Community Development Facilities Fund;

18 AND

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

21 ~~Article – State Government~~

22 ~~9–120.~~

23 ~~(a) The Comptroller shall distribute, or cause to be distributed, the State Lottery~~
24 ~~Fund to pay:~~

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

28 ~~(2) then, except as provided in § 10–113.1 of the Family Law Article, §~~
29 ~~11–618 of the Criminal Procedure Article, and § 3–307 of the State Finance and~~
30 ~~Procurement Article, the holder of each winning ticket or share.~~

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

3 ~~(i) into the Maryland Stadium Facilities Fund established under §~~
4 ~~7-312 of the State Finance and Procurement Article from the money that remains in the~~
5 ~~State Lottery Fund, after the distribution under subsection (a) of this section, an amount~~
6 ~~not to exceed \$20,000,000 in any fiscal year;~~

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

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

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

23 ~~(v) AFTER JUNE 30, 2022, INTO THE HAGERSTOWN MULTI-USE~~
24 ~~SPORTS AND EVENTS FACILITY FUND ESTABLISHED UNDER § 10-657.4 OF THE~~
25 ~~ECONOMIC DEVELOPMENT ARTICLE FROM THE MONEY THAT REMAINS IN THE~~
26 ~~STATE LOTTERY FUND, AFTER THE DISTRIBUTION DISTRIBUTED TO THE~~
27 ~~MARYLAND STADIUM FACILITIES FUND UNDER SUBSECTION (A) ITEM (I) OF THIS~~
28 ~~SECTION SUBSECTION, AN AMOUNT NOT GREATER THAN \$3,750,000 AT LEAST~~
29 ~~SUFFICIENT TO SERVICE THE PROJECT'S DEBT IN EACH FISCAL YEAR THAT BONDS~~
30 ~~ARE OUTSTANDING AND UNPAID; AND~~

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

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

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

Article – Tax – General

11-242.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE PERSONAL PROPERTY THAT IS USED TO CONSTRUCT OR RENOVATE A BUILDING, A STRUCTURE, OR AN IMPROVEMENT ON LAND AND THAT TYPICALLY LOSES ITS SEPARATE IDENTITY AS PERSONAL PROPERTY ONCE INCORPORATED INTO THE REAL PROPERTY.

(II) “CONSTRUCTION MATERIAL” INCLUDES BUILDING MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND SUPPLIES.

(3) “HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY” HAS THE MEANING STATED IN § 10-601 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CONSTRUCTION MATERIAL IF:

(1) THE CONSTRUCTION MATERIAL IS PURCHASED BY A PERSON SOLELY FOR USE IN FURTHERANCE OF THE PROVISIONS OF TITLE 10, SUBTITLE 6 OF THE ECONOMIC DEVELOPMENT ARTICLE FOR THE CONSTRUCTION OR REDEVELOPMENT OF THE HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY THAT IS MANAGED BY THE MARYLAND STADIUM AUTHORITY;

(2) THE SALE IS MADE ON OR AFTER OCTOBER 1, 2021; AND

(3) THE BUYER PROVIDES THE VENDOR WITH EVIDENCE OF ELIGIBILITY FOR THE EXEMPTION ISSUED BY THE COMPTROLLER.

(C) THE COMPTROLLER SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

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