

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 914

(St. Mary's County Delegation)

Environment and Transportation

Education, Health, and Environmental Affairs

St. Mary's County - Metropolitan Commission - Authority to Borrow Money

This bill updates the Public Local Laws of St. Mary's County to require the St. Mary's County Commissioners to review and approve any loan application before the St. Mary's County Metropolitan Commission submits that application to a lender.

Fiscal Summary

State Effect: None.

Local Effect: None. St. Mary's County finances and operations are not affected.

Small Business Effect: None.

Analysis

Current Law/Background: The St. Mary's County Metropolitan Commission, a component unit of St. Mary's County, was established by the General Assembly in 1957 as a quasi-governmental, nonprofit body, to supply water and sewer service to St. Mary's County. The commission has been providing water and sewer service since 1964.

According to the metropolitan commission's fiscal 2016 audited financial statements, the commission reported a principal balance of \$37,267,433 in notes, leases, and loans payable as of June 30, 2016. The majority of this principal balance, \$37,226,886, represented loans from the Maryland Department of the Environment.

In addition, the metropolitan commission reported a principal balance of \$61,777,902 in long-term bonds payable at the end of fiscal 2016. Section 113-6 of the Public Local Laws

of St. Mary's County requires the metropolitan commission to receive approval from the county commissioners before issuing bonds.

Additional Information

Prior Introductions: None.

Cross File: SB 735 (Senator Waugh) - Education, Health, and Environmental Affairs.

Information Source(s): St. Mary's County Metropolitan Commission; Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2017
md/hlb
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