

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1160 (Calvert County Delegation)
Environment and Transportation Education, Health, and Environmental Affairs

Calvert County – Long-Term Contracts for Cellular Tower Leases

This bill authorizes Calvert County to enter into a contract for a cellular tower lease, including a cellular tower lease on a water tower, if the initial term of the lease is not more than 20 years.

Fiscal Summary

State Effect: None.

Local Effect: The bill is authorizing in nature and does not directly affect Calvert County government finances. If Calvert County decides to enter into lease agreements, county revenues could increase by a significant amount.

Small Business Effect: None.

Analysis

Current Law: Calvert County is authorized to contract to purchase supplies or services for periods of more than one year if (1) funds for the total cost of the contract are available at the time the contract is executed or (2) the county commissioners approve a contract requiring the payment of funds from appropriations of more than one fiscal year, as specified.

Local Fiscal Effect: In 2016, Calvert County began a \$21.4 million project to update its public safety communications system. The new communications system replaces 5 existing communication towers with 5 new towers, adds 4 new tower sites, and utilizes 4 water tank sites and 2 State tower sites for a total of 15 sites. The project is anticipated to be completed

during calendar 2021. Upon completion of the project, the county will own its communication towers and under the bill, will be able to lease space on these towers to vendors that require tower space. The county estimates that revenues may increase by approximately \$1 million annually beginning in fiscal 2022 from these lease agreements, and the revenues will be used to offset the costs of operating the new public safety communications system.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Calvert County; Public Service Commission; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2021
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Analysis by: Arnold Adja

Direct Inquiries to:
(410) 946-5510
(301) 970-5510