

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Enrolled

Senate Bill 861

(Senator Bailey)

Budget and Taxation

Appropriations

St. Mary's County - Public Facilities Bond

This bill authorizes the St. Mary's County Commissioners to issue up to \$30.0 million in general obligation bonds for the acquisition, construction, improvement, or renovation of public buildings, facilities, and public works projects. The date of maturity of the bonds cannot exceed 30 years. **The bill takes effect June 1, 2021.**

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County receives up to \$30.0 million in bond proceeds. County debt service expenditures increase by an estimated \$1.7 million annually over a 20-year period.

Small Business Effect: None.

Analysis

Current Law: Commission counties do not have the legislative power to create debt; General Assembly authorization is required before any bonds can be sold. St. Mary's County is one of six counties that still operates under the commission form of government.

Local Fiscal Effect: Since 2008, St. Mary's County has received authorization by the General Assembly to issue up to \$178.9 million in general obligation bonds for public facilities, as shown in **Exhibit 1**. **Exhibit 2** shows the planned capital projects in St. Mary's County.

Exhibit 1
Bond Authorizations for St. Mary's County
(\$ in Millions)

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
2008	Ch. 78	\$35.0
2013	Ch. 96	30.0
2017	Ch. 427	26.3
2018	Ch. 109	24.6
2019	Ch. 180	30.0
2020	Ch. 596	33.0
Total		\$178.9

St. Mary's County revenues increase by up to \$30.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$1.7 million. This estimate is based on a 1.34% interest rate and a 20-year term of maturity. To the extent that the bond issuance, interest rate, or term of maturity deviate from this assumption, expenditures would adjust accordingly.

At the end of fiscal 2019, St. Mary's County had approximately \$190.9 million in total outstanding debt, which represents approximately 1.5% of the county's assessable base and \$1,693 on a per capita basis. The county currently has an AA+ rating from Standard & Poor's, an Aa1 credit rating from Moody's Investors Service, and an AA+ rating from Fitch Ratings.

Information on local debt measures for Maryland counties and Baltimore City can be found in the [Local Government Overview](#) report. A copy of the 2021 report can be found on the Department of Legislative Services [website](#).

Exhibit 2
St. Mary's County Bond Authorization Request
Fiscal 2022

<u>Project Description</u>	<u>Amount</u>
Public Facilities	
Adult Detention Center Upgrades, Housing and Medical Units	\$1,935,855
Airport Improvements	4,051,667
Regional Agricultural Center	1,014,166
Total Public Facilities	\$7,001,688
Highways	
Bridge Culvert/Replacement	\$545,000
Franklin Delano Roosevelt Boulevard Extended	651,262
Neighborhood Drainage Improvements	1,120,000
Roadway and Safety Improvements	4,536,654
Side-path or Bikeways	180,000
Southampton Neighborhood Revitalization	2,578,200
Total Highways	\$9,611,116
Parks and Recreation	
Recreation Facility and Park Improvements	\$495,164
Recreation/Community Center	450,000
Snow Hill Park	2,340,000
Sports Complex	610,000
Total Parks and Recreation	\$3,895,164
Public Schools	
Building Infrastructure – Critical	\$1,024,000
Building Infrastructure – Programmatical	1,066,032
Dynard Elementary School – Roof/HVAC Replacement and Emergency Power	1,262,000
Lettie Dent Elementary School – Modernization	400,000
Mechanicsville Elementary School – Modernization	2,421,000
Safety and Security Projects	3,000,000
Town Creek Elementary School – HVAC System Renovation	319,000
Total Public Schools	\$9,492,032
Grand Total	\$30,000,000

HVAC: heating, ventilation, and air conditioning

Source: St. Mary's County Government

Additional Information

Prior Introductions: None.

Designated Cross File: HB 813 (St. Mary's County Delegation) - Appropriations.

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

Fiscal Note History: First Reader - February 11, 2021
rh/hlb Third Reader - March 16, 2021
Enrolled - May 7, 2021

Analysis by: Trevor S. Owen

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