

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 623

(Delegate Crosby)

Appropriations

St. Mary's County - Public Facilities Bond

This bill authorizes the St. Mary's County Commissioners to issue up to \$56.0 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, 2023.**

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County receives up to \$56.0 million in bond proceeds. County debt service expenditures increase by an estimated \$3.8 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 \$208.9 million in general obligation bonds for public facilities, as shown in **Exhibit 1**.

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
2021	Ch. 731	30.0
Total		\$208.9

Source: Department of Legislative Services

St. Mary's County revenues increase by up to \$56.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$3.8 million. This estimate is based on a 3.37% 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 2021, St. Mary's County had approximately \$229.0 million in total outstanding debt, which represents approximately 1.7% of the county's assessable base and \$2,010 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 2023 report can be found on the Department of Legislative Services [website](#).

Exhibit 2 shows the planned capital projects in St. Mary's County.

Exhibit 2
St. Mary's County Bond Authorization Request
Fiscal 2024

<u>Project Description</u>	<u>Amount</u>
Public Facilities	
Airport Improvements	\$216,333
Sheriff's Headquarters Facility	9,714,025
Total Public Facilities	\$9,930,358
Highways	
Bridge Culvert/Replacement	\$1,000,000
County Bridge Repair and Replacement	700,000
Neighborhood Drainage Improvements	430,000
Retrofit Sidewalk Program	254,000
Roadway and Safety Improvements	6,083,922
Southampton Neighborhood Revitalization	2,410,620
Total Highways	\$10,878,542
Marine Projects	
St. Jerome Creek Jetty	\$1,367,000
Total Marine Projects	\$1,367,000
Parks and Recreation	
Recreation Facility and Park Improvements	\$3,300,000
YMCA – Great Mills	15,000,000
Total Parks and Recreation	\$18,300,000
Public Schools	
Building Infrastructure – Critical	\$386,000
Building Infrastructure – Programmatical	252,100
Chopticon High School – HVAC System Renovation	1,112,000
Great Mills High School – Partial Roof Replacement	4,043,000
Green Holly Elementary School Roof/HVAC System	5,374,000
Lettie Dent Elementary School Modernization	1,859,000
Piney Point Elementary School HVAC System Renovation	2,498,000
Total Public Schools	\$15,524,100
Grand Total	\$56,000,000

HVAC: heating, ventilation, and air conditioning

Source: St. Mary's County Government

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 26, 2023

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Analysis by: Valarie Munroe

Direct Inquiries to:

(410) 946-5510

(301) 970-5510