

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 574  
Appropriations

(St. Mary's County Delegation)

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**St. Mary's County - Public Facilities Bond**

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This bill authorizes the St. Mary’s County Commissioners to issue up to \$41.0 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.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** St. Mary’s County receives up to \$41.0 million in bond proceeds. County debt service expenditures increase by an estimated \$2.8 million annually over a 20-year period.

**Small Business Effect:** None.

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**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**.

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**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
<b>Total</b>		<b>\$208.9</b>

Source: Department of Legislative Services

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St. Mary's County revenues increase by up to \$41.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$2.8 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.

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

<b><u>Project Description</u></b>	<b><u>Amount</u></b>
<b>Public Facilities</b>	
Airport Improvements	\$216,333
Sheriff's Headquarters Facility	9,714,025
<b>Total Public Facilities</b>	<b>\$9,930,358</b>
<b>Highways</b>	
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
<b>Total Highways</b>	<b>\$10,878,542</b>
<b>Marine Projects</b>	
St. Jerome Creek Jetty	\$1,367,000
<b>Total Marine Projects</b>	<b>\$1,367,000</b>
<b>Parks and Recreation</b>	
Recreation Facility and Park Improvements	\$3,300,000
<b>Total Parks and Recreation</b>	<b>\$3,300,000</b>
<b>Public Schools</b>	
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
<b>Total Public Schools</b>	<b>\$15,524,100</b>
<b>Grand Total</b>	<b>\$41,000,000</b>

HVAC: heating, ventilation, and air conditioning

Source: St. Mary's County Government

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## **Additional Information**

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

**Designated Cross File:** SB 457 (Senator Bailey) - Budget and Taxation.

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

**Fiscal Note History:** First Reader - February 26, 2023

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