

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1021
Appropriations

(Washington County Delegation)

Budget and Taxation

Washington County - Public Facilities Bonds

This bill authorizes the Washington County Commissioners to issue up to \$50.0 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, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: Washington County receives up to \$50.0 million in bond proceeds. County debt service expenditures increase by an estimated \$3.4 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. Washington County is one of six counties that still operates under the commission form of government.

Local Fiscal Effect: Since 2007, Washington County has received authorization by the General Assembly to issue up to \$210.0 million in general obligation bonds for public facilities, as shown in **Exhibit 1**.

Exhibit 1
Bond Authorizations for Washington County
(\$ in Millions)

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
2007	Ch. 392	\$80.0
2013	Ch. 60	60.0
2018	Ch. 99	70.0
Total		\$210.0

Source: Department of Legislative Services

Washington County indicates that it still has approximately \$29.3 million remaining from prior bond authorizations. The county's capital program is approved on an annual basis and the county estimates it will spend approximately \$21.6 million in capital improvement projects in fiscal 2025. **Exhibit 2** shows the planned capital projects for the bond authorization under the bill.

Washington County revenues increase by up to \$50.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$3.4 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, debt service expenditures would adjust accordingly.

At the end of fiscal 2022, Washington County had approximately \$189.9 million in total outstanding debt, which represents approximately 1.3% of the county's assessable base and \$1,224 on a per capita basis. The county currently has an AA+ credit rating from Standard & Poor's, an Aa1 credit rating from Moody's Investors Service, and an AA+ credit 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 2024 report can be found on the Department of Legislative Services [website](#).

Exhibit 2
Washington County Bond Authorization Request

<u>Project Description</u>	<u>Project Amount</u>
Public Schools	
Capital Maintenance	\$12,917,000
Downsville Pike Elementary School	1,480,000
ATC Renovation	2,700,000
Total Public Schools	\$17,097,000
Public Works	
Gardenhour Road Bridge	\$400,000
Greenspring Furnace Road Culvert	488,000
Burnside Bridge Road Culvert	461,000
Harpers Ferry Road Culvert	757,000
Henline Road Culvert	429,000
Long Hollow Road Culvert	416,000
Rensburg Road Culvert	268,000
Rinehart Road Culvert	465,000
Broadfording Church Road Culvert	231,000
Harpers Ferry Road Drainage	525,000
Shank Road Drainage	214,000
University Road Culvert	285,000
Pavement Maintenance and Rehab. Program	13,833,000
Longmeadow Road	1,260,000
Eastern Boulevard Extended	5,029,000
Eastern Boulevard Widening Phase II	2,422,000
Wright Road	500,000
E. Oak Ridge Drive/South Pointe Signal	350,000
Robinwood Drive Sidewalk Extension	500,000
Total Public Works	\$28,833,000
Public Safety	
Patrol Services Relocation Renovation	\$4,070,000
Total Public Safety	\$4,070,000
Grand Total	\$50,000,000

Source: Washington County Government

Additional Information

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

Designated Cross File: None.

Information Source(s): Washington County; Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2024
rh/tso Third Reader - March 18, 2024

Analysis by: Valarie P. Munroe

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