

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 623

(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 \$71.0 million in general obligation (GO) 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, 2025.**

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County receives up to \$71.0 million in bond proceeds. County debt service expenditures increase by an estimated \$5.0 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 2013, St. Mary's County has received authorization by the General Assembly to issue up to \$229.9 million in GO 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>
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
2023	Ch. 130	56.0
Total		\$229.9

Source: Department of Legislative Services

St. Mary's County revenues increase by up to \$71.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$5.0 million. This estimate is based on a 3.72% 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 2023, St. Mary's County had approximately \$238.4 million in total outstanding debt, which represents approximately 1.7% of the county's assessable base and \$2,077 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 2025 report can be found on the Department of Legislative Services [website](#).

Exhibit 2 shows the planned capital projects in St. Mary's County; however, the authorization under the bill is not sufficient to fully fund these projects.

Exhibit 2
St. Mary's County Planned Project List

<u>Project Description</u>	<u>Amount</u>
Public Facilities	
Airport Improvements	\$560,086
Sheriff's Headquarters Facility	28,548,750
Building Maintenance – Critical and Programmatic	317,000
Health Department Renovations	366,395
Parking and Site Improvements	172,000
Lexington Park/Charlotte Hall Library	300,000
College of Southern Maryland	2,526,138
Fire Department Water Supply Points	257,750
Total Public Facilities	\$33,048,119
Highways	
Bridge/Culvert Repair and Replacement	\$1,372,333
Neighborhood Drainage Improvements	1,850,000
Retrofit Sidewalk Program	548,320
Roadway and Safety Improvements	11,608,553
Water Quality and Nutrient Improvements	36,800
Southampton Neighborhood Revitalization	2,958,280
Federal Bridge Replacement Program	296,000
Total Highways	\$18,670,286
Parks and Recreation	
Recreation Facility and Park Improvements	\$2,892,000
Sports Complex	100,000
Snow Hill Park	1,000,000
St. Clement's Island Museum Renovations	460,500
Three Notch Trail – Phase Seven	3,730,083
Total Parks and Recreation	\$8,182,583
Public Schools	
Building Infrastructure – Critical and Programmatic	\$3,518,000
Chopticon High School	21,400,288
Green Holly Elementary School Roof/HVAC System	2,637,088
Aging Schools Program	7,000
Relocatables for Various Sites	835,000
Total Public Schools	\$28,397,376
Grand Total	\$88,298,364

HVAC: heating, ventilation, and air conditioning

Source: St. Mary's County Government

Additional Information

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

Designated Cross File: HB 561 (St. Mary's County Delegation) - Appropriations.

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

Fiscal Note History: First Reader - February 13, 2025
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