

Prince George's County Council

Agenda Item Summary

Meeting Date: 7/13/2010
Reference No.: CB-057-2010
Draft No.: 2
Proposer(s): County Executive
Sponsor(s): Olson, Dean, Dernoga, Harrison, Turner, Exum
Item Title: An Act concerning the issuance and sale of General Obligation Qualified School Construction Bonds in an amount not to exceed \$25,825,000

Drafter: Joseph R. Hamlin, Office of Law
Resource Personnel: Debra Bice, Office of Management and Budget

LEGISLATIVE HISTORY:

Date Presented:		Executive Action:	7/27/2010 S
Committee Referral:	6/15/2010 - PSFM	Effective Date:	9/13/2010

Committee Action: 7/7/2010 - FAV(A)

Date Introduced: 6/15/2010
Public Hearing: 7/13/2010 - 10:00 AM

Council Action (1) 7/13/2010 - ENACTED
Council Votes: MB:A, WC:A, SHD:A, TD:A, CE:A, AH:A, TK:A, EO:-, IT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

Public Safety and Fiscal Management **Date 7/7/2010**
COMMITTEE VOTE: 5-0 Favorable with recommended amendments (In Favor Council Members Exum, Campos, Dean, Harrison, and Turner.

This bill will authorize the County to issue and sell General Obligation Qualified School Construction Bonds (QSCB) and General Obligation Bonds (GOB) in an amount not to exceed \$25,822,000 to finance ten (10) County Board of Education capital projects related to school facility repairs, renovations, conversions, additions and planning included in the FY 2011 Capital Improvement Program (CIP). Eight of these projects were amended by the County Council as part of its review and approval of the FY-2011 – 2016 CIP.

The proposed bonds will be Qualified School Construction Bonds (QSCB) which were previously authorized by the American Recovery and Reinvestment Act (ARRA) of 2009.

The Office of Audits and Investigations stated that the bonds will be taxable and the County will receive a direct Federal payment to reduce and subsidize a portion of the interest cost. It is estimated that the use of the QSCB program will save the County approximately \$500,000 over the 16 or 17 year term of the bonds.

The legislation was amended as follows:

On pages 1, line 4 and 7, page 3, line 8, and page 11, line 17, delete “\$25,822,000” and insert “25,825,000”

On page 1, line 6, and page 3, line 8, delete “Twenty-Two” and insert “Twenty-Five”

On page 18, delete lines 30 and 31 and on page 19, delete lines 1 – 7, and insert the following on page 18, line 30: SECTION 24. “BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.”

On Attachment 1, after project line “Systemic Replacement”, insert a “II” and the CIP# “AA711023”

The Office of Law has reviewed this bill and finds it to be in proper legislative form with no legal impediments to its enactment.

The enactment of CB-57-2010 will have a positive fiscal impact on the County by allowing the County to save a portion of the debt service cost related to approved school capital projects included in the approved FY-2011-2016 CIP.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This bill provides the authority to issue and sell General Obligation Qualified School Construction Bonds to finance Public School Facilities in an amount not to exceed \$25,825,000 for capital projects, including the amounts programmed in the FY 2011 Capital Budget. The bill also authorizes the County Executive to enter into agreements with the Prince George’s County Board of Education and public instrumentalities of the County or the State of Maryland to finance said capital projects, using arrangements appropriate to said financing.

7/13/2010 - After public hearing CB-57-2010 was amended on the floor as recommended by the Public Safety and Fiscal Management Committee on 7/7/2010. DR-2 was enacted.

CODE INDEX TOPICS:

INCLUSION FILES:

I-CB-57-2010 Attachment 1.xls
