

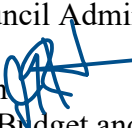


May 31, 2024

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Andrew Stover 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-039-2024 Borrowing to Finance Capital Projects for County Buildings

CB-039-2024 (*Proposed and presented by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

AN ACT CONCERNING BORROWING TO FINANCE CAPITAL PROJECTS FOR COUNTY BUILDINGS for the purpose of authorizing Prince George's County, Maryland, to borrow money upon its full faith and credit at any time and from time to time, in an aggregate principal amount not exceeding \$96,720,000 to finance the design, construction, reconstruction, extension, acquisition, improvement, enlargement, alteration, renovation, relocation, rehabilitation, or repair of County Buildings including the acquisition and development of sites therefor, the architectural and engineering services incident thereto, and the acquisition and installation of necessary fixed permanent equipment therefor, prescribing terms and conditions upon which bonds issued pursuant to this Act shall be issued and sold and other incidental details with respect thereto; providing generally for the issuance of such bonds and providing for such borrowing to be submitted to a referendum of the legal voters of the County.

Fiscal Summary

Direct Impact:

Expenditures:

- Increases County debt by the principal amount of the bonds being sold (up to \$96,720,000) plus interest on those bonds.

Revenues:

- Increases County revenues by the amount the bonds are sold for.

Indirect Impact:

Potentially favorable.

Legislative Summary

CB-039-2024, presented by Chair Ivey at the request of the County Executive, was presented on May 7, 2024, and referred to the Committee of the Whole. CB-039-2024 authorizes the issuance of up to \$96,720,000 in bonds to finance capital projects in the County, pending approval of the voters through a referendum to be held in November.

Current Law/Background

Section 823¹ of the County Charter states that the County Council may adopt bond issue authorization ordinances to authorize borrowing for the purpose of financing capital projects. Furthermore, Section 323² of the Charter requires the Council to hold a referendum for these bond issue authorizations and “any act enabling the County to borrow money to finance capital projects, and any act or resolution pledging the full faith and credit of the County or any other guarantee by the County for any bonds to be issued by or for the benefit of any state or bicounty agency or district except for school construction bonds or obligations”. Any ordinance authorizing the issue of bonds will not be effective unless it is approved by a majority of voters. As outlined in Section 19-205³ of the Local Government Article of the Annotated Code of Maryland, the County shall sell the bonds through a public competitive bidding process.

¹ [Prince George’s County Charter Section 823](#)

² [Prince George’s County Charter Section 323](#)

³ [Annotated Code of Maryland- Local Government Article- Section 19-205](#)

Discussion/Policy Analysis

CB-039-2024 authorizes the County to borrow money and incur indebtedness upon its full faith and credit in an aggregate principal amount not exceeding \$96,720,000. The money is to be used to finance capital projects under the generic class of shelters and County building renovations, with the bill specifically mentioning the following projects:

- Project No. 3.31.0003- Prince George's Homeless Shelter⁴
- Project No. 3.31.0004- Shepherd's Cove Family Shelter⁵
- Project No. 3.31.0007- Domestic Violence/Human Trafficking Shelter⁶
- Project No. 4.31.0001- County Building Renovations II⁷
- Project No. 4.31.0003- County Administration Building Refresh⁸
- Project No. 8.31.0005- Warm Nights Homeless Shelter⁹
- Project No. 4.70.0001- Health Facilities Renovations¹⁰

The bill specifies that a referendum should be presented to the voters, for their approval or disapproval, on the general election to be held in the County on Tuesday, November 5th, 2024. If the voters approve the proposed ballot question, the County will be authorized to incur debt of up to \$96,720,000 for the listed projects or those in the same generic class.

Fiscal Impact

- *Direct Impact:*

Should the referendum be approved by the voters of the County, CB-039-2024 will have an adverse fiscal impact in the amount of the bonds to be sold (up to \$96,720,000) plus interest and possible other terms of the bond sale but offset by the revenue generated from the sale of the bonds.

- *Indirect Impact:*

The construction of new facilities and the renovation of existing County buildings have the potential to positively impact the County's finances, particularly for projects aimed at housing and sheltering disadvantaged residents. These new facilities could provide much-needed relief and support, helping these individuals achieve success within the County. Over time, this success could lead to increased economic contributions to the County. The exact impact this bill may have on the County is difficult to quantify.

⁴ [FY 2025 Proposed Capital Improvement Program Budget, p. 367](#)

⁵ [FY 2025 Proposed Capital Improvement Program Budget, p. 369](#)

⁶ [FY 2025 Proposed Capital Improvement Program Budget, p. 361](#)

⁷ [FY 2025 Proposed Capital Improvement Program Budget, p. 355](#)

⁸ [FY 2025 Proposed Capital Improvement Program Budget, p. 354](#)

⁹ [FY 2025 Proposed Capital Improvement Program Budget, p. 371](#)

¹⁰ [FY 2025 Proposed Capital Improvement Program Budget, p. 274](#)

Appropriated in the Current Fiscal Year Budget:

No.

Effective Date of Proposed Legislation

The proposed Act shall become effective immediately upon the date of the official certification of its approval by the voters at said general election.

If you require additional information, or have questions about this fiscal impact statement, please email me.