



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

October 8, 2021

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

FROM: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-094-2021 – Issuance and Sale of General Obligation and Stormwater
Management Bonds

CB-094-2021 (*Proposed by the Chair by request of the County Executive*)

Assigned to Committee of the Whole (COW)

AN ACT CONCERNING THE ISSUANCE AND SALE OF GENERAL OBLIGATION AND STORMWATER MANAGEMENT BONDS FOR THE PURPOSE OF AUTHORIZING AND EMPOWERING PRINCE GEORGE'S COUNTY, MARYLAND TO ISSUE AND SELL AN AMOUNT NOT TO EXCEED FIVE HUNDRED FORTY-EIGHT MILLION ONE HUNDRED EIGHTEEN THOUSAND DOLLARS (\$548,118,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION AND STORMWATER MANAGEMENT BONDS for the purpose of providing funds for financing in whole or in part costs of the planning, acquisition, construction, reconstruction, establishment, extension, enlargement, demolition, or improvement of certain capital projects and capital projects constituting facilities (including without limitation any land, interest in land or equipment) for the control and disposition of storm and surface waters, including floodproofing, flood control or navigation programs and other stormwater programs and systems, environmental restoration and/or wetlands construction, and the protection, conservation, creation and acquisition of certain property described in the Maryland Annotated Code Environment Article consistent with federal and Maryland laws and regulations on the subject of nontidal and private wetlands, as applicable . . .

Fiscal Summary

Direct Impact:

Expenditures: Additional expenditures required to pay additional debt, related interest and issuance costs, *if and when the bonds are issued and sold.*

Revenues: Additional revenues will be realized in the amount of the net proceeds of the sale, *if and when the bonds are issued and sold.*

Indirect Impact:

None likely

Legislative Summary:

CB-094-2021, proposed by the Chair at the request of the County Executive was presented on September 28, 2021 and referred to the Committee of the Whole (COW). The purpose of this Bill is to authorize the County to issue and sell up to \$548,118,000 in aggregate principal amount of general obligation and stormwater management bonds to finance various County capital projects approved in the FY 2022 Capital Budget and Program.

Resource Personnel:

Rushane Jones, Director, Office of Management and Budget

Background/Current Law:

Pursuant to Section 823 of the Prince George's County Charter, any borrowing to finance capital projects must be authorized by law of the General Assembly of Maryland, or by law of the County Council. The Bond Issue Authorization Ordinance shall include the purpose of the issue, and the description, amount to be financed, source of financing, and probable or average probable useful life, for each capital project. Also, the amount of the proposed issue, a statement supporting the proposed issuance is within the legal limitation on the indebtedness of the County, the amount of tax or other revenues pledged to the payment of principal and interest, along with a pledge of the full faith and credit of the County toward such payments, shall be included within the Ordinance.

Discussion/Policy Analysis:

CB-094-2021 authorizes the County to issue and sell up to \$548,118,000 in aggregate principal amount of general obligation and stormwater management bonds to finance various County capital projects approved in the FY 2022 Capital Budget and Program. In addition to general obligation

bonds, general obligation bond anticipation notes and general obligation refunding bonds also are authorized. The projects proposed to receive funding are listed in Attachment 1 of CB-094-2021, and include projects from the Board of Education, the Department of Public Works and Transportation, the Memorial Library System, the Health Department, the Department of Corrections, Courts, the Police Department, the Fire/EMS Department, the Community College, the Office of Central Services, the Department of the Environment, and the Stormwater Management District.

CATEGORY	PROGRAMMED FY 2022 BOND SALE
Board of Education	\$293,525,000
Department of Public Works and Transportation	\$ 91,392,000
Memorial Library System	\$ 20,108,000
Health Department	\$ 3,320,000
Department of Corrections	\$ 9,487,000
Courts	\$ 5,533,000
Police Department	\$ 9,207,000
Fire/EMS Department	\$ 2,149,000
Community College	\$ 16,547,000
Office of Central Services	\$ 19,901,000
Department of the Environment	\$ 15,660,000
Stormwater Management Bonds	\$ 61,289,000
TOTAL	\$548,118,000

Fiscal Impact:

Direct Impact

Enactment of CB-094-2021 will authorize the County to incur additional debt in the aggregate principal amount of \$548,118,000, plus interest on the general obligation bonds, necessary to carry out the intent of the Act. The additional debt and related interest and issuance costs associated with the proposed general obligation bonds, or bond anticipation notes, *when issued*, will have a negative fiscal impact on the County *to the extent of the total multi-year debt service costs*. The amount of the negative fiscal impact is contingent upon the bond interest rate and the term of the bonds. The fiscal impact on the County for any refunding bonds should be positive if, and when, such refunding bonds are sold.

Indirect Impact

Enactment of CB-094-2021 is not likely to have an indirect fiscal impact.

Appropriated in the Current Fiscal Year Budget

Yes.

Effective Date of Proposed Legislation:

The proposed legislation shall take effect forty-five (45) calendar days after it becomes law.

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