

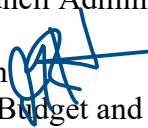


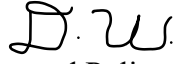
October 20, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: David Williams 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-100-2023 Issuance and Sale of General Obligation and Stormwater Management Bonds

CB-100-2023 *(Proposed by the Chair by request of the County Executive)*

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

AN ACT CONCERNING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS AND GENERAL OBLIGATION STORMWATER MANAGEMENT BONDS for the purpose of authorizing and empowering Prince George's County, Maryland to issue and sell an amount not to exceed six hundred fifty-four million four hundred nine thousand dollars (\$654,409,000) in aggregate principal amount of general obligation bonds and one hundred twenty-five million six hundred thirty-six thousand dollars (\$125,636,000) in aggregate principal amount of general obligation 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 stormwater projects, respectively, set forth in the capital budget of the County for the fiscal year ending June 30, 2024 . . .

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-100-2023, proposed by the Chair at the request of the County Executive was presented on October 3, 2023, and referred to the Government Operations and Fiscal Policy (GOFP) Committee. The purpose of this Bill is to authorize the County to issue and sell up to \$780,045,000 in aggregate principal amount of general obligation and stormwater management bonds¹ to finance various County capital projects approved in the FY 2024 Capital Budget and Program.

Resource Personnel:

- Stanley Earley, Director, Office of Management and Budget
 - Brian Halloran, Office of Management and Budget
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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.

¹ This total reflects \$654,409,000 in aggregate principal amount of general obligation bonds and \$125,636,000 in aggregate principal amount of general obligation stormwater management bonds.

Discussion/Policy Analysis:

CB-100-2023 authorizes the County to issue and sell up to \$780,045,000 in aggregate principal amount of general obligation and stormwater management bonds to finance various County capital projects approved in the FY 2024 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-100-2023,² 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 2024 BOND SALE |
|---|------------------------------|
| Board of Education | \$ 323,653,000 |
| Department of Public Works and Transportation | \$ 165,724,000 |
| Memorial Library System | \$ 12,898,000 |
| Health Department | \$ 8,772,000 |
| Department of Corrections | \$ 15,511,000 |
| Courts | \$ 5,150,000 |
| Police Department | \$ 21,348,000 |
| Fire/EMS Department | \$ 1,200,000 |
| Community College | \$ 35,218,000 |
| Office of Central Services | \$ 29,326,000 |
| Department of the Environment | \$ 35,609,000 |
| Stormwater Management Bonds | \$ 125,636,000 |
| TOTAL | \$780,045,000 |

Fiscal Impact:

- *Direct Impact*

Enactment of CB-100-2023 will authorize the County to incur additional debt in the aggregate principal amount of \$780,045,000, 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 an adverse fiscal impact on the County *to the extent of the total multi-year debt service costs*. The amount of the adverse 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 favorable if, and when, such refunding bonds are sold.

² [CB-100-2023, Attachment 1](#)

- *Indirect Impact*

Enactment of CB-100-2023 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.