





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-040-2024 Borrowing to Finance Capital Projects for Library Facilities

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**CB-040-2024** (*Proposed and presented by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

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**AN ACT CONCERNING BORROWING TO FINANCE CAPITAL PROJECTS FOR LIBRARY FACILITIES** 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 \$17,284,000 to finance the design, construction, reconstruction, extension, acquisition, improvement, enlargement, alteration, renovation, relocation, rehabilitation, or repair of Library Facilities 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.

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## **Fiscal Summary**

### **Direct Impact:**

#### *Expenditures:*

- Increases County debt by the principal amount of the bonds being sold (up to \$17,284,000) plus interest on those bonds.

#### *Revenues:*

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

### **Indirect Impact:**

Potentially favorable.

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## **Legislative Summary**

CB-040-2024, 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-040-2024 authorizes the issuance of up to \$17,284,000 in bonds to finance library facilities capital projects in the County, pending approval of the voters through a referendum to be held in November.

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## **Current Law/Background**

Section 823<sup>1</sup> 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 323<sup>2</sup> 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 19-205<sup>3</sup> of the Local Government Article of the Annotated Code of Maryland, the County shall sell the bonds through a public competitive bidding process.

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<sup>1</sup> [Prince George’s County Charter Section 823](#)

<sup>2</sup> [Prince George’s County Charter Section 323](#)

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

## Discussion/Policy Analysis

CB-040-2024 authorizes the County to borrow money and incur indebtedness upon its full faith and credit in an aggregate principal amount not exceeding \$17,284,000. The money is to be used to finance capital projects under the generic class of library facilities, with the bill specifically mentioning the following projects:

- Project No. 3.71.0001- Hillcrest Heights Branch Replacement<sup>4</sup>
- Project No. 3.71.0003- Langley Park Branch<sup>5</sup>
- Project No. 4.71.0002- Library Branch Renovations 2<sup>6</sup>

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 5<sup>th</sup>, 2024. If the voters approve the proposed ballot question, the County will be authorized to incur debt of up to \$17,284,000 for the listed projects or those in the same generic class.

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## Fiscal Impact

- *Direct Impact:*

Should the referendum be approved by the voters of the County, CB-040-2024 will have an adverse fiscal impact in the amount of the bonds to be sold (up to \$17,284,000) 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 library facilities and the renovation of existing facilities has the potential to positively impact the County. Libraries provide numerous benefits to County residents, including but not exclusive to knowledge and learning, programming, recreation, and access to critical services for free or at a discount. In providing services for residents that they may not otherwise be able to afford or willing to pay for, the County is providing opportunities for residents to increase their savings, knowledge, and skills. In return, this can lead to increased economic activity and contributions to the County. The exact impact this bill may have on the County is difficult to quantify.

*Appropriated in the Current Fiscal Year Budget:*

No.

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<sup>4</sup> [FY 2025 Proposed Capital Improvement Program Budget, p. 267](#)

<sup>5</sup> [FY 2025 Proposed Capital Improvement Program Budget, p. 268](#)

<sup>6</sup> [FY 2025 Proposed Capital Improvement Program Budget, p. 269](#)

**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.

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