

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

House Bill 1173  
Appropriations

(Calvert County Delegation)

Budget and Taxation

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**Calvert County - Public Facilities Bond**

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This bill authorizes the Calvert County Commissioners to issue up to \$26.5 million in general obligation bonds for the acquisition, construction, improvement, or renovation of public buildings, facilities, and public works projects. The date of maturity of the bonds cannot exceed 30 years. **The bill takes effect June 1, 2021.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Calvert County receives up to \$26.5 million in bond proceeds. County debt service expenditures increase by an estimated \$1.9 million annually.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Commission counties do not have the legislative power to create debt; General Assembly authorization is required before any bonds can be sold. Calvert County is one of six counties that still operates under the commission form of government.

**Local Fiscal Effect:** Since 2011, Calvert County has received authorization by the General Assembly to issue up to \$244.6 million in general obligation bonds for public facilities, as shown in **Exhibit 1**. **Exhibit 2** shows the planned capital projects in Calvert County for fiscal 2022.

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**Exhibit 1**  
**Bond Authorizations for Calvert County**  
**(\$ in Millions)**

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
2011	Ch. 150	\$12.3
2013	Ch. 56	33.8
2014	Ch. 43	12.7
2015	Ch. 27	51.9
2016	Ch. 182	9.4
2017	Ch. 80	17.6
2018	Ch. 115 and Ch. 117	59.7
2019	Ch. 96	10.3
2020	Ch. 326	36.9
<b>Total</b>		<b>\$244.6</b>

Source: Department of Legislative Services

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**Exhibit 2**  
**Calvert County Bond Authorization Request**  
**2021 Session**

<u>Project</u>	<u>Requested Bond Authority</u>	<u>Bond Duration</u>
Board of Education Systemic Projects (HVAC)	\$4,498,245	15 years
Dunkirk District Park Upgrades	2,705,100	15 years
Appeal Salt Barn	850,000	15 years
Ball Road Elliptical Culvert Rehabilitation	1,000,000	15 years
St. Leonard Fire House	7,000,000	15 years
Appeal Landfill – Construct Transfer Station	4,000,000	15 years
Barstow Convenience Center – Upgrade	3,000,000	15 years
Issuance Costs	150,000	15 years
<b>Subtotal 15 Years</b>	<b>\$23,203,345</b>	
Chesapeake Heights Water Distribution Center	\$1,000,000	25 years
Highland Low Pressure Sewer System	2,250,000	25 years
<b>Subtotal 25 Years</b>	<b>\$3,250,000</b>	
<b>Total</b>	<b>\$26,453,345</b>	

HVAC: heating, ventilation, and air conditioning

Source: Calvert County Government

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Calvert County revenues increase by up to \$26.5 million from bond proceeds. Annual debt service costs total approximately \$1.7 million for bonds issued with a 15-year term of maturity and \$0.2 million for bonds issued with a 25-year term of maturity. This estimate is based on a 1.0% interest rate and 1.3% interest rate, respectively. To the extent that the bond issuance, interest rates, or terms of maturity deviate from this assumption, debt service expenditures would adjust accordingly.

At the end of fiscal 2019, Calvert County had approximately \$171.8 million in total outstanding debt, which represents approximately 1.4% of the county's assessable base and \$1,867 on a per capita basis. The county currently has an AAA credit rating from Standard and Poor's, an AAA credit rating from Moody's Investors Service, and an AAA credit rating from Fitch Ratings.

Information on local debt measures for Maryland counties and Baltimore City can be found in the [Local Government Overview](#) report. A copy of the 2021 report can be found on the Department of Legislative Services [website](#).

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Calvert County; Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2021  
rh/hlb Third Reader - March 25, 2021  
Revised - Amendment(s) - March 25, 2021  
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