

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 458

(Senator Bailey)

Budget and Taxation

Appropriations

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**St. Mary's County - Bond Authority - YMCA Facility**

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This bill authorizes the St. Mary’s County Commissioners to issue up to \$15.0 million in general obligation bonds for the construction of a YMCA facility in the county. The bill specifies that the allocation of up to \$15.0 million must be done on or before September 1, 2024, contingent on the YMCA initiating a capital campaign which fundraises at least \$4.0 million from the St. Mary’s County community and the public at large. All expenses related to the capital campaign must be paid by the YMCA. **The bill takes effect June 1, 2023.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** St. Mary’s County receives up to \$15.0 million in bond proceeds. County debt service expenditures increase by an estimated \$1.0 million annually over a 20-year period.

**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. St. Mary’s County is one of six counties that still operates under the commission form of government.

**Local Fiscal Effect:** Since 2008, St. Mary’s County has received authorization by the General Assembly to issue up to \$208.9 million in general obligation bonds for public facilities, as shown in **Exhibit 1**. The county is authorized to issue up to \$15.0 million by fiscal 2025 in general obligation bonds toward the YMCA – Great Mills construction project.

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**Exhibit 1**  
**Bond Authorizations for St. Mary’s County**  
**(\$ in Millions)**

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
2008	Ch. 78	\$35.0
2013	Ch. 96	30.0
2017	Ch. 427	26.3
2018	Ch. 109	24.6
2019	Ch. 180	30.0
2020	Ch. 596	33.0
2021	Ch. 731	30.0
<b>Total</b>		<b>\$208.9</b>

Source: Department of Legislative Services

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St. Mary’s County revenues increase by up to \$15.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$1.0 million. This estimate is based on a 3.37% interest rate and a 20-year term of maturity. To the extent that the bond issuance, interest rate, or term of maturity deviate from this assumption, expenditures would adjust accordingly.

At the end of fiscal 2021, St. Mary’s County had approximately \$229.0 million in total outstanding debt, which represents approximately 1.7% of the county’s assessable base and \$2,010 on a per capita basis. The county currently has an AA+ rating from Standard & Poor’s, an Aa1 credit rating from Moody’s Investors Service, and an AA+ 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 2023 report can be found on the Department of Legislative Services [website](#).

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 575 (St. Mary's County Delegation) - Appropriations.

**Information Source(s):** St. Mary's County; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2023  
rh/tso Third Reader - March 9, 2023

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