



**ANNE ARUNDEL COUNTY  
OFFICE OF THE COUNTY AUDITOR**

**To:** Councilmembers, Anne Arundel County Council  
**From:** Office of the County Auditor  
**Date:** July 18, 2025  
**Subject:** County Auditor's Review of Legislation for the July 21, 2025 Council Meeting

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**Bill 55-25: The Issuance,  
Sale and Delivery of  
Anne Arundel County,  
Maryland General  
Obligation Bonds and  
Bond Anticipation Notes**

**Summary of Legislation**

This bill authorizes the sale and issuance of General Obligation Bonds (GO Bonds), Bond Anticipation Notes (BANs), Maryland Water Quality Loans, and Shore Erosion Control Construction Loans consistent with the FY26 Capital Budget. The bill will allow the issuance of up to \$1.6 billion in GO Bonds and \$800 million in BANs. This financing will support the approved capital program for FY26-FY31.

**Review of Fiscal Impact**

Anne Arundel County will receive up to \$1.6 billion in bond proceeds. The FY26 Proposed Operating Budget anticipated the total General Fund debt service to be \$141.6 million and the total Enterprise Fund debt service to be \$104.2 million in the upcoming fiscal year. To the extent that debt issuance, interest rates, or terms of maturity deviate from base assumptions, debt service expenditures would adjust accordingly.

*A review of this legislation was also included in the Auditor's Review of Legislation for the July 7, 2025 Council Meeting.*

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**Bill 59-25: Pensions –  
Credited Service –  
Deferred Retirement  
Option Program  
("DROP") – Number of  
Participants – Term of  
Participation Period –**

**Summary of Legislation**

This legislation will modify the interest rates and employee contributions for specific Deferred Retirement Option Program (DROP) participants; alter the participation period for certain employees in the Detention Officers' and Deputy Sheriffs' Retirement Plan; clarify credited service; and modify limits on

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**Interest on DROP  
Account – Employee  
Contributions to Pension  
Fund**

new participants. These plan changes were negotiated with the International Association of Fire Fighters (IAFF), Fraternal Order of Police (FOP), Battalion Chiefs, Fraternal Order of Anne Arundel Detention Center Officers and Personnel (FODCOP), and Teamsters Union Local 355 representing Correctional Program Specialists.

**Review of Fiscal Impact**

We concur with the Administration’s fiscal note. The Administration estimates that the increased interest rates will raise expenditures from the pension fund by \$762,821, while the increased employee contributions will raise pension fund revenues by \$1.4 million.

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**Bill 60-25: Annapolis  
Roads Special  
Community Benefit  
District – Approval of  
Loan and Assignment  
Agreement**

**Summary of Legislation**

This bill approves the obligation of the County to impose the special community benefit assessment special tax on the Annapolis Roads Special Community Benefit District (SCBD) in the amount of \$640,000 to repay a loan from United Shore Bank to the Annapolis Roads Property Owners Association, Inc. (ARPOA) over the next 15 years. This amount will be used to purchase lots located at 2632, 2634, and 2638 Carrollton Road, Annapolis, MD 21403.

**Review of Fiscal Impact**

The proposed loan is not a general obligation of the County and the County does not pledge its full faith and credit toward the loan’s repayment.

The Office of Budget’s fiscal note states that the County will incur costs in administering the multi-year payment of the loan, which would be partially offset by the five percent administrative fee charged when the SCBD taxes are collected. However, no analysis or supporting document was provided detailing how much will be offset by the administrative fee when taxes are collected.

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**Bill 61-25: Epping  
Forest Special  
Community Benefit  
District – Approval of  
Loan and Assignment  
Agreement**

**Summary of Legislation**

This bill approves the obligation of the County to impose the special community benefit assessment special tax on the Epping Forest Special Community Benefit District (SCBD) in the amount of \$1.5 million to repay a loan from M&T Bank during the 10-year term of the loan. This amount will be used to renovate and replace the community's marina.

**Review of Fiscal Impact**

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The proposed loan is not a general obligation of the County and the County does not pledge its full faith and credit toward the loan's repayment.

The Office of Budget's fiscal note states that the County will incur costs in administering the multi-year payment of the loan, which would be partially offset by the five percent administrative fee charged when the SCBD taxes are collected. However, no analysis or supporting document was provided detailing how much will be offset by the administrative fee when taxes are collected.

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**Bill 62-25: Public Works  
– Watershed Protection  
and Restoration  
Program**

**Summary of Legislation**

This bill updates the County's Watershed Protection and Restoration Fee (WPRF) Program to accommodate zoning code changes; establish consistency across fee assessments; eliminate the deadline to file an appeal; revise definitions; and increase the income threshold for a hardship exemption. This bill does not outwardly modify the rate of fee, but will increase revenue based on fee assessment calculation adjustments brought forth.

**Review of Fiscal Impact**

The Administration estimates that this legislation will result in increased revenues to the Watershed Protection and Restoration Fund by approximately \$250,000 annually, beginning in FY27.

This estimate is based on Geographic Information System (GIS) analysis conducted by the Bureau of Watershed Protection and Restoration within the Department of Public Works (DPW) and could not be independently validated by legislative staff.

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