



ANNE ARUNDEL COUNTY GOVERNMENT RELATIONS OFFICE

Legislative and Fiscal Summary of Administration Legislation

To: Members, Anne Arundel County Council

From: Ethan Hunt, Director of Government Affairs /s/

Date: October 6, 2025

Subject: Bill No. 83 -25 – AN ORDINANCE concerning the authorization of the issuance, sale and delivery by Anne Arundel County, Maryland (the “County”) from time to time of special taxing district refunding bonds in an aggregate principal amount not to exceed \$12,360,000 to be secured by special taxes to refund all or a portion of the County’s Special Obligation Bonds (Arundel Gateway Project), Series 2014 (Taxable); and the determination of certain terms and provisions in connection with the issuance, sale and payment of such bonds

This summary was prepared by the Anne Arundel County Government Relations Office for use by members of the Anne Arundel County Council during consideration of Bill No. 83-25.

Summary

The Administration seeks authorization for the issuance, sale, and delivery of special obligation refunding bonds in a principal amount not to exceed \$12,360,000 to refund Arundel Gateway Special Taxing District Bonds.

This Bill authorizes the issuance, sale, and delivery of the refunding bonds, and sets forth the requirements and conditions related to the refunding bonds. Bill No. 16-12, effective May 10, 2012, authorized the creation of the Arundel Gateway Special Taxing District, as authorized per § 4-8-101 through § 4-8-106 of Anne Arundel County Code and § 21-501 through § 21-519 of the Local Government Article of the Annotated Code of Maryland, to fund infrastructure improvements within the District through the issuance and sale of special obligation bonds. It authorized special obligation bonds, known as the "Series 2014 Bonds," with a value of \$22,500,000, provided that the bonds were secured by and to be repaid through a special tax levied on property within the district. The County issued Arundel Gateway Special Tax District Bonds in the amount of \$22,500,000 on August 8, 2014. Costs and expenses related to those bonds have been paid through special taxes assessed on properties in the special tax district pursuant to a rate and method established by Bill No. 16-12 since that time.

Note: This Legislative and Fiscal Summary provides a synopsis of the legislation as introduced. It does not address subsequent amendments to the legislation.

It has been determined that the issuance of refunding bonds to replace the Series 2014 bonds would result in savings to the property owners within the district, who are assessed the special tax to repay the bonds over the 20-year term of the refunding bonds. The bonds are not a general obligation of the County, and the County is not responsible for the principal or any expenses related to the bonds. Legislation is necessary for the issuance of refunding bonds, as the authority to issue special obligation bonds under § 21-501 through § 21-519 of the Local Government Article lies with the county governing body, and Anne Arundel County Code Section 1014 provides that whenever state or federal law confers a power or duty on the County by language that refers to "the local governing body" or by similar language, any action required of the County shall be taken by the County Executive and then referred to the County Council for confirmation.

The costs associated with the refunding will be paid from the savings of the bond refunding itself. This will be budget and cost neutral from the perspective of the County. This legislation will positively impact the property tax accounts located in the special tax district due to a slightly reduced annual debt service assessment that is collected via the annual tax bill and will result in an overall savings over the term of the refunded bonds. There will be a credit rating agency review prior to the bond refunding. With the special tax district being developed, having a diverse tax base, excellent location with close proximity to employers and excellent visibility and vehicular access, the special tax district is in a great position to review a more than favorable credit rating for the refunding. This refunding also coincides with the current bondholder's desire to transfer the bonds. The Office of Finance consulted with the Office of Law, Budget Office, Public Resources Advisory Group (PRAG) Municipal Advisors, McKennon Shelton & Henn LLP, and Mesirow Financial Holdings, Inc. on this legislation.

Purpose

This Bill is required by County Charter and State law to authorize the issuance, sale, and delivery of refunding bonds for Arundel Gateway Special Taxing District Bonds to achieve savings for those paying the expenses of the bonds through special tax district assessments.

Fiscal Impact

Please see the Fiscal Note the Budget Office has prepared for an explanation of the fiscal impact of this Bill.

Additional Information

The Government Relations Office is available to answer any additional questions regarding this Bill. Specific questions should be directed to Brian Schenck, Office of Finance, or Lori Blair Klasmeier, Office of Law. Thank you.

cc: Honorable Steuart Pittman, County Executive
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