



Committee: Directly to Council
Committee Review: N/A
Staff: Logan Anbinder, Legislative Analyst
Purpose: To receive testimony – no vote expected

AGENDA ITEM #4
October 7, 2025
Public Hearing

SUBJECT

Public Hearing - Expedited Bill 29-25, Bond Authorization

EXPECTED ATTENDEES

None

DESCRIPTION/ISSUE

The Executive requests that the Council introduce and act on the subject expedited bill and its companion resolution (see ©1-12). The Council's action is required to implement the appropriations approved in the Amended FY25-30 Capital Improvements Program (CIP). The Executive requests that the Council consider this as expedited legislation.

SUMMARY OF KEY DISCUSSION POINTS

- Expedited Bill 29-25 increases the County's general obligation (G.O.) bond authorization by \$652,170,000 in certain public facility categories (see ©3-5). Section 20-14 of the County Code defines the public facility categories that may be funded by G.O. bonds.
- The bonds will be secured by the full faith and credit and taxing authority of the County.
- Additional authority is needed to fund the approved appropriations for the CIP projects in the public facility categories as identified in Column (g) on ©6. These appropriations were approved by the Council in the Amended FY25-30 CIP.
- The Office of Legislative Oversight economic, climate, and racial equity & social justice impact statements were not available at time of publication of this staff report. When published, they will be available online at: <https://www.montgomerycountymd.gov/OLO/impact-statements.html>.
- Action on the bill is scheduled later in the Council session following the public hearing.

This report contains:

Executive transmittal memo (August 29, 2025)

Executive memorandum	© 1-2
Expedited Bill 29-25, Bond Authorization	© 3-5
Bond Authority and Public Facility Category Crosswalk	© 6
Fiscal Impact Statement	© 7
Legislative Request Report	© 8

Proposed resolution

© 9-10

Memorandum re: Bond orders – Exemption from County Attorney Approval

© 11-12

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

August 29, 2025

TO: Kate Stewart, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Bond Authorization Legislation - Bill xx-26 – Approved Fiscal Year 2025 and 2026 Capital Budget and Resolution Providing for the Consolidation of Certain Previously Authorized Notes for Sale and Issuance as a Single Issue

The approved Capital Budget for Fiscal Years 2025 and 2026 provide for certain increased appropriation authority that will require funding initially from Commercial Paper Bond Anticipation Notes, and permanent financing from future County general obligation bond issues.

The Council, therefore, will have to consider the related additional bond authority by category, necessary to fully implement this program. Accordingly, I am transmitting the attached bill providing for this action. This legislation was prepared by the County's bond counsel, McKennon Shelton & Henn LLP, and reviewed by the Department of Finance. The fiscal impact with respect to the legislation is contained within the approved Operating Budget and consists of the related annual debt service on the notes and bonds following their ultimate issue.

I am transmitting concurrently the resolution that consolidates the new authority with all previous commercial paper bond anticipation note authority. This “consolidating resolution” will take effect from the date on which the bond authority becomes effective.

I request that you introduce the consolidating and refunding resolution concurrent with the bond authorization legislation.

A copy of a schedule prepared by the Controller’s Office reflecting the composition of the additional bond authority is enclosed for your information. If you have any questions please contact Michael J. Coveyou, Director of Finance at extension 7-8870.

Enclosures

cc: Cecily Thorne, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer
Fariba Kassiri, Deputy Chief Administrative Officer
Ken Hartman-Espada, Assistant Chief Administrative Officer
Tricia Swanson, Director of Strategic Partnerships

Expedited Bill No.: 29-25
Concerning: Bond Authorization
Revised: 9/4/2025 Draft No.: 1
Introduced: September 16, 2025
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. , Laws of Mont. Co.

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of County Executive

AN EXPEDITED ACT to:

- (1) authorize the County to issue certain bonds; and
- (2) authorize the bonds, and bonds previously authorized to be issued, to be consolidated for sale and issued, sold, and delivered as a single issue.

By adding to the Laws of Montgomery County 2025

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Section 1. The following is added to the Laws of Montgomery County

2025:

The County may at any time and from time to time sell up to \$652,170,000 in general obligation bonds under Chapter 20 for any project included in an approved Capital Improvements Program as follows:

(a) an aggregate principal amount not exceeding \$262,800,000 for public facilities as defined in Section 20-14(a);

(b) an aggregate principal amount not exceeding \$198,300,000 for public facilities as defined in Section 20-14(b);

(c) an aggregate principal amount not exceeding \$190,000,000 for public facilities as defined in Section 20-14(c); and

(d) an aggregate principal amount not exceeding \$1,070,000 for public facilities as defined in Section 20-14(e).

Any bonds issued and sold by the County under this Act constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the County.

In accordance with Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2024 Supplement), the County Executive by order may determine that all or any of the bonds and any

20 bonds authorized by any other County laws may be consolidated for sale and
21 issued, sold, and delivered as a single issue of bonds.

22 The County Executive must determine all matters relating to the amounts of
23 bonds to be sold, advertisement, sale, issuance, delivery, and payment of the
24 consolidated issue, such as the forms, dates, and denominations of the consolidated
25 bonds, the principal maturities, the method for determining the interest payable on
26 the consolidated bonds, and provisions for the use of facsimile signatures or seals.
27 At least one advertisement of the public sale of the consolidated bonds must appear
28 in a newspaper of general circulation in Montgomery County at least 10 days
29 before the sale.

30 **Section 2. Expedited Effective Date.**

31 The Council declares that this legislation is necessary for the immediate
32 protection of the public interest. This Act takes effect on the date on which it
33 becomes law.

MONTGOMERY COUNTY, MARYLAND
ADDITIONAL COUNTY GOVERNMENT GENERAL OBLIGATION BOND AUTHORITY
REQUIRED TO FINANCE APPROVED FY25 & FY26 CAPITAL APPROPRIATIONS

	Estimated FY24 Remaining Appropriations per OMB Appropriation Calculations by Funding Source Report (a)	G.O. Bond Funds Required per the Approved FY25 & FY26 CIP Appropriations* (b)	G.O. Bond Funds Required as of 6/30/26 (a+b) (c)	G.O. Bond Authority 6/30/25 (d)	Adjustments for Excess G.O. Bond Authority (e)	Adjustments For Rounding (f)	Required Additional G.O. Bond Authority (c-d-e-f) (g)
County Government:							
General County	161,933,000	93,965,000	255,898,000	84,674,318	-	(76,318)	171,300,000
Parks	1,824,000	29,919,000	31,743,000	13,051,994	-	(8,994)	18,700,000
Consolidated Fire Tax District	32,738,000	(20,823,000)	11,915,000	24,958,553	(13,043,553)	-	-
(C) General County, Parks, and Consolidated Fire Tax District	196,495,000	103,061,000	299,556,000	122,684,865	(13,043,553)	(85,312)	190,000,000
(B) Road and Storm Drainage	77,949,000	160,579,000	238,528,000	40,325,709	-	(97,709)	198,300,000
(D) Mass Transit	3,351,000	9,148,000	12,499,000	36,455,084	(23,956,084)	-	-
(F) Public Housing	-	-	-	47,400,000	(47,400,000)	-	-
(E) Parking Districts:						-	-
Silver Spring	-	-	-	-	-	-	-
Bethesda	698,000	1,068,000	1,766,000	700,000	-	(4,000)	1,070,000
(H) Agricultural Easements	-	-	-	2,000,000	(2,000,000)	-	-
(I) Façade Easements	-	-	-	3,300,000	(3,300,000)	-	-
Total County Government	278,493,000	273,856,000	552,349,000	252,865,658	(89,699,637)	(187,021)	389,370,000
Other Agencies:							
Public Schools	481,062,000	27,660,000	508,722,000	338,628,418	-	(6,418)	170,100,000
Community College	2,739,000	90,692,000	93,431,000	781,924	-	(50,924)	92,700,000
(A) Total Other Agencies	483,801,000	118,352,000	602,153,000	339,410,342	-	(57,342)	262,800,000
Total CIP	762,294,000	392,208,000	1,154,502,000	592,276,000	(89,699,637)	(244,363)	652,170,000



Fiscal Impact Statement

Office of Management and Budget

Bill xx-26	Bond Authorization
Bill Summary	This bill authorizes the County to issue certain bonds; and authorizes the bonds and bonds previously authorized to be issued to be consolidated for sale and issued, sold and delivered as a single issue.
Fiscal Impact Summary	There is insufficient bond authorization in certain categories of Capital Improvement Program (CIP) expenditures to fully cover the increased appropriation level as approved by the County Council, and some prior authorizations in certain categories are no longer required. Legislation authorizes the issuance of General Obligation bonds in an amount not to exceed \$652,170,000. These General Obligation bonds are to be issued upon the full faith and credit of the County. Legislation will provide bond authority for future actual debt issuance. The County Executive will issue bonds as needed to fund projects approved in the CIP.
Fiscal Impact Analysis	The County revenue and expenditure estimates will be determined by the specific amount of bonds issued and future annual amount of debt service incorporated into the annual operating budget. This bill only provides authority for the issuance of General Obligation bonds. For a 20-year term at 5% interest, average annual estimated debt service is \$76,250 per \$1,000,000 in General Obligation bonds issued. The County revenue and expenditure estimates for the next 6 fiscal years will be determined by the specific amount of bonds issued and the amount of debt service incorporated into the annual operating budget.
Staff Impact	The bill is not expected to impact staff time or duties.
Actuarial Analysis	The bill is not expected to impact retiree pension or group insurance costs.
Information Technology Impact	The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.
Other Information	
Later actions that may impact revenue or expenditures if future spending is projected	The bill does not authorize future spending.
Ranges of revenue or expenditures that are uncertain or difficult to project	Not applicable.
Sources of information	CIP Basis, Appropriation Calculation by Funding Source Report and GO Bond Authority Report. Controller's Office, FY26 Bond Authority Worksheet for CE and Council Packet
Contributors	Nancy Feldman, Department of Finance Veronica Jaua, Office of Management and Budget



LEGISLATIVE REQUEST REPORT

Bill _____

COUNTY BOND AUTHORIZATION LEGISLATION

REQUIRED TO FINANCE FISCAL YEAR 2025 & 2026 APPROVED CAPITAL APPROPRIATIONS

<u>DESCRIPTION:</u>	Legislation to authorize the issuance of various proposed bonds in an amount not to exceed \$652,170,000. These General Obligation Bonds are to be issued upon the full faith and credit of the County.
<u>PROBLEM:</u>	There is insufficient bond authorization in certain categories of CIP expenditures to fully cover the increased appropriation level as approved by the County Council.
<u>GOALS & OBJECTIVES:</u>	The goal is to provide new, additional bond authorization equal to the approved appropriation level which will be financed from future bond issues.
<u>COORDINATION:</u>	This bill is new legislation that does not duplicate or overlap existing law.
<u>FISCAL IMPACT:</u>	Future annual debt service costs are incurred at the time the bonds are actually sold and are included in the Approved Operating Budget and Annual Appropriations for Debt Service.
<u>EVALUATION:</u>	N/A
<u>EXPERIENCE ELSEWHERE:</u>	N/A
<u>SOURCE OF INFORMATION:</u>	Michael Coveyou, Director of Finance, 240-777-8870

Resolution No. _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: Resolution to Consolidate Previously Authorized Notes for Sale and Issuance as a Single Issue

Background

1. Resolution No. 16-1104, adopted by the County Council for Montgomery County, Maryland (the “County Council”), on September 15, 2009 as amended by Resolution No 16-1567 of the County Council adopted on November 30, 2010, Resolution No. 17-318 of the County Council adopted on December 6, 2011, Resolution No. 17-556 of the County Council adopted on September 25, 2012, Resolution No. 17-908 of the County Council adopted on October 1, 2013, Resolution No. 17-1247 of the County Council adopted on October 14, 2014, Resolution No. 18-305 of the County Council adopted on October 27, 2015, Resolution No. 18-1259 of the County Council adopted on October 2, 2018, Resolution No. 19-263 of the County Council adopted on October 1, 2019, Resolution No. 19-944 of the County Council adopted on July 12, 2021, Resolution 19-1323 of the County Council adopted on July 12, 2022 and Resolution 20-398 of the County Council adopted on February 6, 2024 (collectively, the “Note Resolution”), authorized the County to issue, at one time or from time to time, bond anticipation notes (the “Notes”) of Montgomery County, Maryland (the “County”). The Notes are to be issued pursuant to and in accordance with certain laws of Montgomery County, Maryland (the “Authorizing Legislation”) and Section 19-212 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2024 Supplement) (the “Bond Anticipation Note Act”), for the public purposes and uses as set forth in the Authorizing Legislation and to pay the costs of issuing the Notes.
2. On September 16, 2025, the County Council introduced Expedited Bill No. ____, Bond Authorization, to authorize the County to borrow money in an aggregate amount of \$652,170,000 for the purposes of financing the cost of certain public facilities.

3. In addition, the County has decided to authorize the issuance, sale, and delivery of additional bond anticipation notes in the nature of commercial paper at any time and from time to time in the principal amount of \$1,499,446,000 for the purpose of having bond anticipation note authority available for the issuance of bonds previously authorized by the County Council, but heretofore unissued.
4. The County wishes to add the authority provided in Expedited Bill No. ____ and the additional bond anticipation note authority hereby authorized with the authority remaining under the Note Resolution so that the aggregate amount of all the authority may be consolidated for sale and issued, sold and delivered from time to time as one or more series of bond anticipation notes.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

Section 1. The Note Resolution is hereby amended as follows:

1. The “Authorized Amount” means \$1,499,446,000 less the aggregate principal amount of Notes issued after the effective date of this Resolution.

2. The definition of “Authorized Legislation” in Section 1, paragraph (b)(iii) of Resolution 16-1104 is hereby amended to include Expedited Bill No. ____.

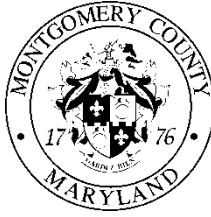
Section 2. The effect of the amendments in Section 1 is to increase the County’s authority to issue bond anticipation notes under the Note Resolution.

Section 3. Except as specifically amended by this Resolution, the Note Resolution is hereby fully ratified and confirmed.

Section 4. This Resolution takes effect when the law introduced as Expedited Bill No. ____ takes effect.

This is a correct copy of Council action.

Sara Tenenbaum
Clerk of the Council



OFFICE OF THE COUNTY ATTORNEY

Marc Elrich
County Executive

Marc P. Hansen
County Attorney

M E M O R A N D U M

TO: Marc Elrich, County Executive
Offices of the County Executive

VIA: Marc P. Hansen *Marc Hansen*
County Attorney

FROM: Taggart B. Hutchinson *Taggart Hutchinson*
Associate County Attorney

DATE: April 26, 2021

RE: Bond Orders – Exemption from County Attorney Approval

Montgomery County has the authority to issue bonds or other debt obligations (bonds) to finance public facilities under Article III and IV of Chapter 20 of the Montgomery County Code and Section 9-212 of the Local Government Article of the Annotated Code of Maryland. These provisions establish the actions that must be taken to issue bonds, all of which are initiated by an Executive Order of the County Executive.

The procedure for issuance and maintenance of Executive Orders appears in Administrative Procedure 1-3, wherein Section 4.1 provides:

All Executive Orders must be approved as to form and legality by the County Attorney. Standard Executive Orders which address routine subject matter...may be exempted from County Attorney approval provided that the text for such orders has been approved by the County Attorney and that approval is on file with the Office of the County Executive.

In order to authorize the sale of bonds, the Department of Finance routinely submits Executive Orders, also known as “Bond Orders,” to the County Executive for signature. The Bond Orders are prepared by the County’s bond counsel who is engaged by the County Attorney, under Section 213 of the Montgomery County Charter. On bond-related matters the County’s bond counsel is authorized to act as the attorney for the County. Approval of the Bond Orders,

Bond Orders – Exemption from County Attorney Approval

April 26, 2021

Page 2

as to form and legality, by the County's bond counsel satisfies the requirement of Administrative Procedure 1-3 and further review and signature of the Bond Orders by the County Attorney, as to form and legality is unnecessary.

A copy of this approval should be kept on file in the Office of the County Executive. If you have any questions or need additional information about this matter, please contact me at extension 7-6734

cc: Mike Coveyou, Director, Department of Finance.