Council Bill 50-2026 Fiscal Analysis
Introduced: September 8, 2026
Fiscal Manager: Yusef Ibrahim

Legislative Intent: This legislation authorizes the issuance, sale, and delivery of up to $150 million in Consolidated Public Improvement (CPI) Bonds and up to $50 million in Metropolitan District Bonds to pay for the costs of approved capital projects and retire short term debt.

ANALYSIS

Fiscal Impact:

This legislation will increase debt service related to the new bond issuance. According to the Administration, the bonds are expected to be sold in March 2027, with final principal amounts, maturity schedules, interest rates, issuance amount, and cost of issuance all to be determined by Executive Order based on market conditions at the time of sale. The Administration conservatively estimates an interest rate of up to 4.5%. For reference, the County's all-in true interest cost (TIC) on its last three comparable sales was:

Year	CPI Bonds	Metro District Bonds	Taxable CPI
2026	3.40%	3.99%	4.63%
2025	3.58%	3.98%	—
2024	3.39%	3.82%	5.07%

Funds raised through the issuance will have three uses:

- The primary use will be to reimburse the County for the cost of capital improvement projects approved for FY 2027[1]. CPI bonds are used for general county projects ($120.7 million approved) and Metro bonds are used for water and sewer projects ($59.4 million approved). A list of capital projects funded by these bonds is included in Administration testimony.
- $37,169,801 will be used to retire outstanding short-term debt (Bond Anticipation Notes).
- Bond issuance costs, including rating agency fees, bond counsel, underwriter discount, and financial advisory services, represent a small percentage of the total issuance. According to the Administration, the exact cost of issuance for this sale is to be determined; for reference, the County's last two debt issuances each cost approximately $400,000.

[1] Page 20 of FY27 Capital Budget

Per the Bill, the County's outstanding general obligation debt as of June 30, 2026 (including the $150 million CPI Bonds authorized here) is $1,299,667,090, against a full cash value assessable base of $71,759,600,783. This figure excludes the $50 million Metropolitan District Bonds, which are payable from benefit assessments and Metro District taxes rather than general fund revenues.

Budget Implications:

- The projects funded by this issuance were approved by the Council in CB33-2026 which is the FY2027 Annual Budget and Appropriation Ordinance.
- Howard County continues to maintain a AAA credit rating and debt service as a percentage of revenue remains below 10%.

Other Notes:

Records of past bond issuances can be found on the County's bond sale website.