

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

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

House Bill 205  
Appropriations

(Carroll County Delegation)

Budget and Taxation

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**Carroll County - Public Facilities Bonds**

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This bill authorizes the Carroll County Commissioners to issue up to \$31.0 million in general obligation bonds for the acquisition, construction, improvement, or renovation of public buildings, facilities, and public works projects. The date of maturity of the bonds cannot exceed 30 years.

The bill takes effect June 1, 2016.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Carroll County receives up to \$31.0 million in bond proceeds. County debt service expenditures increase by an estimated \$2.0 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. Carroll County is one of six counties that still operate under the commission form of government.

**Background:** Since 2006, Carroll County has received authorization by the General Assembly to issue up to \$422.0 million in general obligation bonds for public facilities, as shown in **Exhibit 1**. **Exhibit 2** shows the planned capital projects in Carroll County for fiscal 2017.

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**Exhibit 1**  
**Bond Authorizations for Carroll County**

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
2006	Ch. 75	\$52.0 million
2007	Ch. 58	80.0 million
2008	Ch. 217	120.0 million
2009	Ch. 601	42.0 million
2010	Ch. 636	35.0 million
2011	Ch. 117	16.0 million
2013	Ch. 63	40.0 million
2014	Ch. 63	20.0 million
2015	Ch. 84	17.0 million
<b>10-year Total</b>		<b>\$422.0 million</b>

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**Local Fiscal Effect:** Carroll County revenues increase by up to \$31.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$2.0 million. This estimate is based on a 2.55% 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, debt service expenditures would adjust accordingly.

At the end of fiscal 2014, Carroll County had approximately \$348.5 million in total outstanding debt, which represents approximately 1.9% of the county's assessable base and \$2,081 on a per capita basis. The county currently has an AAA credit rating from Standard and Poor's, an Aa1 credit rating from Moody's Investors Service, and an AAA credit rating from Fitch Ratings.

Information on local debt measures for Maryland counties and Baltimore City can be found on page 111 of the [\*Overview of Maryland Local Governments\*](#) report. A copy of the report can be found on the Department of Legislative Services website.

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**Exhibit 2**  
**Carroll County Bond Authorization Request**  
**Fiscal 2017**

<b><u>Project Description</u></b>	<b><u>FY 2017 Bonds</u></b>
<b>Public Schools</b>	
Francis Scott Key High School Roof Replacement	\$1,844,000
Friendship Valley Elementary Roof Replacement	112,000
Piney Ridge Elementary Roof Replacement	79,000
South Carroll High School Roof Replacement	1,779,755
Westminster High School Roof Replacement	1,781,000
<b>Total Public Schools</b>	<b>\$5,595,755</b>
<b>Conservation and Open Space</b>	
Agricultural Land – Maryland Ag. Land Preservation Program	\$1,333,300
Environmental Compliance	37,500
Stormwater Facility Renovation	331,500
Watershed Assessment and Improvement (NPDES)	4,196,790
<b>Total Conservation and Open Space</b>	<b>\$5,899,090</b>
<b>Public Works</b>	
Market Street Extended	\$63,000
Pavement Management Program	9,720,755
Ramp and Sidewalk Upgrades	75,000
Small Drainage Structures	84,000
Hollingsworth Road Over Unnamed Tributary	200,000
<b>Total Public Works</b>	<b>\$10,142,755</b>
<b>Culture and Recreation</b>	
Union Mills Main House Renovations	\$330,000
<b>Total Culture and Recreation</b>	<b>\$330,000</b>
<b>General Government</b>	
Army Reserve Renovation	\$4,200,000
Carroll Community College Systemic Renovations	100,000
County Building Systemic Renovations	700,000
Courthouse Annex Addition	32,400
<b>Total General Government</b>	<b>\$5,032,400</b>
<b>Non-Government</b>	
Fire Companies	\$4,000,000
<b>Total Non-Government</b>	<b>\$4,000,000</b>
<b>Grand Total</b>	<b>\$31,000,000</b>

Source: Carroll County Government

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 296 (Carroll County Senators) - Budget and Taxation.

**Information Source(s):** Carroll County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2016  
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