

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled

Senate Bill 296

(Carroll County Senators)

Budget and Taxation

Appropriations

Carroll County - Public Facilities Bonds

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.

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.

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.

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
10-year Total		\$422.0 million

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.

Exhibit 2
Carroll County Bond Authorization Request
Fiscal 2017

<u>Project Description</u>	<u>FY 2017 Bonds</u>
Public Schools	
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
Total Public Schools	\$5,595,755
Conservation and Open Space	
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
Total Conservation and Open Space	\$5,899,090
Public Works	
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
Total Public Works	\$10,142,755
Culture and Recreation	
Union Mills Main House Renovations	\$330,000
Total Culture and Recreation	\$330,000
General Government	
Army Reserve Renovation	\$4,200,000
Carroll Community College Systemic Renovations	100,000
County Building Systemic Renovations	700,000
Courthouse Annex Addition	32,400
Total General Government	\$5,032,400
Non-Government	
Fire Companies	\$4,000,000
Total Non-Government	\$4,000,000
Grand Total	\$31,000,000

Source: Carroll County Government

Additional Information

Prior Introductions: None.

Cross File: HB 205 (Carroll County Delegation) - Appropriations.

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

Fiscal Note History: First Reader - February 3, 2016
kb/hlb

Analysis by: Trevor S. Owen

Direct Inquiries to:
(410) 946-5510
(301) 970-5510