

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 251
Appropriations

(Carroll County Delegation)

Budget and Taxation

Carroll County - Public Facilities Bonds

This bill authorizes the Carroll County Commissioners to issue up to \$25.0 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, 2017.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County receives up to \$25.0 million in bond proceeds. County debt service expenditures increase by an estimated \$1.6 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 2007, Carroll County has received authorization by the General Assembly to issue up to \$401.0 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 2018.

Exhibit 1
Bond Authorizations for Carroll County

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
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
2016	Ch. 254	31.0 million
Total		\$401.0 million

Local Fiscal Effect: Carroll County revenues increase by up to \$25.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$1.6 million. This estimate is based on a 2.9% 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 2015, Carroll County had approximately \$336.0 million in total outstanding debt, which represents approximately 1.8% of the county's assessable base and \$2,003 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 in Chapter 9 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 2018

<u>Project Description</u>	<u>FY 2018 Bonds</u>
Public Schools	
HVAC System Replacement – East Middle	\$903,000
Carrolltowne Elementary Roof Replacement	833,000
Elmer Wolfe Elementary Roof Replacement	904,000
Robert Moton Elementary Roof Replacement	970,000
Runnymede Elementary Roof Replacement	904,000
Westminster High Electrical Equipment Replacement	100,000
Total Public Schools	\$4,614,000
Conservation and Open Space	
Agricultural Land – Maryland Ag. Land Preservation Program	\$1,333,000
Environmental Compliance	37,500
Stormwater Facility Renovation	285,093
Watershed Assessment and Improvement (NPDES)	2,894,600
Total Conservation and Open Space	\$4,550,193
Public Works	
Pavement Management Program	\$4,709,000
Ramp and Sidewalk Upgrades	75,000
Small Drainage Structures	115,000
Storm Drainage Rehabilitation	100,000
Bridges	345,000
Total Public Works	\$5,344,000
Culture and Recreation	
Union Mills Building Renovations	\$150,000
Total Culture and Recreation	\$150,000
General Government	
Carroll Community College Systemic Renovations	\$425,000
Courthouse Facility Improvements for MDEC	250,000
Farm Museum Building Restorations	1,400,000
Fleet Lift Replacements	179,000
Public Safety Training Center	1,614,390
Total General Government	\$3,868,390
Other	\$6,473,417
Grand Total	\$25,000,000

Source: Carroll County Government

Additional Information

Prior Introductions: None.

Cross File: SB 323 (Carroll County Senators) - Budget and Taxation.

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

Fiscal Note History: First Reader - February 1, 2017
mm/hlb Third Reader - March 21, 2017

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