

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

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

House Bill 645  
Appropriations

(Carroll County Delegation)

Budget and Taxation

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**Carroll County - Public Facilities Bond**

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This bill authorizes the Carroll County Commissioners to issue up to \$38.25 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, 2020.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Carroll County receives up to \$38.25 million in bond proceeds. County debt service expenditures increase by an estimated \$2.3 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 operates under the commission form of government.

**Background:** Since 2010, Carroll County has received authorization by the General Assembly to issue up to \$245.2 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 2021.

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

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
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
2017	Ch. 435	25.0 million
2018	Ch. 89	32.7 million
2019	Ch. 184	28.5 million
<b>Total</b>		<b>\$245.2 million</b>

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**Local Fiscal Effect:** Carroll County revenues increase by up to \$38.25 million from bond proceeds. Annual debt service costs for the bonds total approximately \$2.3 million. This estimate is based on a 1.88% 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 2018, Carroll County had approximately \$287.4 million in total outstanding debt, which represents approximately 1.5% of the county's assessable base and \$1,715 on a per capita basis. The county currently has an AAA credit rating from Standard & Poor's, an Aaa credit rating from Moody's Investors Service, and an AAA credit rating from Fitch Ratings.

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**Exhibit 2**  
**Carroll County Bond Authorization Request**  
**Fiscal 2021**

<b><u>Project Description</u></b>	<b><u>Project Amount</u></b>
<b>Public Schools</b>	
Career and Technology Center	\$19,511,635
<b>Total Public Schools</b>	<b>\$19,511,635</b>
<b>Conservation and Open Space</b>	
Agricultural Land – Maryland Ag. Land Preservation Program	\$1,333,300
Stormwater Facility Renovation	321,200
Watershed Assessment and Improvement (NPDES)	2,809,000
<b>Total Conservation and Open Space</b>	<b>\$4,463,500</b>
<b>Public Works</b>	
Pavement Management Program	\$11,728,865
Ramp and Sidewalk Upgrades	81,000
Small Drainage Structures	223,500
Storm Drain Rehabilitation	223,500
Gaither Road over South Branch Patapsco	392,100
<b>Total Public Works</b>	<b>\$12,648,965</b>
<b>General Government</b>	
Charles Carroll Gymnasium and Community Center	\$640,000
County Building Systemic Renovations	748,600
Generator Replacements	105,000
Public Safety Regional Water Supply	132,300
<b>Total General Government</b>	<b>\$1,625,900</b>
<b>Grand Total</b>	<b>\$38,250,000</b>

NPDES: National Pollutant Discharge Elimination System

Source: Carroll County Government

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 461 (Carroll County Senators) - Budget and Taxation.

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

**Fiscal Note History:** First Reader - February 10, 2020  
rh/hlb Third Reader - March 16, 2020

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