

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 254 (St. Mary's County Delegation)
Appropriations

St. Mary's County - Public Facilities Bonds

This bill authorizes the St. Mary's County Commissioners to issue general obligation bonds in an amount not exceeding \$10 million for public school buildings, community college buildings, highways and bridges, stormwater drainage facilities, detention facilities, airport facilities, a circuit court building, and other county facilities. In addition, the proceeds may be used to acquire land and make improvements for public use.

The bill is effective June 1, 1996.

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County would receive up to \$10 million in bond proceeds for various capital projects. County debt service expenditures would increase by a maximum of \$1.0 million annually.

Fiscal Analysis

Local Effect: St. Mary's County revenues could increase by an amount not exceeding \$10 million due to the bond proceeds. As of June 30, 1994, the county had \$90.5 million of outstanding debt, including debt of the St. Mary's County Metropolitan Commission and the St. Mary's County Housing Authority. St. Mary's County currently has an A credit rating. The interest rate for A rated 15-year bonds is 5.50%. Assuming the county issues bonds of \$10 million, the county's annual debt service costs on these bonds would be \$1.0 million. One cent on the county's property tax rate yields approximately \$173,800 in fiscal 1997. As a result, this expenditure increase is equivalent to \$0.0589 on the county's property tax rate.

Information Source(s): St. Mary's County, State Treasurer's Office, Department of Fiscal Services

Fiscal Note History: First Reader - January 26, 1996

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