

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 686 (Prince George's County and Montgomery County Delegations)
Commerce and Government Matters

**Washington Suburban Sanitary Commission - Authority to Issue Long-Term Debt
PG/MC 2-96**

This bill limits the authority of the Washington Suburban Sanitary Commission (WSSC) to issue debt to an amount authorized by the General Assembly. The aggregate amount of outstanding debt, including bond anticipation notes and revenue bonds, may not exceed 7% of the total assessable base within the sanitary district. Currently, the limit is 14%. The General Assembly, however, may exempt certain bonds from the debt limit. In addition, the bill makes the water supply bonds subject to the debt limit. Under current law, these bonds are excluded from the debt limit.

The bill is effective July 1, 1996.

Fiscal Summary

State Effect: None.

Local Effect: As of June 30, 1995, the WSSC had \$1.9 billion in outstanding debt. Based on an assessable base within the sanitary district of \$42.7 billion, the WSSC's debt to assessable base ratio is 4.5%. Accordingly, the lower debt limit would not affect the WSSC's present ability to issue debt. With its current assessable base and a 7% limitation, the WSSC would have a \$3 billion debt limit.

Information Source(s): Washington Suburban Sanitary Commission, Department of Fiscal Services

Fiscal Note History: First Reader - February 20, 1996

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