

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

House Bill 537 (Delegate Bissett)  
Ways and Means

Referred to Budget and Taxation

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**Anne Arundel County and Montgomery County - Special Taxing Districts -  
Developing and Financing Infrastructure Improvements**

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This enrolled bill authorizes Anne Arundel County to create special taxing districts for developing and financing infrastructure improvements. The county may impose ad valorem taxes or special taxes and issue bonds to finance the projects.

The bill also allows Montgomery County to issue special obligation bonds at less than investment grade under certain circumstances. Currently, the bonds must be of investment grade.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Anne Arundel and Montgomery counties revenues and expenditures could increase by an indeterminate amount.

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**Fiscal Analysis**

**Local Effect:** If Anne Arundel County creates special taxing districts for developing infrastructure improvements, expenditures could increase. The expenditure increase would depend upon the number of special taxing districts, the type and number of projects, and the cost of improvements. The county, however, could offset these costs by levying ad valorem or special taxes and issuing bonds. At this time, the potential revenue and expenditure increase cannot be determined.

To the extent that removing the investment grade limitation on special obligation bond issues increases Montgomery County borrowings for certain projects, county revenues and expenditures could increase. The increase would depend upon the amount of additional debt issues and debt service payments. The potential increase cannot be determined beforehand.

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**Information Source(s):** Anne Arundel County, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 13, 1996  
ncs Revised - House Third Reader - March 26, 1996  
Revised - Enrolled Bill - April 22, 1996

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