

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 608 (Senator Baker, et al.)
Budget and Taxation

Referred to Appropriations

Cecil County - Public School and Community College Bonds

This amended bill authorizes the Cecil County Commissioners to issue general obligation bonds in an amount not exceeding \$9 million for public school facilities and the Cecil County Community College. The maturity date of the bonds must not exceed 15 years. The bill is effective June 1, 1996.

Fiscal Summary

State Effect: None.

Local Effect: Cecil County would receive up to \$9.0 million in bond proceeds for public school and community college projects. County debt service expenditures would increase by a maximum of \$0.9 million annually.

Fiscal Analysis

Local Effect: Cecil County revenues could increase by an amount not exceeding \$9.0 million due to the bond proceeds. As of June 30, 1994, the county had \$49.1 million of outstanding debt. Cecil County currently has an A/A+ credit rating. The interest rate for A rated 15-year bonds is 5.5%. Assuming the county issues bonds of \$9.0 million, the county's annual debt service costs on these issues would be \$0.9 million. One cent on the county's property tax rate yields approximately \$172,300 in fiscal 1997. As a result, this expenditure increase is equivalent to \$0.0535 on the county's property tax rate.

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

Fiscal Note History: First Reader - February 19, 1996

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Revised - Senate Third Reader - March 26, 1996

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