

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Bond Bill

Senate Bill 799 (Senator Miller)  
Budget and Taxation

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Creation of a State Debt -  
Anne Arundel County - Rose Haven Water System  
(\$1,700,000)

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This bill provides \$1,700,000 in State bond proceeds as a grant to the County Executive and County Council of Anne Arundel County for costs associated with the laying of water lines, simultaneously with the laying of sewer lines, that will service the community of Rose Haven.

Anne Arundel County must provide matching funds by June 1, 1998, and will have authority over and take responsibility for the water system in Rose Haven.

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**Fiscal Summary**

**State Effect:** This \$1,700,000 bond authorization would be part of the total \$400 million general obligation debt authorization for fiscal 1997 as recommended by the Capital Debt Affordability Committee. State debt service costs on the \$400 million would be a maximum of \$41.3 million annually based on an interest rate of 4.51%.

**Local Effect:** The bond proceeds would increase Anne Arundel County revenues by \$1,700,000 and, because of the matching fund, expenditures would increase by at least \$3,400,000. The county's finances would be affected further when the county assumes responsibility for the Rose Haven water system. Revenues stemming from user charges, which are deposited into a utility fund for water systems, are estimated to total approximately \$35,000 annually, and expenditures associated with operating the system (e.g., chemical treatment, electricity, etc.) are expected to total about the same amount. In the event that expenditures exceed revenues, Anne Arundel County advises that governmental finances would not be affected because the rate of the user charge would be adjusted to prevent a shortfall.

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

**Fiscal Note History:** First Reader - March 11, 1996

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