

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 455 (Senator Haines) (Carroll County Delegation)

Budget and Taxation

Referred to Appropriations

Carroll County - Public Facilities Bonds

This amended bill authorizes the Carroll County Commissioners to issue up to \$18.4 million in general obligation bonds to finance (1) the construction, improvement, or development of public facilities; and (2) loans for fire and emergency equipment and buildings of volunteer fire departments in the county. The date of maturity of such bonds may not exceed 30 years. The bill is effective June 1, 1997.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County would receive up to \$18.4 million in bond proceeds for public facility projects. County debt service expenditures would increase by a maximum of \$1.5 million annually. If the county makes loans to volunteer fire departments, it would receive loan payments from these departments.

Small Business Effect: Minimal effect on small businesses as discussed below.

Fiscal Analysis

Local Effect: Carroll County revenues could increase by up to \$18.4 million due to the bond proceeds. As of June 30, 1995, the county had \$145.1 million in outstanding debt. The county currently has an AA credit rating. The interest rate for AA rated 20-year bonds is estimated to be 5.35%. Assuming the county issues \$18.4 million in bonds, the county's annual debt service costs on these bonds would be \$1.5 million. One cent on the county's property tax yields approximately \$343,626 in fiscal 1998. As a result, this expenditure increase is equivalent to \$0.0437 on the county's property tax rate.

If the county makes loans to volunteer fire departments, it would receive loan payments from

the fire departments. The amount would depend upon the amount of the loans and their terms.

Small Business Effect: This bill authorizes Carroll County to issue up to \$18.4 million in general obligation bonds. It will allow the county to continue funding capital improvements. To the extent that small construction businesses bid on county contracts, they will continue to benefit from the county's capital spending. Similarly, small businesses could benefit from the volunteer fire departments' capital spending on fire and rescue equipment.

Information Source(s): Carroll County, Department of Fiscal Services

Fiscal Note History: First Reader - February 13, 1997
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