

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1317 (Anne Arundel County Delegation)
Commerce and Government Matters

Referred to Finance

Anne Arundel County - Tipton Airport Authority

This amended bill authorizes Anne Arundel County to establish the Tipton Airport Authority as a public corporation to acquire, equip, maintain, and operate Tipton Airport at Fort George G. Meade. The authority may not extend any runway to a length in excess of 4,000 feet. Before extending a runway to over 3,000 feet, a public hearing must be held and the majority of the county council must approve the extension. The authority may issue negotiable taxable and tax exempt bonds, notes, and other forms of indebtedness to fund its projects. The authority may also establish fees, rents, and other charges for the use of its projects. With the approval of the county council, the county executive may provide monies from the county's general fund to pay any debt service deficiencies of the authority. If the authority dissolves, the title to all property financed by debt reverts to the county.

The bill is effective July 1, 1997.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County and Howard County expenditures would each decrease by \$90,000 annually. No effect on revenues.

Small Business Effect: None. The bill would not directly affect small businesses.

Fiscal Analysis

Background: The Tipton Airport is jointly operated by Anne Arundel and Howard counties. Anne Arundel County is responsible for the operating costs of the airport. In fiscal 1997 the county budgeted \$180,000 for these costs, of which \$90,000 is reimbursed by Howard County.

Local Effect: As mentioned above, Anne Arundel County budgeted approximately \$180,000 for operating costs for the Tipton Airport in fiscal 1997. With the creation of the Tipton Airport Authority, it is assumed that these costs would be shifted to the authority. Thus, net county expenditures would decrease by \$90,000 annually, reflecting the reimbursement from Howard County. Similarly, Howard County expenditures would decrease by \$90,000 annually since the county would not have to reimburse Anne Arundel County for the airport's operating costs. However, Anne Arundel County's savings could be partially offset by an increase in costs if the authority experiences a deficiency in meeting debt service payments and the county agrees to cover the deficiency. These advances would be reimbursed by the authority in the following year.

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

Fiscal Note History: First Reader - March 6, 1997

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