

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 295 (Senators Baker and Frv)

Budget and Taxation

Cecil County - Public School Bonds

This bill authorizes the Cecil County Commissioners to issue up to \$5 million in general obligation bonds to finance the costs of public school facilities. The maturity date of such bonds cannot exceed 15 years.

The bill is effective June 1, 1998.

Fiscal Summary

State Effect: None.

Local Effect: Cecil County would receive up to \$5 million in bond proceeds for public school facility projects. County debt service expenditures would increase by a maximum of \$500,000 annually.

Small Business Effect: Minimal.

Fiscal Analysis

Local Effect: Cecil County revenues could increase by up to \$5 million due to the bond proceeds. As of June 30, 1997, the county had \$55.4 million in outstanding debt. The county currently has an A+\ A credit rating. The interest rate for 15-year bonds is estimated to be 5.25%. Assuming the county issues \$5 million in bonds, the county's annual debt service costs on these bonds would be \$500,000.

Information Source(s): Cecil County, Department of Legislative Services

Fiscal Note History:

First Reader - March 2, 1998

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Analysis by: Thomas Hickey

Reviewed by: John Rixev

Direct Inquiries to:

John Rixev, Coordinating Analyst

(410) 841-3710

(301) 858-3710