

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 787 (Senator Hafer)

Budget and Taxation

Garrett County - Economic Development Bonds

This bill authorizes the County Commissioners of Garrett County to issue up to \$1.5 million in general obligation bonds for economic development projects. The date of maturity cannot exceed 30 years.

The bill is effective June 1, 1998.

Fiscal Summary

State Effect: None.

Local Effect: Garrett County would receive up to \$1.5 million in bond proceeds for economic development projects. County debt service expenditures would increase by a maximum of \$141,598 annually.

Small Business Effect: Minimal.

Fiscal Analysis

Local Effect: Garrett County revenues could increase by up to \$1.5 million due to the bond proceeds. As of June 30, 1997, the county had \$13.5 million in outstanding debt. The county currently has a AAA credit rating. The interest rate for AAA-rated bonds is estimated to be 4.7%. Assuming the county issues \$1.5 million in bonds, the county's annual debt service costs on these bonds would be \$141,598.

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

Fiscal Note History: First Reader - March 17, 1998

Inc

Analysis by: Thomas Hickey

Reviewed by: Paul Ballou

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710