

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 395 (Charles County Delegation)

Appropriations

Charles County - Public Facilities Bonds - Charles County Nursing Home

This bill authorizes the Charles County Commissioners to issue up to \$2 million in general obligation bonds for the improvement of the Charles County Nursing Home. The date of maturity cannot exceed 30 years.

The bill is effective June 1, 1999.

Fiscal Summary

State Effect: None.

Local Effect: Charles County would receive up to \$2 million in bond proceeds for a capital project. County debt service expenditures would increase by an estimated \$188,800 annually if the county issues \$2 million in bonds.

Small Business Effect: Minimal.

Fiscal Analysis

Local Effect: Charles County revenues could increase by up to \$2 million due to the bond proceeds. As of June 30, 1998, the county had \$79.7 million in outstanding debt. The county currently has an AA\Aa3 credit rating. The interest rate for AA rated 15-year bonds is estimated to be 4.7%. Assuming the county issues \$2 million in bonds, the county's annual debt service costs on these bonds would be \$188,797. Charles County advises that any increase in debt service costs would be off-set by increased monthly lease payments to the county by the Charles County Nursing Home.

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

Fiscal Note History:

First Reader - February 18, 1999

ncs/jr

Analysis by: Thomas P. Hickey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510