

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 343 (Cecil County Delegation)

Appropriations

Cecil County - Public Facilities Bonds

This bill authorizes the County Commissioners of Cecil County to issue up to \$8 million in general obligation bonds for construction, improvement, or development of public facilities. The date of maturity cannot exceed 30 years.

Fiscal Summary

State Effect: None. Only Cecil County finances would be affected.

Local Effect: Cecil County would receive up to \$8 million in bond proceeds for capital projects. County debt service expenditures would increase by an estimated \$826,395 annually.

Small Business Effect: Minimal.

Analysis

Background: Cecil County operates under the commissioner form of county government, and therefore requires approval from the Maryland General Assembly to create debt. The Cecil County Capital Improvements Program for fiscal 2001, approved by the County Planning and Zoning Board and adopted by the County Commissioners, requires an additional \$8 million to cover a \$23.2 million budget. Almost half of the budgeted amount, \$11.3 million, goes to the local Board of Education for school renovations, some of which are needed to relieve overcrowding in middle and elementary schools. Another \$10.7 million is budgeted to the Department of Public Works for improvements to the county's wastewater system (\$4.8 million), solid waste system (\$2.9 million), roads and bridges (\$2.8 million), and general water system (\$250,000).

Local Fiscal Effect: Cecil County revenues could increase by up to \$8 million due to bond proceeds. At the end of fiscal 1999, the county had approximately \$59.9 million in outstanding debt. The county currently has an A+/A1 credit rating. The interest for A rated 15-year bonds is estimated at 6.05%. Assuming that the county issues \$8 million in bonds, the county's annual debt service costs on the bonds would be \$826,395.

Additional Information

Prior Introductions: None.

Cross File: SB 92 (Senators Baker and Hooper) - Budget and Taxation.

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

Fiscal Note History: First Reader - February 8, 2000
ncs/jr

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