

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

House Bill 455 (St. Mary's County Delegation)

Appropriations

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St. Mary's County - Public Facilities Bonds

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This bill authorizes the County Commissioners of St. Mary's County to issue up to \$10 million in general obligation bonds to finance the construction, improvement, or development of public facilities in the county. The date of maturity cannot exceed 30 years.

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Fiscal Summary

**State Effect:** None. Only St. Mary's County finances would be affected.

**Local Effect:** St. Mary's County would receive up to \$10 million in bond proceeds for public facilities improvement projects. County debt service expenditures would increase by an estimated \$1,019,560 annually.

**Small Business Effect:** Minimal.

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Analysis

**Background:** St. Mary's County operates under the commissioner form of county government and therefore requires the consent of the Maryland General Assembly to create debt. More than three-quarters of the proposed bond funds, \$7.7 million, would be used for routine renovations to county public schools. Another \$661,000 will be used for improvements to the Lexington Park Library and \$433,000 will support the development of Willows Road Park in Lexington Park.

**Local Fiscal Effect:** St. Mary's County revenues could increase by up to \$10 million due to bond proceeds. As of February 2000, the county had approximately \$83.7 million in outstanding debt. The county currently has an AA- credit rating. The interest rate for AA

rated 15-year bonds is estimated at 5.85%. Assuming that the county issues \$10 million in bonds, the county's annual debt service costs on the bonds would be \$1,019,560.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** St. Mary's County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2000  
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