

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1355 (Dorchester County Delegation)

Appropriations

Dorchester County - Public School Capital Improvement Bonds

This bill authorizes the County Commissioners of Dorchester County to issue up to \$2.5 million in general obligation bonds to finance capital improvements to the county's public schools. The date of maturity cannot exceed 30 years.

The bill is effective June 1, 2000.

Fiscal Summary

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

Local Effect: Dorchester County would receive up to \$2.5 million in bond proceeds for public school improvement projects. County debt service expenditures would increase by an estimated \$258,249 annually.

Small Business Effect: Minimal.

Analysis

Background: Dorchester County operates under the commissioner form of county government, and therefore requires the consent of the Maryland General Assembly to create debt. If the bill is approved, the bond proceeds would be used to help finance public school construction and improvement projects. The projects have an estimated cost of \$4.8 million and include the construction of Mace's Lane Middle School (\$3 million), improvements to air conditioning and other mechanical systems at four schools (\$604,000), funding for the technology plan at public schools (\$500,000), capital maintenance and equipment (\$404,000), and improvements to the science lab at North Dorchester High School

(\$250,000).

Local Fiscal Effect: Dorchester County revenues could increase by up to \$2.5 million due to bond proceeds. At the end of fiscal 1999, the county had approximately \$20.6 million in outstanding debt. The county currently has an A/A2 credit rating. The interest rate for A rated 15-year bonds is estimated at 6.05%. Assuming that the county issues \$2.5 million in bonds, the county's annual debt service costs on the bonds would be \$258,249.

Additional Information

Prior Introductions: None.

Cross File: SB 471 (Senator Colburn) - Budget and Taxation.

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

Fiscal Note History: First Reader - March 12, 2000
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