

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 428 (Dorchester County Delegation)

Appropriations

Dorchester County - Economic Development Bonds

This bill authorizes the County Commissioners of Dorchester County to issue up to \$3 million in general obligation bonds for the renovation and repair of public school facilities, an improvement to Woods Road, and other economic development projects in the county. The date of maturity cannot exceed 30 years.

Fiscal Summary

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

Local Effect: Dorchester County would receive up to \$3 million in bond proceeds for economic development projects. County debt service expenditures would increase by an estimated \$309,898 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. Dorchester County would utilize the funds received from the bonds for routine improvements to the county's schools and for improvements to Woods Road, the roadway that services the Eastern Shore Hospital Center.

Local Fiscal Effect: Dorchester County revenues could increase by up to \$3 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 \$3 million in bonds, the county's annual debt service costs on the bonds would be \$309,898.

Additional Information

Prior Introductions: None.

Cross File: SB 472 (Senator Colburn) - Budget and Taxation.

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

Fiscal Note History: First Reader - February 15, 2000
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