

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 738 (Senators Haines and Ferguson)  
(Carroll County Senators)

Budget and Taxation

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**Local Government - Debt Authorization**

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This bill authorizes the County Commissioners of Carroll County to issue up to \$33.7 million in general obligation bonds to finance the acquisition, construction, improvement, or development of public facilities in Carroll County. The date of maturity cannot exceed 30 years.

The bill also authorizes the County Commissioners of Frederick County to issue up to \$3 million in general obligation bonds to go to the Tourism Council of Frederick County, Inc. for the construction of a visitors center in the City of Frederick. The date of maturity for the bonds may not exceed 35 years.

The bill is effective June 1, 2000.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Carroll County would receive up to \$33.7 million in bond proceeds for improvements to public facilities, and its debt service expenditures would increase by an estimated \$3 million annually. Frederick County would receive up to \$3 million in bond proceeds for the construction of a visitors center, and its debt service expenditures would increase by an estimated \$263,681 annually.

**Small Business Effect:** Minimal.

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## Analysis

**Background:** Carroll and Frederick counties operate under the commissioner form of local government and therefore require the consent of the General Assembly to create debt. Carroll County was given authorization to issue up to \$28.5 million in bonds in 1999 (Chapter 369), \$30.4 million in bonds in 1998 (Chapter 177), \$18.4 million in 1997 (Chapter 721), and up to \$15 million in bonds in 1996 (Chapter 157). Carroll County did not provide information about how bond proceeds from this bill would be utilized.

The \$3 million in bonds for Frederick County would be awarded to the Tourism Council of Frederick County, Inc. to build a visitors center at the intersection of Interstates 70 and 270 in the City of Frederick. The Tourism Council of Frederick, Inc. is a nonprofit membership organization dedicated to promoting and developing tourism in Frederick County. Besides county visitor information centers, the council runs the Frederick Historic Sites Consortium which oversees the development and promotion of county museums and other historical sites. Frederick County was given authorization to issue up to \$90 million in bonds in 1999 (Chapter 373) and up to \$40.5 million in bonds in 1997 (Chapter 76).

**Local Fiscal Effect:** Carroll County revenues could increase by up to \$33.7 million due to bond proceeds. At the end of fiscal 1999, the county had approximately \$210.6 million in outstanding debt. The county currently has an AA credit rating. The interest rate for AA rated 20-year bonds is estimated at 6.1%. Assuming the county issues \$33.7 million in bonds, the county's annual debt services costs on the bonds would be \$3 million.

Frederick County revenues could increase by up to \$3 million due to bond proceeds. At the end of fiscal 1999, the county had \$215.3 million in outstanding debt. The county currently has an AA credit rating. The interest rate for an AA rated 20-year bond is estimated at 6.1%. Assuming that the county issues \$3 million in bonds, the county's annual debt service costs on the bonds would be \$263,681.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Carroll County, Frederick County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2000

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Revised - Enrolled Bill - April 18, 2000

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