

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

House Bill 429 (Frederick County Delegation)

Appropriations

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**Frederick County - Tourism Council Bonds**

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This bill 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.

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**Fiscal Summary**

**State Effect:** None. Only Frederick County finances would be affected.

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

**Small Business Effect:** Minimal.

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**Analysis**

**Background:** Frederick County operates under the commissioner form of county government and therefore requires consent from the Maryland General Assembly to create debt. The \$3 million 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 County, Inc. is a non-profit 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.

**Local Fiscal Effect:** Frederick County revenues could increase by up to \$3 million due to bond proceeds. At the end of fiscal 1999, the county had approximately \$214.3 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):** Frederick County, Department of Legislative Services

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

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