

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**

House Bill 260  
Appropriations

Frederick County Delegation)

Budget and Taxation

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**Frederick County - Public Facilities Bonds**

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This bill authorizes the County Commissioners of Frederick County to issue up to \$43 million in general obligation bonds for the construction and improvement of public facilities in Frederick County. The date of maturity cannot exceed 30 years.

The bill is effective June 1, 2001.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Frederick County could receive up to \$43 million in bond proceeds for capital projects. Annual county debt service expenditures could increase by \$1,783,900 in FY 2002 and by \$3,488,600 in FY 2004.

**Small Business Effect:** Minimal.

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**Analysis**

**Local Fiscal Effect:** Frederick County revenues could increase by up to \$43 million due to bond proceeds. Frederick County advises that the \$43 million bond authorization would be issued over three years: \$22.0 million in fiscal 2002, \$18.5 million in fiscal 2003, and \$2.5 million in fiscal 2004. Annual debt service costs for the bonds would total approximately \$1,783,900 in fiscal 2002, \$3,287,300 in fiscal 2003, and by \$3,488,600 in fiscal 2004 and each year thereafter for 15 years. As the debt is retired, debt service costs will decrease to \$1,704,700 in fiscal 2022 and to \$201,200 in fiscal

2023. These estimates are based on an annual interest rate of 5.13% over 20 years. Assuming the \$43 million bond authorization was issued in one year, annual debt service costs would total approximately \$3,442,500.

At the end of fiscal 2000, Frederick County had approximately \$270.6 million in outstanding debt which represents approximately 5.5% of the county's assessable base. The statewide average is 7.0%. The county currently has an AA credit rating.

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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 12, 2001  
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