

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 750 (Senator Colburn)

Budget and Taxation

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 for the construction and improvement of public school facilities in Dorchester County. The date of maturity cannot exceed 30 years.

The bill is effective June 1, 2001.

Fiscal Summary

State Effect: None.

Local Effect: Dorchester County would receive up to \$2.5 million in bond proceeds for capital projects. County debt service expenditures would increase by an estimated \$171,000 annually.

Small Business Effect: Minimal.

Analysis

Background: Dorchester County advises that \$2.5 million would be used for a variety of projects. Approximately \$1.8 million would be used for Maces Lane Middle School renovations, approximately \$121,000 to replace the chillers at Hurlock Elementary, approximately \$90,000 to replace the chillers at Vienna Elementary, approximately \$202,000 for the school capital improvement fund, and \$250,000 for technology initiatives.

Local Fiscal Effect: Dorchester County revenues could increase by up to \$2.5 million due to the bond proceeds. Annual debt service costs for the bonds would total approximately \$171,444. This estimate is based on a 5.47% annual interest rate over 30 years. At the end of fiscal 2000, Dorchester County had approximately \$23.4 million in outstanding debt which represents approximately 3.5% of the county's assessable base. The statewide average is approximately 7%. The county currently has an A credit rating and purchases bond insurance.

Additional Information

Prior Introductions: None.

Cross File: HB 1046 (Dorchester County Delegation) – Appropriations.

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

Fiscal Note History: First Reader – February 19, 2001
ef/jr

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