

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

**FISCAL NOTE**  
**Revised**

House Bill 352  
Appropriations

(Charles County Delegation)

Budget and Taxation

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**Charles County - Public Facilities Bonds**

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This bill authorizes the County Commissioners of Charles County to issue up to \$37.7 million in general obligation bonds for the construction and improvement of public facilities in Charles County. The date of maturity cannot exceed 30 years.

The bill is effective on June 1, 2001.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Charles County could receive up to \$37.7 million in bond proceeds for capital projects. Annual county debt service expenditures could increase by \$919,900 in FY 2002 and by \$2,531,300 in FY 2004.

**Small Business Effect:** Minimal.

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**Analysis**

**Background:** School construction is Charles County's highest priority followed by road improvement and improvement to existing public buildings.

**Local Fiscal Effect:** Charles County revenues could increase by up to \$37.7 million due to the bond proceeds. Charles County advises that \$13.7 million in bond authorization would be issued in the first year and an additional \$12 million each subsequent year for two years. Annual debt service costs for the bonds would total approximately \$919,900

in fiscal 2002, \$1,725,600 in fiscal 2003, and \$2,531,300 in fiscal 2004 and each year thereafter for 25 years. As the debt is retired, debt service costs will decrease to \$1,725,600 in fiscal 2030 and decrease to \$919,900 in fiscal 2031. Assuming the \$37.7 million bond authorization was issued in one year, annual debt service costs would be approximately \$2,531,300. This estimate is based on a 5.28% annual interest rate over 30 years.

At the end of 2000, Charles County had approximately \$123.5 million in outstanding debt which represents approximately 3.7% of the county's assessable base. The statewide average is approximately 7%. The county currently has an AA credit rating.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – February 12, 2001  
ncs/hb Revised – House Third Reader – March 21, 2001

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