

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

Senate Bill 304 (Senators Baker and Hooper)

Budget and Taxation

Appropriations

Cecil County - Public Facilities Bonds

This bill authorizes the County Commissioners of Cecil County to issue up to \$10 million in general obligation bonds for the construction and improvement of public facilities in Cecil County. The date of maturity cannot exceed 30 years.

The bill is effective on June 1, 2001.

Fiscal Summary

State Effect: None.

Local Effect: Cecil County could receive up to \$10 million in bond proceeds for capital projects. County debt service expenditures could increase by an estimated \$871,800 annually for the next 20 years.

Small Business Effect: Minimal.

Analysis

Background: Cecil County advises that most of the \$10 million in bond proceeds would be used to finance renovations at Elkton High School with the remainder being used for renovation and construction projects at other county schools and bridge and road projects.

Local Fiscal Effect: Cecil County revenues could increase by up to \$10 million due to the bond proceeds. Annual debt service costs for the bonds would total approximately \$871,846. This estimate is based on a 6% annual interest rate over 20 years which is the

financing plan provided by Cecil County. At the end of fiscal 2000, Cecil County had approximately \$58.7 million in outstanding debt which is approximately 3% of the county's assessable base. The statewide average is approximately 7%. The county currently has an A+ credit rating.

Additional Information

Prior Introductions: None.

Cross File: HB 333 (Cecil County Delegation) – Appropriations.

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

Fiscal Note History: First Reader – February 12, 2001
jm/jr Revised – Senate Third Reader – March 16, 2001

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