

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 199 (Delegate Edwards)

Appropriations

Budget and Taxation

Garrett County - Garrett County Health Center Bond

This emergency bill authorizes the County Commissioners of Garrett County to borrow up to \$3.5 million for the construction and equipping of the Garrett County Health Center. The bill also authorizes the county commissioners to issue general obligation bonds. The date of maturity of the bonds cannot exceed 30 years.

Fiscal Summary

State Effect: None.

Local Effect: Garrett County could receive up to \$3.5 million in bond proceeds for the Garrett County Health Center in FY 2001. County debt service expenditures could increase by an estimated \$230,000 annually.

Small Business Effect: Minimal.

Analysis

Background: Garrett County is the only jurisdiction in the State where public health services are not provided in a central facility. The county health department currently provides direct and preventative health care services from five separate locations in the greater Oakland area, which serves as the county seat, and a satellite office in Grantsville.

Garrett County advises that the additional bonding authority provided under this bill will facilitate the county's receipt of a \$3.4 million U.S. Department of Agriculture Rural Development Loan that would be used to finance the construction and equipping of the

Garrett County Health Center. The center will consolidate community health services within one complex and will be located on a 14-acre parcel of land near the Garrett County Memorial Hospital. The center will provide primary care services including mental health and substance abuse diagnosis and treatment; pediatric neurology; breast and cervical cancer screening; immunizations; Women, Infant, and Children (WIC) program assessments and high risk nutrition counseling; family planning; and communicable disease treatment and prevention. The center will consist of a 37,000 square feet facility costing approximately \$5.3 million.

Additional funding for the center is being provided by a \$400,000 grant from the Community Development Block Grant program and an \$895,000 grant from the Maryland Department of Health and Hygiene. The center is scheduled for completion by March 2002.

Local Fiscal Effect: Garrett County revenues could increase by up to \$3.5 million due to the bond proceeds. Annual debt service costs for the bonds would total approximately \$230,000. This estimate is based on a 5.14% annual interest rate over 30 years. At the end of fiscal 2000, Garrett County had approximately \$15.7 million in outstanding debt which represents approximately 2% of the county's assessable base. The statewide average is approximately 7.0%. The county currently has a AAA credit rating with bond insurance for specific capital projects.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/hlb

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