

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 719 (Washington County Delegation)

Commerce and Government Matters

Budget and Taxation

Washington County - Rainy Day Fund

This bill authorizes the County Commissioners of Washington County to maintain cash reserves in accordance with generally accepted principles of governmental accounting.

Fiscal Summary

State Effect: None.

Local Effect: Maintaining cash reserves according to generally accepted principles of governmental accounting would not affect Washington County finances.

Small Business Effect: None.

Analysis

Current Law: In Washington County, there are no statutory provisions concerning the maintenance of cash reserves according to generally accepted principles of governmental accounting.

Background: Washington County advises that it has a policy to maintain cash reserves at 7% of general fund revenues. As the county's general fund revenues increase, existing cash reserves often fall below the 7% goal. In order to comply with its policy, the county makes funding of cash reserves a line item in the county budget. The amount of money that would be budgeted annually to maintain cash reserves at 7% of general revenues is not reliably known at this time. As of June 30, 2000, Washington County's "rainy day"

fund totaled nearly \$9.4 million or approximately 7.9% of the county's general fund revenues.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader – February 27, 2001
cm/hlb

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