

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 1232

(Delegate Edwards)

Appropriations

Budget and Taxation

Garrett County - Bonds for Garrett County Memorial Hospital

This bill authorizes the County Commissioners of Garrett County to issue up to \$7.5 million in general obligation bonds for expansion and renovations to the Garrett County Memorial Hospital. The date of maturity cannot exceed 30 years.

The bill is effective June 1, 2002.

Fiscal Summary

State Effect: None.

Local Effect: Garrett County would receive up to \$7.5 million in bond proceeds for capital improvement projects. County debt service expenditures would increase by an estimated \$502,000 annually for the next 30 years. The Garrett County General Hospital would reimburse the county for the debt service.

Small Business Effect: None.

Analysis

Background: Garrett County advises that \$7.5 million would be used to fund a variety of capital improvement projects at the Garrett County Memorial Hospital located in Oakland. Improvements to the hospital include a new emergency department; relocation and expansion of the same day surgery unit, cardiac observation area, and dedicated orthopedic treatment room; a relocated and modernized helipad; laboratory expansion; renovations to improve patient confidentiality; and expansion of the radiology

department. The project is scheduled to start during the summer of 2002 and work is scheduled to be completed by the spring of 2004. The Garrett County Memorial Hospital was opened in 1951. The last major expansion and renovation project at the hospital occurred in 1980. The fiscal 2002 State capital budget included \$1.6 million for the Garrett County Memorial Hospital.

Local Fiscal Effect: Garrett County revenues could increase by up to \$7.5 million due to the bond proceeds. Annual debt service costs for the bonds would total approximately \$502,440. This estimate is based on a 5.26% interest rate over 30 years. At the end of fiscal 2001, Garrett County had approximately \$21.6 million in outstanding debt which represents approximately 2.5% of the county's assessable base. The statewide average is approximately 7.0%. The county currently has a AAA credit rating for specific capital projects insured by the Mortgage Banker's Insurance Association.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 24, 2002
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