

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

House Bill 353  
Appropriations

(St. Mary's County Delegation)

Budget and Taxation

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**St. Mary's County - Public Facilities Bonds**

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This bill authorizes the County Commissioners of St. Mary's County to issue up to \$25 million in general obligation bonds for: (1) construction of and capital improvements to long-term public facilities throughout St. Mary's County; (2) land acquisition; and (3) development services. The date of maturity cannot exceed 30 years.

The bill is effective June 1, 2003.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** St. Mary's County would receive up to \$25 million in bond proceeds for capital projects. County debt service expenditures would increase by an estimated \$2 million annually for the next 20 years.

**Small Business Effect:** Minimal.

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**Analysis**

**Background:** St. Mary's County advises that \$25 million would be used for long-term public facilities including: (1) capital improvements to the Wicomico Shores Taxing District, the Leonardtown campus of the College of Southern Maryland, community swimming pools, and libraries; and (2) buildings and facilities used for county administrative purposes, athletics, commuter air services, refuse disposal, parks and recreation, public safety, and health and social services.

**Local Fiscal Effect:** St. Mary's County revenues could increase by up to \$25 million due to the bond proceeds. Annual debt service costs for the bonds would total approximately \$2 million. This estimate is based on a 4.88% annual interest rate over 20 years. At the end of fiscal 2002, St. Mary's County had approximately \$97 million in outstanding debt which represents approximately 1.8% of the county's assessable base. The statewide average is approximately 3.1%. The county currently has an AA - rating from Standard and Poor's, and an Aa3 credit rating from Moody's Investors Service.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** St. Mary's County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 10, 2003  
mam/hlb

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