

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

**FISCAL AND POLICY NOTE**

House Bill 175  
Appropriations

(Calvert County Delegation)

Budget and Taxation

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**Calvert County - Public Facilities Bonds**

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This bill authorizes the County Commissioners of Calvert County to issue up to \$7,260,000 in general obligation bonds for: (1) improvement and development of Huntington High School, Calvert Middle School, Sunderland Elementary School, the Prince Frederick Library, Solomons Park, and the College of Southern Maryland; (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:** Calvert County would receive up to \$7,260,000 in bond proceeds for capital projects. County debt service expenditures would increase by an estimated \$674,000 annually for the next 15 years.

**Small Business Effect:** Minimal.

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**Analysis**

**Background:** Calvert County advises that the bond proceeds would be used to: (1) construct or renovate various facilities including Huntington High School (\$1.3 million), Calvert Middle School (\$1.0 million), Sunderland Elementary School (\$0.5 million), Prince Frederick Library (\$1.2 million), Solomons Park (\$2.0 million), and the College of

Southern Maryland (\$0.06 million); (2) finance land acquisition (\$1.0 million), and (3) finance services related to the development of public facilities (\$0.2 million).

**Local Fiscal Effect:** Calvert County revenues could increase by up to \$7,260,000 due to the bond proceeds. Annual debt service costs for the bonds would total approximately \$674,000. This estimate is based on a 4.45% annual interest rate over 15 years. At the end of fiscal 2002, Calvert County had approximately \$71.8 million in outstanding debt which represents approximately 1.2% of the county's assessable base. The statewide average is approximately 3.1%. The county currently has an AA- credit rating from Standards and Poors, and an Aa credit rating from Moody Investors Service.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 3, 2003  
mam/hlb

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