

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 506

(Cecil County Senators)

Budget and Taxation

Appropriations

Cecil County - Public Facilities Bonds

This bill authorizes the Cecil County Commissioners to issue up to \$11.5 million in general obligation bonds for the construction and improvement of public facilities in Cecil County. The date of maturity cannot exceed 30 years.

The bill is effective June 1, 2003.

Fiscal Summary

State Effect: None.

Local Effect: Cecil County would receive up to \$11.5 million in bond proceeds for capital projects. County debt service expenditures would increase by an estimated \$406,000 in FY 2004 and by \$933,000 beginning in FY 2005.

Small Business Effect: Minimal.

Analysis

Background: Cecil County advises that \$11.5 million would be used to construct and improve public school buildings (\$2.9 million), community college facilities (\$2.8 million), highways and bridges (\$3.6 million), and the EMS Communications System (\$2.2 million).

Local Fiscal Effect: Cecil County revenues would increase by up to \$11.5 million due to the bond proceeds. Cecil County intends to issue the bonds over two years: \$5 million

in fiscal 2004 and \$6.5 million in fiscal 2005. Annual debt service costs for the bonds would total approximately \$406,000 in fiscal 2004 and \$933,000 beginning in fiscal 2005. These estimates are based on an annual interest rate of 5.13% over 20 years.

At the end of fiscal 2002, Cecil County had approximately \$71.1 million in outstanding debt which represents approximately 1.4% of the county's assessable base. The statewide average is approximately 3.1%. The county currently has an A+ credit rating from Standard and Poor's, and an A1 credit rating from Moody's Investors Service.

Additional Information

Prior Introductions: None.

Cross File: HB 591 (Cecil County Delegation) – Appropriations.

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

Fiscal Note History: First Reader - February 18, 2003
mam/hlb

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