

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 24  
Budget and Taxation

(Cecil County Senators)

Appropriations

---

**Cecil County - Public Facilities Bonds**

---

This bill authorizes the Cecil County Commissioners to issue up to \$9.025 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 takes effect June 1, 2004.

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Cecil County could receive up to \$9.025 million in bond proceeds for capital projects. County debt service expenditures would increase by an estimated \$702,000 annually for the next 20 years.

**Small Business Effect:** Minimal.

---

**Analysis**

**Background:** Cecil County advises that \$9.025 million would be used for Elkton High School renovations, construction of buildings to fulfill full-day kindergarten and pre-kindergarten requirements, Elkton Station, countywide communication projects, library projects, and bridge construction and repair.

**Local Fiscal Effect:** Cecil County revenues could increase by up to \$9.025 million due to the bond proceeds. Cecil County intends to issue \$9.025 million in bond proceeds

authorized by this bill in fiscal 2005. Accordingly, annual debt service costs for the bonds would total approximately \$702,000 in fiscal 2005. The estimate is based on an annual interest rate of 4.64% and a 20-year term.

As of October 2003, Cecil County had approximately \$82.5 million in outstanding debt which represents approximately 1.6% of the county's assessable base. The statewide average is approximately 3.1%. The county currently has an AA- credit rating from Standard and Poor's, and an A1 credit rating from Moody's Investors Service.

**Additional Comments:** One cent on Cecil County's property tax rate yields approximately \$609,493 in fiscal 2005. Accordingly, the \$702,000 expenditure increase for debt service on the bonds issued in fiscal 2005 is equivalent to almost a 1.2 cent increase in the county's property tax rate.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 23, 2004  
ncs/ljm Revised - Senate Third Reader - March 22, 2004

---

Analysis by: Christopher J. Kelter

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510