

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 699
Appropriations

(Calvert County Delegation)

Budget and Taxation

Calvert County - Public Facilities Bonds

This bill authorizes the County Commissioners of Calvert County to issue up to \$5.1 million in general obligation bonds for the acquisition, improvement, and development of public buildings and facilities, including, but not limited to, the Sunderland Elementary School, the Prince Frederick Library, Cove Point swimming pool, and borrowing costs. The date of maturity cannot exceed 30 years.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: Calvert County would receive up to \$5.1 million in bond proceeds for capital projects. County debt service expenditures would increase by an estimated \$466,800 annually for the next 15 years.

Small Business Effect: Minimal.

Analysis

Background: Calvert County advises that the bond proceeds would be used to: (1) renovate Sunderland Elementary School (\$1.9 million); (2) improve Prince Frederick Library (\$0.5 million); (3) renovate Cove Point swimming pool (\$2.5 million); and (4) finance services related to the development of public facilities (\$0.2 million).

Local Fiscal Effect: Calvert County revenues could increase by up to \$5.1 million due to the bond proceeds. Annual debt service costs for the bonds would total approximately \$466,800. This estimate is based on a 4.25% annual interest rate over 15 years. At the end of fiscal 2003, Calvert County had approximately \$94.8 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 Poor's, an Aa2 credit rating from Moody's Investors Service, and an AA credit rating from Fitch.

Additional Comments: One cent on Calvert County's property tax rate yields approximately \$747,472 in fiscal 2005. Accordingly, the \$466,800 expenditure increase for debt service on the bonds issued in fiscal 2005 is equivalent to a 0.6 cent increase in the county's property tax rate.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 27, 2004
n/jr

Analysis by: Christopher J. Kelter

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