

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 415

(Carroll County Senators)

Budget and Taxation

Appropriations

Carroll County - Public Facilities Bonds

This bill authorizes the County Commissioners of Carroll County to issue up to \$35 million in general obligation bonds for the acquisition, construction, improvement, or renovation of public buildings, facilities and public works projects. In addition, the bond proceeds can be used to make loans to volunteer fire departments and to finance the payment of a contribution to the Carroll County Pension Plan. The date of maturity of the bonds cannot exceed 30 years.

The bill is effective June 1, 2005.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County would receive up to \$35 million in bond proceeds for capital projects. County debt service expenditures could increase by an estimated \$3.16 million annually over a 15-year period.

Small Business Effect: Potential minimal.

Analysis

Background: Funds derived from bonds issued under this authority will be used for long-term public facilities. **Exhibit 1** shows the planned allocation of general obligation bonds for public facilities and public works projects in Carroll County.

Exhibit 1
General Obligation Bond Funding for Capital Improvement Projects

<u>Project</u>	<u>Funding Required</u>
General Government Facilities	\$6,257,291
Public Works	5,628,642
Bridges	594,100
Public Schools	8,200,000
Conservation and Open Space	8,550,000
Utilities (Water and Sewer)	905,100
Volunteer Fire Company Loans	<u>5,000,000</u>
Total	\$35,135,133

Chapter 488 of 2002 authorized the Carroll County Commissioners to issue up to \$22.6 million in public facilities bonds. Additionally, Chapter 28 of 2003 and Chapter 140 of 2004 authorized the county commissioners to issue up to \$23 million and \$31 million in public facilities bonds, respectively.

Local Fiscal Effect: Carroll County revenues could increase by up to \$35 million due to bond proceeds. Annual debt service costs for the bonds would total approximately \$3.16 million. The estimate is based on a 4.25% interest rate and a 15-year term of maturity, the term of maturity advised by the county.

At the end of fiscal 2004, Carroll County had approximately \$180 million in general bonded debt, which represents approximately 1.6% of the county's assessable base. County debt per capita is approximately \$1,103. The county has an AA bond rating from Standard and Poors, an AA+ from Fitch Ratings, and an Aa2 from Moody's Investors Service.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 10, 2005
n/hlb

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