

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 976
Appropriations

(Carroll County Delegation)

Budget and Taxation

Carroll County - Public Facilities Bonds

This bill authorizes the Carroll County Commissioners to issue up to \$42.0 million in general obligation bonds for the construction, improvement, or development of public facilities capital projects and any cost incurred by the county in connection with the projects. The date of maturity of the bonds cannot exceed 30 years.

The bill takes effect June 1, 2009.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County receives up to \$42.0 million in bond proceeds. County debt service expenditures increase by an estimated \$3.8 million annually over a 15-year period.

Small Business Effect: None.

Analysis

Background: Chapter 217 of 2008 authorized Carroll County to issue up to \$120.0 million in public facilities bonds. In addition, Chapter 58 of 2007 and Chapter 75 of 2006 authorized the county to issue up to \$80.0 million and \$52.0 million in public facilities bonds, respectively. **Exhibit 1** shows the type of projects for which bond proceeds will be used, as advised by the county.

Exhibit 1
Carroll County Public Facilities Bonds

<u>Purpose</u>	<u>Amount</u>
Public Schools	\$ 5,650,000
Conservation and Open Space	21,100,000
Public Works (Roads and Bridges)	10,200,000
General Government	1,000,000
Airport – Runway Extension	1,750,000
Solid Waste – Landfill	300,000
Fire Company Loans	<u>2,000,000</u>
Total	\$42,000,000

Local Fiscal Effect: Carroll County revenues increase by up to \$42.0 million from bond proceeds. Annual debt service costs for the bonds could total approximately \$3.8 million. This estimate is based on a 4.15% interest rate and a 15-year term of maturity. To the extent that the bond issuance, interest rate, or term of maturity deviate from this assumption, expenditures adjust accordingly.

During fiscal 2008, Carroll County general obligation debt increased from \$239.8 million to \$249.1 million. The county's fiscal 2008 debt ratios are 1.39% of assessable base and \$1,430 per capita. This is a decrease from the fiscal 2007 debt ratio of 1.55% of assessable base and represents an increase from the fiscal 2007 debt ratio of \$1,384 per capita. The county maintains a bond rating of Aa2 from Moody's Investors Service, an AA+ rating from Fitch Ratings, and a Standard and Poor's rating of AA.

Additional Information

Prior Introductions: None.

Cross File: SB 779 (Carroll County Senators) - Budget and Taxation.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2009
ncs/mwc

Analysis by: Erik P. Timme

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