

Department of Legislative Services  
Maryland General Assembly  
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 924

(Carroll County Senators)

Budget and Taxation

Appropriations

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Carroll County - Public Facilities Bonds

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This bill authorizes the Carroll County Commissioners to issue up to \$35.0 million in general obligation bonds for the acquisition, alteration, construction, improvement, or renovation of public buildings, facilities, and specified public works projects, and loans to volunteer fire departments. The date of maturity of the bonds cannot exceed 30 years.

The bill takes effect June 1, 2010.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Carroll County receives up to \$35.0 million in bond proceeds. County debt service expenditures increase by an estimated \$2.5 million annually over a 20-year period.

**Small Business Effect:** None.

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Analysis

**Background:** Chapter 601 of 2009 authorized the Carroll County Commissioners to issue up to \$42.0 million in public facilities bonds, while Chapter 217 of 2008 authorized the county commissioners to issue up to \$120.0 million in public facilities bonds. Additionally, Chapter 58 of 2007, Chapter 75 of 2006, and Chapter 480 of 2005 authorized the county commissioners to issue up to \$80 million, \$52 million, and \$35 million in public facilities bonds, respectively.

**Exhibit 1** shows the planned project areas for which bond proceeds would be used under this bill, as advised by the county.

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**Exhibit 1  
Carroll County Public Facilities Bonds**

<u>Purpose</u>	<u>Amount</u>
Public Works	\$14,600,000
Conservation and Open Space	13,350,000
Public Schools	4,100,000
General Government	2,850,000
Enterprise Funds	100,000
<b>Total</b>	<b>\$35,000,000</b>

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**Local Fiscal Effect:** Carroll County revenues increase by up to \$35.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$2.5 million. This estimate is based on a 3.95% interest rate and a 20-year term of maturity. To the extent that the bond issuance, interest rate, or term of maturity deviate from this assumption, expenditures would adjust accordingly.

At the end of fiscal 2009, Carroll County had approximately \$309.3 million in outstanding general obligation debt, which represents an increase of \$60.2 million over the prior year. The outstanding debt represents 1.52% of the county's assessable base and \$1,769 on a per capita basis. In fiscal 2009, the county was upgraded from a AA to a AA+ rating by Standard and Poor's, and has an Aa2 credit rating from Moody's Investors Service, and an AA+ rating from Fitch Ratings.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1094 (Carroll County Delegation) - Appropriations.

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

**Fiscal Note History:** First Reader - March 4, 2010  
ncs/hlb

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