

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 588

(Carroll County Senators)

Budget and Taxation

Appropriations

Carroll County - Public Facilities Bonds

This bill authorizes the Carroll County Commissioners to issue up to \$40.0 million in general obligation bonds for the acquisition, construction, improvement, or renovation of public buildings, facilities, and public works projects. The date of maturity of the bonds cannot exceed 30 years.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County receives up to \$40.0 million in bond proceeds. County debt service expenditures increase by an estimated \$2.6 million annually over a 20-year period.

Small Business Effect: None.

Analysis

Current Law: Commission counties do not have the legislative power to create debt; General Assembly authorization is required before any bonds can be sold. Carroll County is one of seven counties that still operate under the commission form of government.

Background: Since 2002, Carroll County has received authorization by the General Assembly to issue up to \$456.6 million in general obligation bonds for public facilities,

as shown in **Exhibit 1**. **Exhibit 2** shows the planned capital projects in Carroll County for fiscal 2014.

Exhibit 1
Bond Authorizations for Carroll County

<u>Session</u>	<u>Chapter Number</u>	<u>Bill Number</u>	<u>Authorized Amount</u>
2002	Ch. 488	SB 792	\$22.6 million
2003	Ch. 28	SB 642	23.0 million
2004	Ch. 140	SB 784	31.0 million
2005	Ch. 480	SB 415	35.0 million
2006	Ch. 75	SB 400	52.0 million
2007	Ch. 58	SB 905	80.0 million
2008	Ch. 217	SB 780	120.0 million
2009	Ch. 601	SB 779	42.0 million
2010	Ch. 636	SB 924	35.0 million
2011	Ch. 117	HB 280	16.0 million
10-year Total			\$456.6 million

Local Fiscal Effect: Carroll County revenues increase by up to \$40.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$2.6 million. This estimate is based on a 2.6% 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, debt service expenditures would adjust accordingly.

At the end of fiscal 2011, Carroll County had approximately \$362.6 million in total outstanding debt, which represents approximately 1.7% of the county's assessable base and \$2,168 on a per capita basis. The county currently has an AA+ credit rating from Standard and Poor's, an Aa1 credit rating from Moody's Investors Service, and an AAA credit rating from Fitch Ratings.

Exhibit 1
Carroll County Bond Authorization Request
Fiscal 2014

<u>Project Description</u>	<u>FY 2014 Bonds</u>
Public Schools	
Carroll Springs Roof Replacement	\$428,000
Manchester Elementary HVAC Replacement	310,000
Manchester Elementary Roof Replacement	95,000
Taneytown Elementary Roof Replacement	536,000
West Middle Roof Replacement	1,086,000
Total Public Schools	\$2,455,000
Conservation and Open Space	
Agricultural Land – Maryland Ag Land Preservation Program	\$1,333,000
Water Development	650,000
Watershed Assessment and Improvement (NPDES)	2,989,700
Total Conservation and Open Space	\$4,972,700
Public Works – Roads	
Pavement Management Program	\$9,984,000
Small Drainage Structures	76,000
Total Public Works – Roads	\$10,060,000
General Government	
County Building Systemic Renovations	\$650,000
Carroll County 911 Radio System	17,500,000
New Circuit Court Courtroom	2,550,000
Library – Mount Airy Branch Improvements – Phase II	82,500
Total General Government	\$20,782,500
Enterprise Funds	
Septage Facility Improvements	\$1,729,800
Total Septage	\$1,729,800
Grand Total	\$40,000,000

Source: Carroll County Government

Additional Information

Prior Introductions: None.

Cross File: HB 846 (Carroll County Delegation) - Appropriations.

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

Fiscal Note History: First Reader - February 22, 2013
mc/hlb

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