

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 360

(Carroll County Senators)

Budget and Taxation

Appropriations

Carroll County - Public Facilities Bonds

This bill authorizes the Carroll County Commissioners to issue up to \$32.7 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, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: Carroll County receives up to \$32.7 million in bond proceeds. County debt service expenditures increase by an estimated \$2.1 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 six counties that still operate under the commission form of government.

Background: Since 2008, Carroll County has received authorization by the General Assembly to issue up to \$346.0 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 2019.

Exhibit 1
Bond Authorizations for Carroll County

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
2008	Ch. 217	\$120.0 million
2009	Ch. 601	42.0 million
2010	Ch. 636	35.0 million
2011	Ch. 117	16.0 million
2013	Ch. 63	40.0 million
2014	Ch. 63	20.0 million
2015	Ch. 84	17.0 million
2016	Ch. 254	31.0 million
2017	Ch. 435	25.0 million
Total		\$346.0 million

Local Fiscal Effect: Carroll County revenues increase by up to \$32.7 million from bond proceeds. Annual debt service costs for the bonds total approximately \$2.1 million. This estimate is based on a 2.43% 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 2016, Carroll County had approximately \$338.7 million in total outstanding debt, which represents approximately 1.8% of the county's assessable base and \$2,020 on a per capita basis. The county currently has an AAA credit rating from Standard and Poor's, an Aa1 credit rating from Moody's Investors Service, and an AAA credit rating from Fitch Ratings.

Information on local debt measures for Maryland counties and Baltimore City can be found in Chapter 9 of the [Overview of Maryland Local Governments](#) report. A copy of the report can be found on the Department of Legislative Services website.

Exhibit 2
Carroll County Bond Authorization Request
Fiscal 2019

<u>Project Description</u>	<u>FY 2019 Bonds</u>
Public Schools	
Career and Technology Center	\$700,000
High School Science Room Renovations	1,140,700
Electrical Equipment Replacement – Westminster High	820,000
HVAC System Replacement – Sandymount Elementary	1,999,000
HVAC System Replacement – Winfield Elementary	515,000
Roof Replacement – Sandymount Elementary	660,000
Roof Replacement – Linton Springs Elementary	763,000
Total Public Schools	\$6,597,700
Conservation and Open Space	
Agricultural Land – Maryland Ag. Land Preservation Program	\$1,333,300
Environmental Compliance	37,500
Stormwater Facility Renovation	267,303
Watershed Assessment and Improvement (NPDES)	2,442,000
Total Conservation and Open Space	\$4,080,103
Public Works	
Lucabaugh Mill Road Roundabout	\$150,000
Market Street Extended	720,000
Pavement Management Program	10,655,461
Ramp and Sidewalk Upgrades	75,000
Small Drainage Structures	165,000
Storm Drainage Rehabilitation	78,036
Bridges	971,000
Total Public Works	\$12,814,497
Culture and Recreation	
Union Mills Water Wheel	\$195,000
Total Culture and Recreation	\$195,000
General Government	
Carroll Community College Systemic Renovations	\$725,000
County Building Systemic Renovations	750,000
Public Safety Training Center	1,000,000
Westminster Library Basement Improvements	537,700
Winchester Building Renovation	6,000,000
Total General Government	\$9,012,700
Grand Total	\$32,700,000

Source: Carroll County Government

Additional Information

Prior Introductions: None.

Cross File: HB 609 (Carroll County Delegation) – Appropriations.

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

Fiscal Note History: First Reader - February 5, 2018
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