

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 376

(Carroll County Senators)

Budget and Taxation

Appropriations

Carroll County - Public Facilities Bonds

This bill authorizes the Carroll County Commissioners to issue up to \$28.5 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, 2019.**

Fiscal Summary

State Effect: None.

Local Effect: Carroll County receives up to \$28.5 million in bond proceeds. County debt service expenditures increase by an estimated \$1.9 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 2009, Carroll County has received authorization by the General Assembly to issue up to \$258.7 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 2020.

Exhibit 1
Bond Authorizations for Carroll County

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
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
2018	Ch. 89	32.7 million
Total		\$258.7 million

Local Fiscal Effect: Carroll County revenues increase by up to \$28.5 million from bond proceeds. Annual debt service costs for the bonds total approximately \$1.9 million. This estimate is based on a 2.84% 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 2017, Carroll County had approximately \$321.9 million in total outstanding debt, which represents approximately 1.7% of the county's assessable base and \$1,926 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 2020

<u>Project Description</u>	<u>FY 2020 Bonds</u>
Public Schools	
Career and Technology Center	\$2,493,000
High School Science Room Renovations	1,482,000
HVAC System Replacement – Spring Garden Elementary	3,175,000
HVAC System Replacement – Winfield Elementary	3,341,750
Roof Replacement – Cranberry Station Elementary	944,000
Window Replacement – South Carroll High	155,000
Window Replacement – Westminster High	155,000
Total Public Schools	\$11,745,750
Conservation and Open Space	
Agricultural Land – Maryland Ag. Land Preservation Program	\$1,333,300
Environmental Compliance	37,500
Stormwater Facility Renovation	227,534
Watershed Assessment and Improvement (NPDES)	2,410,664
Total Conservation and Open Space	\$4,008,998
Public Works	
Pavement Management Program	\$10,887,994
Ramp and Sidewalk Upgrades	17,735
Storm Drainage Rehabilitation	78,275
Total Public Works	\$10,984,004
General Government	
Carroll Community College Systemic Renovations	\$208,000
County Building Systemic Renovations	301,248
Generator Replacements	126,000
Public Safety Regional Water Supply	126,000
Public Safety Training Facility	1,000,000
Total General Government	\$1,761,248
Grand Total	\$28,500,000

NPDES: National Pollutant Discharge Elimination System

Source: Carroll County Government

Additional Information

Prior Introductions: None.

Cross File: HB 574 (Delegate Shoemaker) - Appropriations.

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

Fiscal Note History: First Reader - February 8, 2019
md/tso Third Reader - February 22, 2019

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