

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 461

(Carroll County Senators)

Budget and Taxation

Appropriations

Carroll County - Public Facilities Bond

This bill authorizes the Carroll County Commissioners to issue up to \$38.25 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, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: Carroll County receives up to \$38.25 million in bond proceeds. County debt service expenditures increase by an estimated \$2.3 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 operates under the commission form of government.

Background: Since 2010, Carroll County has received authorization by the General Assembly to issue up to \$245.2 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 2021.

Exhibit 1
Bond Authorizations for Carroll County

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
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
2019	Ch. 184	28.5 million
Total		\$245.2 million

Local Fiscal Effect: Carroll County revenues increase by up to \$38.25 million from bond proceeds. Annual debt service costs for the bonds total approximately \$2.3 million. This estimate is based on a 1.88% 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 2018, Carroll County had approximately \$287.4 million in total outstanding debt, which represents approximately 1.5% of the county's assessable base and \$1,715 on a per capita basis. The county currently has an AAA credit rating from Standard & Poor's, an Aaa credit rating from Moody's Investors Service, and an AAA credit rating from Fitch Ratings.

Exhibit 2
Carroll County Bond Authorization Request
Fiscal 2021

<u>Project Description</u>	<u>Project Amount</u>
Public Schools	
Career and Technology Center	\$19,511,635
Total Public Schools	\$19,511,635
Conservation and Open Space	
Agricultural Land – Maryland Ag. Land Preservation Program	\$1,333,300
Stormwater Facility Renovation	321,200
Watershed Assessment and Improvement (NPDES)	2,809,000
Total Conservation and Open Space	\$4,463,500
Public Works	
Pavement Management Program	\$11,728,865
Ramp and Sidewalk Upgrades	81,000
Small Drainage Structures	223,500
Storm Drain Rehabilitation	223,500
Gaither Road over South Branch Patapsco	392,100
Total Public Works	\$12,648,965
General Government	
Charles Carroll Gymnasium and Community Center	\$640,000
County Building Systemic Renovations	748,600
Generator Replacements	105,000
Public Safety Regional Water Supply	132,300
Total General Government	\$1,625,900
Grand Total	\$38,250,000

NPDES: National Pollutant Discharge Elimination System

Source: Carroll County Government

Additional Information

Prior Introductions: None.

Designated Cross File: HB 645 (Carroll County Delegation) - Appropriations.

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

Fiscal Note History: First Reader - February 9, 2020
mr/hlb Third Reader - February 25, 2020

Analysis by: Trevor S. Owen

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