

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 296
Appropriations

(Carroll County Delegation)

Budget and Taxation

Carroll County - Public Facilities Bonds

This bill authorizes the Carroll County Commissioners to issue up to \$17.0 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, 2015.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County receives up to \$17.0 million in bond proceeds. County debt service expenditures increase by an estimated \$1.1 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 2005, Carroll County has received authorization by the General Assembly to issue up to \$440.0 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 2016.

Exhibit 1
Bond Authorizations for Carroll County

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
2005	Ch. 480	\$35.0 million
2006	Ch. 75	52.0 million
2007	Ch. 58	80.0 million
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
10-year Total		\$440.0 million

Local Fiscal Effect: Carroll County revenues increase by up to \$17.0 million from bond proceeds. Annual debt service costs for the bonds total approximately \$1.1 million. This estimate is based on a 2.58% 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 2013, Carroll County had approximately \$343.7 million in total outstanding debt, which represents approximately 1.8% of the county's assessable base and \$2,056 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 on page 115 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 2016

<u>Project Description</u>	<u>FY 2016 Bonds</u>
Public Schools	
Charles Carroll Elementary Modernization	\$1,526,000
Career and Technology Center Roof Replacement	1,099,000
South Carroll High School Roof Replacement	283,000
Westminster Elementary School Roof Replacement	848,000
Westminster High School Roof Replacement	264,000
Total Public Schools	\$4,020,000
Conservation and Open Space	
Agricultural Land – Maryland Ag Land Preservation Program	\$1,333,300
Environmental Compliance	37,500
Stormwater Facility Maintenance	280,000
Watershed Assessment and Improvement (NPDES)	4,112,200
Total Conservation and Open Space	\$5,763,000
Public Works	
Johnsville Road Sidewalk	\$29,200
Pavement Management Program	5,777,800
Small Drainage Structures	81,000
Cape Horn Road Bridge over Unnamed Stream	372,000
Stone Chapel Road Bridge over Little Pipe Creek	47,000
Total Public Works	\$6,307,000
General Government	
County Building System Renovations	\$700,000
Courthouse Annex Renovation	210,000
Total General Government	\$910,000
Grand Total	\$17,000,000

Source: Carroll County Government

Additional Information

Prior Introductions: None.

Cross File: SB 663 (Carroll County Senators) - Budget and Taxation.

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

Fiscal Note History: First Reader - February 16, 2015
md/hlb

Analysis by: Trevor S. Owen

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