

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 305

(Carroll County Senators)

Budget and Taxation

Appropriations

Carroll County - Public Facilities Bond

This bill authorizes the Carroll County Commissioners to issue up to \$65.6 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, 2023.**

Fiscal Summary

State Effect: None.

Local Effect: Carroll County receives up to \$65.6 million in bond proceeds. County debt service expenditures increase by an estimated \$4.4 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.

Local Fiscal Effect: Since 2013, Carroll County has received authorization by the General Assembly to issue up to \$281.0 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 2024.

Exhibit 1
Bond Authorizations for Carroll County
(\$ in Millions)

<u>Session</u>	<u>Chapter Number</u>	<u>Authorized Amount</u>
2013	Ch. 63	\$40.0
2014	Ch. 63	20.0
2015	Ch. 84	17.0
2016	Ch. 254	31.0
2017	Ch. 435	25.0
2018	Ch. 89	32.7
2019	Ch. 184	28.5
2020	Ch. 285	38.3
2021	Ch. 730	48.5
Total		\$281.0

Carroll County revenues increase by up to \$65.6 million from bond proceeds. Annual debt service costs for the bonds total approximately \$4.4 million. This estimate is based on a 2.97% 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 2021, Carroll County had approximately \$281.2 million in total outstanding debt, which represents approximately 1.3% of the county’s assessable base and \$1,626 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.

Information on local debt measures for Maryland counties and Baltimore City can be found in the [Local Government Overview](#) report. A copy of the 2023 report can be found on the Department of Legislative Services [website](#).

Exhibit 2
Carroll County Bond Authorization Request
Fiscal 2024

<u>Project Description</u>	<u>Project Amount</u>
Public Schools	
HVAC System Replacement – Carroll Springs	\$2,809,000
HVAC System Replacement – Carrolltowne Elementary	4,890,000
HVAC System Replacement – Northwest Middle	7,113,000
HVAC System Replacement – Mount Airy Elementary	4,956,000
Roof Replacement – Spring Garden Elementary	1,475,616
Total Public Schools	\$21,243,616
Conservation and Open Space	
Agricultural Land – Maryland Ag. Land Preservation Program	\$1,333,300
Stormwater Facility Renovation	300,000
Watershed Assessment and Improvement (NPDES)	2,750,000
Total Conservation and Open Space	\$4,383,300
Public Works	
Monroe Avenue Extension	\$365,000
Pavement Management Program	15,101,000
Ramp and Sidewalk Upgrades	92,000
Small Drainage Structures	266,000
Storm Drain Rehabilitation	266,000
Brown Road over Roaring Run	106,000
Hawks Hill Road over Little Pipe Creek Tributary	19,000
Stem Road over Wolf Pit Branch	288,000
Upper Beckleysville Road over Murphy Run	302,000
Total Public Works	\$16,805,000
General Government	
County Building Systemic Renovations	\$1,001,000
Fleet Lift Replacements	255,000
Generator Replacements	168,000
Sheriff’s Office – Headquarters	21,744,084
Total General Government	\$23,168,084
Grand Total	\$65,600,000

HVAC: Heating, ventilation, and air conditioning
NPDES: National Pollutant Discharge Elimination System

Source: Carroll County Government

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 557 (Carroll County Delegation) - Appropriations.

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

Fiscal Note History: First Reader - February 6, 2023
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