

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 788 (Senator Eckardt)
Budget and Taxation

Creation of a State Debt - Caroline County - Mt. Calvary United Methodist Church

This bill authorizes the issuance of general obligation (GO) bonds to provide a grant to a recipient for the acquisition, planning, design, construction, expansion, repair, restoration, renovation, reconstruction, or capital equipping of a specified facility.

The bill takes effect June 1, 2015.

Fiscal Summary

State Effect: If adopted in whole or part, this grant will be part of the total GO debt authorization for FY 2016. The Spending Affordability Committee (SAC) recommended a GO debt authorization of \$1.095 billion for FY 2016. The Maryland Consolidated Capital Bond Loan (MCCBL) of 2015, referred to as the fiscal 2016 capital budget, provides GO debt authorizations totaling \$994.6 million, which is \$100.4 million below the SAC recommendation. As introduced, an additional \$9.0 million in prior year authorized GO bonds is to be deauthorized, thus increasing the amount of GO debt included in the MCCBL of 2015 to \$1,003.6 million.

Local Effect: None, unless the recipient is a local government.

Small Business Effect: None.

Analysis

Current Law/Background:

Bond Sales and Debt Service: The State last sold bonds on March 4, 2015, which included \$518.0 million in new money bonds in support of the State's capital program. Those bonds were sold in separate series with a combined true interest cost of 2.65% over 15 years. The actual annual debt service cost will be determined by the coupon rate achieved at the time the bonds were issued, which ranged from 3.0% to 5.0% for an average coupon rate of 4.5%. Therefore, State debt service is estimated to cost \$53.5 million annually based on the average coupon rate.

GO bonds authorized in a given year are not all issued the year in which they are authorized. The State Treasurer's Office estimates that just over half of the GO bonds authorized in a year are typically issued within the first two fiscal years. The Capital Debt Affordability Committee assumes bonds authorized in a given year will be fully issued over five years; specific issuances are 31% in the first year, 25% in the second year, 20% in the third year, 15% in the fourth year, and 9% in the fifth year. This delay in issuance results in a substantial lag between the time GO bonds are authorized and the time the bonds affect debt outstanding and debt service levels.

Legislative Initiatives: As introduced by the Governor, the MCCBL of 2015 does not include the customary earmark of \$15 million for legislative initiatives. However, because the General Assembly can both reduce and add to the capital budget, the budget committees may consider bond bill requests during the 2015 session and amend them into the MCCBL.

The bills listed below authorize the issuance of GO bonds to provide grants to various recipients for the acquisition, planning, design, construction, expansion, repair, restoration, renovation, reconstruction, and/or capital equipping of various facilities.

Most bills require either a "hard" or "soft" match as noted. Where no match is required, the term "grant" is indicated. A "hard" match means the recipient provides a dollar-for-dollar match of the State funds and does not expend the matching funds until after the effective date of the authorizing act. A "soft" match is any other type of match. Soft matches include the use of the value of the real property as the match, in-kind contributions such as materials or construction services, or funds expended prior to the effective date of the bill. A match key is provided immediately below the list of projects.

The list is organized into two categories: statewide bond bills and local bond bills. Within the local bond bill category, the projects are sorted first by the county in which the project is located and then alphabetically by project title. Most projects have both a House and a Senate bill.

2015 Session Bond Bills Introduced

| <u>SB</u> | <u>Sponsor</u> | <u>HB</u> | <u>Sponsor</u> | <u>Project</u> | <u>County</u> | <u>Request</u> | <u>Match</u> |
|-------------------------|----------------|-----------|----------------|---|----------------|----------------|--------------|
| Local Bond Bills | | | | | | | |
| 253 | Edwards | 320 | Delegation | Allegany County Animal Shelter Adoption and Care Center | Allegany | 250,000 | Soft(1,3) |
| 722 | Edwards | 178 | Delegation | Frostburg Museum Relocation Project | Allegany | 150,000 | Soft(1) |
| 769 | Astle | | Dumais | Annapolis City Dock Flood Mitigation Project | Anne Arundel | 1,000,000 | Soft(U,2) |
| 155 | Reilly | 736 | Vitale | Belvoir-Scott's Plantation Historic Manor House | Anne Arundel | 125,000 | Soft(2,3) |
| 771 | Reilly | 1107 | Vitale | Broadneck High School Field House | Anne Arundel | 250,000 | Hard |
| 827 | Astle | 1126 | Beidle | Camp Woodlands Restoration Project | Anne Arundel | 250,000 | Soft(all) |
| 263 | DeGrange | 332 | Carey | Chesapeake Arts Center | Anne Arundel | 150,000 | Grant |
| 291 | Reilly | 299 | McConkey | Crownsville Treatment Center | Anne Arundel | 200,000 | Soft(2,3) |
| 850 | DeGrange | 1206 | Chang | Glen Burnie Masonic Lodge 213 | Anne Arundel | 150,000 | Soft(all) |
| | | 1270 | Beidle | Harambee House Community Outreach Center | Anne Arundel | 150,000 | Soft(1) |
| | | 1243 | Beidle | James Brice House | Anne Arundel | 250,000 | Hard |
| 895 | Simonaire | | Kipke | Pasadena Baseball Club | Anne Arundel | 50,000 | Hard |
| 242 | Astle | 269 | Beidle | Samaritan House | Anne Arundel | 200,000 | Soft(all) |
| 927 | Astle | 1260 | S. Howard | Southern High School Athletic Improvements | Anne Arundel | 20,000 | Hard |
| 768 | Astle | | Dumais | Taylor Avenue Improvements | Anne Arundel | 2,050,000 | Soft(U,2) |
| 227 | Reilly | 1223 | Chang | The Arc of the Central Chesapeake Region | Anne Arundel | 300,000 | Hard |
| 759 | Reilly | | | Woods Community Center | Anne Arundel | 325,000 | Hard |
| 248 | Pugh | 307 | Conaway | 908-912 Washington Boulevard Project | Baltimore City | 100,000 | Soft(2) |
| | | 1132 | Haynes | Alpha Phi Alpha Corporate Headquarters | Baltimore City | 250,000 | Soft(all) |
| | | 60 | McIntosh | Baltimore Jewelry Center | Baltimore City | 75,000 | Hard |
| 733 | Ferguson | 96 | Hammen | Banner Neighborhoods Community Center | Baltimore City | 75,000 | Soft(all) |
| 728 | Conway | 758 | McIntosh | Blessed Sacrament Supportive Housing | Baltimore City | 300,000 | Soft(all) |
| 891 | Pugh | 1252 | Hayes | Center Stage | Baltimore City | 200,000 | Hard |
| 805 | Ferguson | 1148 | Clippinger | Cherry Hill Early Head Start | Baltimore City | 250,000 | Soft(3) |
| 872 | Ferguson | 254 | Clippinger | Chesapeake Shakespeare Company's Downtown Theater and Educational Annex | Baltimore City | 235,000 | Soft(3) |

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|-----|-----------|------|------------------|---|----------------|---------|-------------|
| 249 | Pugh | 519 | Hayes | Economic Empowerment Community Center | Baltimore City | 175,000 | Soft(all) |
| | | 1222 | Rosenberg | Elder Abuse Shelter and Office | Baltimore City | 50,000 | Soft(2,3) |
| 250 | Pugh | 520 | Hayes | Garrett-Jacobs Mansion Safety and Access Project | Baltimore City | 300,000 | Soft(2,3) |
| 128 | Gladden | | Oaks | Get Involved Community Center | Baltimore City | 350,000 | Soft(U,all) |
| 791 | McFadden | 1217 | McCray | Great Blacks in Wax Museum Expansion | Baltimore City | 400,000 | Soft(all) |
| 809 | Ferguson | 1131 | Lierman | Habitat for Humanity of the Chesapeake | Baltimore City | 250,000 | Hard |
| 246 | Pugh | 777 | B. Robinson | In For Of Building Renovation | Baltimore City | 200,000 | Grant |
| 786 | Conway | 517 | McIntosh | League for People with Disabilities Building Expansion | Baltimore City | 145,000 | Grant |
| 52 | Gladden | 640 | Rosenberg | Liberty Elementary Early Childhood Center | Baltimore City | 400,000 | Soft(all) |
| | | 324 | Branch | Madison East End Multipurpose Center | Baltimore City | 40,000 | Soft(all) |
| 820 | McFadden | | | Mary Harvin Transformation Center | Baltimore City | 450,000 | Soft(U,all) |
| 881 | McFadden | 1277 | Branch | Men and Families Center | Baltimore City | 250,000 | Soft(all) |
| 113 | McFadden | 1097 | Glenn | Moveable Feast | Baltimore City | 200,000 | Hard |
| 53 | Gladden | | | MSSDAR Headquarters Restoration | Baltimore City | 50,000 | Soft(2,3) |
| | | 1154 | Haynes | Multi-Family Low-Income Housing Project | Baltimore City | 250,000 | Soft(2) |
| 245 | Pugh | 441 | B. Robinson | New City of Hope Community Center | Baltimore City | 400,000 | Soft(U,all) |
| 813 | McFadden | 1139 | McIntosh | Niarchos Parkway Film Center | Baltimore City | 500,000 | Soft(2,3) |
| 819 | Pugh | 1165 | Conaway | North Avenue Gateway II | Baltimore City | 100,000 | Hard |
| 126 | Gladden | 1055 | Oaks | Orianda Mansion Preservation | Baltimore City | 200,000 | Soft(2,3) |
| 732 | Ferguson | 325 | Lierman | Peale Center for Baltimore Architecture and History | Baltimore City | 250,000 | Hard |
| 247 | Pugh | 740 | B. Robinson | Pigtown Facade Restoration | Baltimore City | 100,000 | Soft(2) |
| 804 | Ferguson | 1151 | Hammen | Port Discovery Children's Museum Renovation Project | Baltimore City | 500,000 | Soft(2,3) |
| 785 | Conway | 277 | M. Washington | St. Elizabeth School Indoor Playground | Baltimore City | 150,000 | Soft(all) |
| 170 | Gladden | | | TuTTie's Place | Baltimore City | 85,000 | Soft(all) |
| 822 | Jennings | 1147 | Szeliga | Angel Park | Baltimore | 200,000 | Hard |
| | | 1263 | Jalisi | Community Playground | Baltimore | 30,000 | Soft(1) |
| 734 | Zirkin | 901 | Hettleman | Gilead House Renovation | Baltimore | 65,000 | Hard |
| 33 | Kasemeyer | 1267 | Ebersole | Good Shepherd Boys Unit Renovation | Baltimore | 100,000 | Hard |
| | Zirkin | 1120 | Hettleman | Greenspring Montessori Method Training Center | Baltimore | 200,000 | Hard |

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|-----|-------------------------|------|---------------|--|------------|---------|-----------|
| 289 | Zirkin | 315 | Morhaim | Lake Roland Education Center | Baltimore | 340,000 | Hard |
| 706 | Brochin | 1218 | West | Lutherville Volunteer Fire Company Station Expansion | Baltimore | 250,000 | Hard |
| 883 | Nathan-Pulliam | 757 | Jones | National Center on Institutions and Alternatives Expansion Project | Baltimore | 350,000 | Hard |
| 290 | Zirkin | 266 | Stein | Pikesville Volunteer Fire Company Building | Baltimore | 500,000 | Soft(2) |
| 753 | Klausmeier | | | White Marsh Volunteer Fire Company | Baltimore | 250,000 | Hard |
| 221 | Miller | | | Town of North Beach Flood Mitigation Project | Calvert | 150,000 | Hard(U) |
| 788 | Eckardt | 1220 | Mautz | Mt. Calvary United Methodist Church | Caroline | 200,000 | Soft(2) |
| 34 | Carroll County Senators | 116 | Delegation | The Arc of Carroll County Building Renovation | Carroll | 500,000 | Soft(2) |
| | | 869 | Hornberger | Cecil County Farm Museum | Cecil | 50,000 | Hard |
| 45 | Miller | 276 | Proctor | Benedict Volunteer Fire Department and Rescue Squad and Auxiliary Facility | Charles | 300,000 | Grant |
| 857 | Middleton | 136 | Delegation | Lions Camp Merrick Septic System | Charles | 150,000 | Soft(1) |
| | | | | Southern Maryland Carousel | Charles | 300,000 | Soft(1) |
| 729 | Eckardt | 1189 | Sample-Hughes | Chesapeake Grove Senior Housing and Intergenerational Center | Dorchester | 200,000 | Soft(1) |
| 39 | Young | 289 | Krimm | Culler Lake Stormwater Management Project | Frederick | 250,000 | Soft(2) |
| 149 | Hough | 688 | Afzali | Helen Smith Studio | Frederick | 250,000 | Soft(1,3) |
| 32 | Hough | 635 | Afzali | Northwest Trek Conservation and Education Center | Frederick | 150,000 | Soft(2,3) |
| 24 | Young | 394 | K. Young | Weinberg Center HVAC Project | Frederick | 250,000 | Soft(3) |
| 255 | Edwards | 319 | Beitzel | Emergency Operations Center | Garrett | 300,000 | Hard |
| 701 | Jennings | | | Agricultural Research and Exposition Foundation | Harford | 150,000 | Grant |
| | | 334 | Delegation | Ladew Topiary Gardens | Harford | 400,000 | Hard |
| 878 | Harford County Senators | 831 | Lisanti | Regional Fire and Rescue Boat | Harford | 100,000 | Soft(all) |

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|-----|------------------------|------|---------------|---|-----------------|---------|-------------|
| 233 | Howard County Senators | 205 | Delegation | Community Action Council Food Bank Facility | Howard | 500,000 | Hard |
| 236 | Howard County Senators | 204 | Delegation | Environmental Education Center Renovation and Expansion | Howard | 250,000 | Soft(all) |
| 235 | Howard County Senators | 426 | Delegation | Historic Clover Hill Farm House Restoration | Howard | 300,000 | Hard |
| 234 | Howard County Senators | 206 | Delegation | Howard County Historical Society Roof Repair | Howard | 35,000 | Hard |
| 658 | Madaleno | 922 | Waldstreicher | Anne L. Bronfman Center and Misler Adult Day Center | Montgomery | 95,000 | Hard |
| 349 | Lee | 715 | Korman | Bethesda Graceful Growing Together Community Center | Montgomery | 400,000 | Hard |
| 307 | Raskin | 764 | Hixson | Blair Regional Park Scoreboards | Montgomery | 25,000 | Hard |
| 740 | Montgomery | 994 | Kaiser | Brooke Grove Rehabilitation and Nursing Center | Montgomery | 300,000 | Hard |
| 491 | King | 465 | Dumais | Cornerstone Montgomery and Interfaith Works Project | Montgomery | 350,000 | Hard |
| 739 | Montgomery | 1037 | Zucker | Damascus Volunteer Fire Department | Montgomery | 200,000 | Hard |
| 309 | Raskin | 783 | Hixson | Early Literacy Center | Montgomery | 110,000 | Hard |
| 176 | Kagan | 295 | Gilchrist | F. Scott Fitzgerald Theatre and Social Hall | Montgomery | 250,000 | Hard |
| 287 | Raskin | 804 | Hixson | Four Corners Community Outreach Site | Montgomery | 150,000 | Soft(2) |
| 285 | Raskin | 802 | Hixson | Inter-Generational Center Expansion | Montgomery | 200,000 | Hard |
| 151 | Kagan | 1238 | Barve | Jewish Foundation for Group Homes Renovations | Montgomery | 100,000 | Soft(3) |
| 341 | Lee | 467 | Frick | Josiah Henson Park | Montgomery | 275,000 | Soft(1) |
| 238 | Madaleno | 143 | Waldstreicher | Jubilee Association of Maryland Community Center | Montgomery | 300,000 | Hard |
| 308 | Raskin | 765 | Hixson | Kitchen and Cafeteria Project | Montgomery | 150,000 | Hard |
| 926 | Manno | | Kramer | Melvin J. Berman Hebrew Academy | Montgomery | 25,000 | Soft(U,all) |
| 741 | Montgomery | 1063 | Luedtke | Olney Manor Dog Park | Montgomery | 50,000 | Soft(all) |
| 302 | Feldman | 272 | Dumais | Potomac Community Resources Home | Montgomery | 200,000 | Soft(1) |
| 240 | Madaleno | 1242 | Gutierrez | The Writer's Center | Montgomery | 300,000 | Hard |
| 239 | Madaleno | 80 | Carr | Warner Manor | Montgomery | 400,000 | Soft(1) |
| 647 | Madaleno | 317 | Waldstreicher | Yeshiva Torah School of Greater Washington | Montgomery | 60,000 | Hard |
| 724 | Ramirez | 213 | Tarlau | Bladensburg Road Economic Development Project | Prince George's | 150,000 | Hard |

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|-----|----------|------|-----------------|---|-----------------|---------|-------------|
| | | 1278 | Vallario | Bowie Senior Center | Prince George's | 100,000 | Soft(all) |
| 797 | Peters | 1212 | Valentino-Smith | Champ House | Prince George's | 100,000 | Grant |
| 897 | Muse | 1225 | Knotts | Crossland High School | Prince George's | 150,000 | Soft(U,2,3) |
| 780 | Ramirez | 258 | Tarlau | Elizabeth Seton High School Library Renovation | Prince George's | 100,000 | Hard |
| 918 | Peters | 1044 | Holmes | Family Life and Wellness Intergenerational Center | Prince George's | 500,000 | Soft(1) |
| 352 | Pinsky | 265 | Gaines | Greenbelt Lake Dam Repair | Prince George's | 285,000 | Soft(U,3) |
| 144 | Peters | | | Knights of St. John Hall | Prince George's | 26,000 | Grant |
| | | 314 | Valentino-Smith | Knights of St. John Hall | Prince George's | 190,000 | Grant |
| 206 | Ramirez | 195 | Fennell | Landover Hills Town Hall | Prince George's | 200,000 | Hard(U) |
| 621 | Currie | 1247 | Davis | Mt. Calvary Softball Field | Prince George's | 150,000 | Soft(all) |
| 890 | Currie | 1245 | Davis | Park Berkshire Neighborhood Park | Prince George's | 250,000 | Hard |
| 655 | Muse | | | Susan D. Mona Center | Prince George's | 100,000 | Grant |
| 828 | Muse | | | The New Beginnings Community Development Computer Lab Project | Prince George's | 15,000 | Soft(U,all) |
| | | 1228 | C. Howard | Town of Capitol Heights Public Works Modular Home | Prince George's | 350,000 | Hard(U) |
| 731 | Eckardt | 1149 | Mautz | Chesapeake Bay Maritime Museum | Talbot | 250,000 | Hard |
| 858 | Eckardt | 1250 | Mautz | Phillips Wharf Aquaculture Jobs Training Center | Talbot | 250,000 | Soft(1) |
| 746 | Edwards | 1194 | McKay | Cushwa Basin Area | Washington | 300,000 | Soft(2) |
| 794 | Serafini | 268 | B. Wilson | The Maryland Theatre | Washington | 260,000 | Soft(all) |
| 799 | Mathias | 1020 | Sample-Hughes | Tri-County Council Multi-Purpose Center | Wicomico | 250,000 | Hard |
| 846 | Mathias | 1156 | Otto | Delmarva Discovery Center and Museum | Worcester | 250,000 | Soft(1,3) |

\$28,386,000

Match Key:

- 1 = Real Property
- 2 = In-kind Contributions
- 3 = Prior Expenditures
- 4 = Unequal

Additional Information

Prior Introductions: None.

Cross File: HB 1220 (Delegate Mautz) - Appropriations.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2015
bnd/ljm

Analysis by: Bond Bill Analyst

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