

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Bond Bill

House Bill 1041 (Delegates Howard and Exum)
Appropriations

**Creation of a State Debt - Prince George's County - Town of Fairmount Heights -
Sheriff Road Revitalization Project**
(\$934,390)

This bill provides \$934,390 in State bond proceeds as a grant to the Town of Fairmount Heights to revitalize the Sheriff Road area, including repairing and reconstructing the infrastructure and equipping, landscaping, planning, designing, and constructing an urban park and a community resource center.

The Town of Fairmount Heights must provide matching funds by June 1, 1999. The funds may consist of real property, in kind contributions, or funds expended prior to the effective date of this bill.

Fiscal Summary

State Effect: This \$934,390 bond authorization would be part of the total \$415 million general obligation debt authorization for FY 1998 as recommended by the Capital Debt Affordability Committee. State debt service costs on the \$415 million would be a maximum of \$43.9 million annually based on an interest rate of 4.90%.

Local Effect: Town of Fairmount Heights grant revenues would increase by \$934,390 and expenditures would increase by at least \$934,390.

Small Business Effect: Minimal effect on small businesses as discussed below.

Fiscal Analysis

Small Business Effect: This bond bill would be part of the annual State capital program. Each year, the State approves a program of general obligation bond funded capital spending. The fiscal 1998 funding totals \$415 million, an amount consistent with the level of funding authorized in prior years. The State's capital program contributes to the construction industry in Maryland, which includes many small businesses. In 1995, the total value of non-residential building construction contracts in Maryland was \$1.8 billion. The fiscal 1998 capital program will continue the State's contribution to the construction industry in Maryland but because it is only \$15 million over the fiscal 1997 level, it will not add substantially to it.

Information Source(s): Department of Fiscal Services

Fiscal Note History: First Reader - March 6, 1997
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