SB 291

Department of Fiscal Services

Maryland General Assembly

FISCAL NOTE
Bond Bill

Senate Bill 291 (Senator Della)
Budget and Taxation

Creation of a State Debt - Baltimore City - Mercy Medical Center ($500,000)

This bill provides $500,000 in State bond proceeds as a grant to the Board of Directors of Mercy Medical Center, Inc. to plan, design, construct, and equip a behavioral health center, to be located on the campus of the South Baltimore Family Health Center in Cherry Hill in Baltimore.

The board of directors must provide matching funds by June 1, 1999. The matching funds may consist of funds expended prior to the effective date of this bill. No portion of the proceeds of the loan or any of the matching funds may be used for a religious purpose.

Fiscal Summary

State Effect: This $500,000 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: None.

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

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