

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Bond Bill

Senate Bill 421 (Senators Kelley and Blount)
Budget and Taxation

**Creation of a State Debt - Baltimore City - Martin Luther King, Jr., Memorial
United Methodist Church - Day Care Center
(\$500,000)**

This bill provides \$500,000 in State bond proceeds as a grant to the Martin Luther King, Jr., Memorial United Methodist Church to plan, design, repair, renovate, reconstruct, and equip a building in Franklintown in Baltimore City, to be used as a day care center for children.

The church must provide matching funds by June 1, 1999. The funds may consist of real property. No portion of the proceeds of the loan or any of the matching funds may be used for religious purposes.

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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