

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Bond Bill

Senate Bill 713 (Senator Van Hollen, *et al.*)
Budget and Taxation

**Creation of a State Debt - Montgomery County Conservation Corps
(\$160,995)**

This bill provides \$160,995 in State bond proceeds as a grant to the County Executive and County Council of Montgomery County to repair, renovate, and expand a woodworking shop located on Georgia Avenue in Wheaton. The grant would also be used to construct a new storage structure on the same premises for power equipment, tools, and materials, as well as for offices, all to be used by staff and volunteers of the Montgomery County Conservation Corps.

Montgomery County must provide matching funds by June 1, 1999.

Fiscal Summary

State Effect: This \$160,995 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: Montgomery County grant revenues would increase by \$160,995 and expenditures would increase by at least \$321,990.

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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