

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Bond Bill

Senate Bill 675 (Senator Hughes)
Budget and Taxation

**Creation of a State Debt - Baltimore City - New Song Urban Ministries -
Fulton Avenue Center
(\$500,000)**

This bill provides \$500,000 in State bond proceeds to the New Song Urban Ministries to acquire, plan, design, renovate, repair, reconstruct, construct, and equip the Fulton Avenue Center, a center for community revitalization and outreach programs.

The New Song Urban Ministries must provide matching funds by June 1, 1999. The matching funds may consist of in kind contributions or funds expended prior to the effective date of this bill. No portion of the loan proceeds or 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 nonresidential 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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