

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Bond Bill

Senate Bill 898 (Senator Hafer)  
Budget and Taxation

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**Creation of a State Debt - Allegany County - Flood Damaged Facilities  
(\$500,000)**

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This bill provides \$500,000 in State bond proceeds as a grant to the County Commissioners of Allegany County to plan, design, repair, renovate, and reconstruct facilities and structures damaged by recent floods in Allegany County, and to plan, design, and construct new structures and facilities that will provide future flood protection. The project will include stream bank stabilization and associated site and infrastructure work.

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

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**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:** Allegany County grant revenues would increase by \$500,000 and expenditures by \$1,000,000.

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

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**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.

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**Information Source(s):** Department of Fiscal Services

**Fiscal Note History:** First Reader - March 10, 1997

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Analysis by: Lori Caldwell-Valentine

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710