

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Bond Bill

Senate Bill 239 (Senator McFadden)
Budget and Taxation

Creation of a State Debt - Baltimore City - U.S.S. Constellation
(\$2,000,000)

This bill provides \$2,000,000 in State bond proceeds as a grant to the Board of Directors of the Constellation Foundation, Inc. to design, repair, restore, improve, and preserve the U.S.S. Constellation.

The board of directors must provide matching funds by June 1, 2000. The funds may consist of in kind contributions made after January 1, 1993 or funds expended prior to the effective date of this bill and after January 1, 1993. The board of directors is allowed to provide evidence of matching funds in installments of at least \$250,000. The Board of Public Works shall disburse an installment of the proceeds of the grant equal to the portion of the matching fund presented at that time by the board of directors.

Prior to the issuance of the bonds, the board of directors must petition the Secretary of the United States Navy to grant and convey to the Maryland Historical Trust a perpetual preservation easement to the extent of the interest of the United States Navy on the historic vessel that must be acceptable to the trust.

Fiscal Summary

State Effect: This \$2,000,000 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

Fiscal Note History: First Reader - March 6, 1997

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