

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 51 (Chairman, Economic and Environmental Affairs Committee)
(Departmental - Housing and Community Development)

Economic and Environmental Affairs

Department of Housing and Community Development - Infrastructure Projects

This departmental bill alters the definition of “infrastructure project” so that non-physical projects are eligible for financing under the Department of Housing and Community Development’s (DHCD) Local Government Infrastructure Financing Program.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: To the extent the bill requires procedural changes for administering the program, the department could handle them with existing resources. Assuming overall demand for the program does not increase substantially, annual special fund expenditures of \$200,000 for bond insurance for the approximately \$10 million in bonds issued on behalf of localities per year would not be affected.

To the extent that the ability to finance non-physical projects, such as computer software, licenses, or utility rights, as well as projects eligible under current law, such as buildings, roads, and sewers, spurs employment and economic development, tax revenues could increase and expenditures on certain assistance programs could decrease. Any effect would be minimal since it is assumed there would be few projects of this kind.

Local Effect: County and municipal expenditures could decrease if the loan terms available through the program are better than those otherwise available. To the extent that the legislation spurs employment and economic development, tax revenues could increase. Any effect would be minimal since it is assumed there would be few projects of this kind.

Small Business Effect: DHCD has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment.

Information Source(s): Department of Housing and Community Development; Cecil, Harford, Montgomery, Prince George's, Queen Anne's, and St. Mary's counties; Department of Legislative Services

Fiscal Note History: First Reader - January 16, 1998

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