

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Bond Bill

Senate Bill 325 (Senator Forehand)

Budget and Taxation

Creation of a State Debt - Montgomery County - Gaithersburg Town Center

This bill provides \$2 million in State bond proceeds as a grant to the Mayor and City Council of Gaithersburg to assist in the redevelopment and revitalization of the Gaithersburg Town Center, known as Olde Town Gaithersburg, as part of a three-year, \$30 million, financial partnership with the private sector.

The City of Gaithersburg must provide matching funds by June 1, 2000.

Fiscal Summary

State Effect: This \$2 million grant would be part of the total \$430 million general obligation debt authorization for FY 1999 as recommended by the Capital Debt Affordability Committee. State debt service costs on the \$430 million would be a maximum of \$44.2 million annually based on the 4.34% interest rate realized at the February 18, 1998 bond sale.

Local Effect: Gaithersburg grant revenue would increase by \$2 million and expenditures would increase by \$4 million.

Small Business Effect: Minimal.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - March 10, 1998

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