

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE  
Bond Bill

Senate Bill 529 (Senator Forehand)

Budget and Taxation

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

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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, including improvement of the infrastructure of the Gaithersburg Town Center, known as Olde Towne Gaithersburg, as part of a three-year, \$30 million financial partnership that includes the City of Gaithersburg, Montgomery County, the State, and the private sector.

The City of Gaithersburg must provide \$2 million in matching funds by June 1, 2001.

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**Fiscal Summary**

**State Effect:** This \$2 million grant would be part of the total \$445 million general obligation debt authorization for FY 2000 as recommended by the Capital Debt Affordability committee. State debt service costs on the \$445 million would be a maximum of \$45.3 million annually based on the 4.26% interest rate realized at the February 24, 1999 bond sale.

**Local Effect:** City of Gaithersburg grant revenues would increase by \$2 million and expenditures would increase by \$4 million.

**Small Business Effect:** Minimal.

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

**Fiscal Note History:** First Reader - March 2, 1999

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