

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE
Revised

House Bill 1300 (Chairman, Rules and Executive Nominations Committee)
 (Departmental - Stadium Authority)

Appropriations

Maryland Stadium Authority - Montgomery County Conference Center

This departmental bill increases the authorized bond issuance by the Maryland Stadium Authority (MSA) by \$5,581,000 and increases the contributions of the MSA and Montgomery County by \$3 million each for the capital costs associated with the construction of the Montgomery County Conference Center. Any savings below, or expenditures above \$33.5 million, will be shared equally between MSA and the county.

The bill is effective July 1, 2000.

Fiscal Summary

State Effect: The MSA will sell bonds in the amount of \$5,581,000 in FY 2001 to pay for the increased costs of the Montgomery County Conference Center and for interest-only payments in FY 2001 and 2002 of \$1,394,000. General fund expenditures will increase by \$500,000 annually beginning in FY 2003 for the term of the bonds to make principal and interest payments on the additional bonds authorized by the bill. The FY 2001 budget includes \$1,850,000 in general funds which would be deleted upon enactment of this bill.

(in thousands)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Bond Revenues	\$5,581	\$0	\$0	\$0	\$0
GF Expenditures	0	0	500	500	500
Non Budgeted Exp.	1,394	1,394	0	0	0
Net Effect	\$4,187	(\$1,394)	(\$500)	(\$500)	(\$500)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Increase in expenditures of \$336,900 per year for debt service.

Small Business Effect: The MSA has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: The MSA is currently authorized to issue bonds of up to \$17,604,000 for the Montgomery County Conference Center. The current scheduled contribution by Montgomery County for the construction of the conference center is \$10,196,000. The MSA has agreed to contribute \$17,304,000 from the sale of bonds for the capital costs. The total cost of the project is \$27.5 million. Any savings below, or expenditures above, the total cost is shared equally between MSA and the county.

Background: Chapter 407 of 1996 established the current levels of State and local participation in the Montgomery County Conference Center project based on cost estimates that assumed that the construction would begin in the fall of 1996. Ground breaking is now expected in the summer of 2000. Delays in the project have led to an increase in the expected costs.

State Fiscal Effect: The MSA will contribute an additional \$3 million for construction costs of the conference center for a total State contribution of \$20,304,000. The additional funds will be raised by the sale of bonds in the amount of \$23,185,000 in June 2000. The bond proceeds will cover the State contribution for construction costs and interest-only payments for the years of construction. Bonds will be issued in an amount greater than what is required to cover the costs of construction to provide interest-only payments in fiscal 2001 and 2002. The interest-only payments of \$1,394,000 will be made during fiscal 2001 and 2002. Principal payments will commence in fiscal 2003. Average annual debt service increases from approximately \$1.6 million to \$2.1 million beginning in fiscal 2003 due to the increase in bond authorization allowed by the bill.

Local Fiscal Effect: Montgomery County will issue bonds to fund the additional \$3 million of its contribution. Debt service for the incremental bonds issuance will be approximately \$336,900 per year for the 20-year life of the bonds.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Stadium Authority, Montgomery County, Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2000
mld/jr Revised - House Third Reader - March 28, 2000
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