

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 323

(Senator Middleton)

Finance

Economic Matters

Maryland Food Center Authority - Technical Changes

This bill makes various changes relating to the Maryland Food Center Authority. It clarifies the membership of the authority; establishes new provisions regarding terms and voting; repeals provisions establishing an advisory council; repeals the limit on the amount of revenue bonds the authority may issue; modifies provisions relating to the use of proceeds from the sale of revenue bonds; and makes other various changes relating to revenue bonds issued by the authority.

Fiscal Summary

State Effect: Although the authority currently has no outstanding debt, repealing the revenue bond limit could result in an increase in revenue bonds issued in the future; nonbudgeted revenues and expenditures would increase correspondingly.

Local Effect: The bill would not directly affect local operations or finances.

Small Business Effect: Potential meaningful. To the extent the bill results in an increase in development activity in the future, small businesses in the wholesale food marketing and distribution industries would benefit.

Analysis

Current Law/Background: The Maryland Food Center Authority is a nonbudgeted agency that develops and oversees authority projects. These projects include the wholesale produce and wholesale seafood markets at the Maryland Food Center in Howard County and the Rock Hall Seafood Processing Plant in Kent County. The

authority's general administration department provides the projects with financial accounting, promotional activities, and expansion opportunities. Land sales, leases, and interest income pay for these services and other authority expenses. The authority uses market tenant rent and gate fees collected from customers to pay for 24-hour security, grounds keeping, and other maintenance activities at the market.

The authority is authorized to provide by resolution for the issuance of negotiable revenue bonds in an amount not to exceed \$25 million in the aggregate, for the purpose of paying all or part of the cost of developments or projects and for other specified purposes.

At the close of fiscal 2005, the authority had no long-term debt and a cash balance of approximately \$1.9 million. The Governor's proposed fiscal 2007 budget includes approximately \$4.4 million in nonbudgeted funds for the authority.

Additional Information

Prior Introductions: None.

Cross File: HB 881 (Delegate D. Davis) – Economic Matters.

Information Source(s): Maryland Food Center Authority, Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2006
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