
By: Delegates Exum, Howard, and Benson

Introduced and read first time: January 17, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Prince George's County - Greater Fairmount Heights**
3 **Economic Development Initiative**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$2,850,000,
5 the proceeds to be used as a grant to the Mayor and Town Council of the Town of
6 Fairmount Heights for certain acquisition, development, or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that the
8 Maryland-National Capital Park and Planning Commission provide and expend a
9 matching fund; and providing generally for the issuance and sale of bonds
10 evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Greater
15 Fairmount Heights Economic Development Initiative Loan of 1996 in a total principal
16 amount equal to the lesser of (i) \$2,850,000, or (ii) the amount of the matching fund
17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
18 issuance, sale, and delivery of State general obligation bonds authorized by a resolution of
19 the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117
20 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the
21 Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as a
23 single issue or may be consolidated and sold as part of a single issue of bonds under §
24 8-122 of the State Finance and Procurement Article.

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
26 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
27 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
28 the books of the Comptroller and expended, on approval by the Board of Public Works,
29 for the following public purposes, including any applicable architects' and engineers' fees:
30 as a grant to the Mayor and Town Council of the Town of Fairmount Heights for Phase
31 I of an economic development initiative, including land acquisition on Sheriff Road and
32 on Addison Road, lodge site development at the Sheriff Road site, and the relocation of
33 existing businesses in the Town of Fairmount Heights.

1 (4) An annual State tax is imposed on all assessable property in the State in rate
2 and amount sufficient to pay the principal of and interest on the bonds as and when due
3 and until paid in full. The principal shall be discharged within 15 years after the date of
4 issuance of the bonds.

5 (5) Prior to the payment of any funds under the provisions of this Act for the
6 purposes set forth in Section 1(3) above, the Maryland-National Capital Park and
7 Planning Commission shall provide and expend a matching fund. No part of the matching
8 fund may be provided, either directly or indirectly, from funds of the State, whether
9 appropriated or unappropriated. No part of the fund may consist of real property, in kind
10 contributions, or funds expended prior to the effective date of this Act. In case of any
11 dispute as to the amount of the matching fund or what money or assets may qualify as
12 matching funds, the Board of Public Works shall determine the matter and the Board's
13 decision is final. The Maryland-National Capital Park and Planning Commission has until
14 June 1, 1998, to present evidence satisfactory to the Board of Public Works that a
15 matching fund will be provided. If satisfactory evidence is presented, the Board shall
16 certify this fact and the amount of the matching fund to the State Treasurer, and the
17 proceeds of the loan equal to the amount of the matching fund shall be expended for the
18 purposes provided in this Act. Any amount of the loan in excess of the amount of the
19 matching fund certified by the Board of Public Works shall be canceled and be of no
20 further effect.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 June 1, 1996.