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**By: Senator Trotter**

Introduced and read first time: February 7, 1996

Assigned to: Rules

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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 County Executive and County Council of  
6 Prince George's County for certain acquisition, development, or improvement  
7 purposes; providing for disbursement of the loan proceeds, subject to a requirement  
8 that the grantee assume responsibility for the coordination and development,  
9 among certain entities, of a matching fund, and for the provision and expenditure of  
10 the matching fund; and providing generally for the issuance and sale of bonds  
11 evidencing the loan.

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

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

23 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
24 single issue or may be consolidated and sold as part of a single issue of bonds under §  
25 8-122 of the State Finance and Procurement Article.

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
27 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
28 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
29 the books of the Comptroller and expended, on approval by the Board of Public Works,  
30 for the following public purposes, including any applicable architects' and engineers' fees:  
31 as a grant to the County Executive and County Council of Prince George's County for  
32 Phase I of an economic development initiative, including land acquisition on Sheriff Road  
33 and on Addison Road, lodge site development at the Sheriff Road site, and the relocation  
34 of 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 grantee shall assume responsibility for the  
7 coordination of the development, among local governments, the federal government, and  
8 private groups and individuals, of a matching fund, and for the provision and expenditure  
9 of the matching fund. No part of the matching fund may be provided, either directly or  
10 indirectly, from funds of the State, whether appropriated or unappropriated. The fund  
11 may consist of real property, in kind contributions, or funds expended prior to the  
12 effective date of this Act. In case of any dispute as to the amount of the matching fund or  
13 what money or assets may qualify as matching funds, the Board of Public Works shall  
14 determine the matter and the Board's decision is final. The grantee has until June 1,  
15 1998, to present evidence satisfactory to the Board of Public Works that a matching fund  
16 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
17 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
18 equal to the amount of the matching fund shall be expended for the purposes provided in  
19 this Act. Any amount of the loan in excess of the amount of the matching fund certified  
20 by the Board of Public Works shall be canceled and be of no further effect.

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