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**By: Howard County Delegation**

Introduced and read first time: February 2, 1996

Assigned to: Commerce and Government Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 5, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Howard County - Economic Development Incentive Fund**

3 **Ho. Co. 12-96**

4 FOR the purpose of authorizing Howard County to establish an issuer fee for the  
5 issuance or refinancing of certain debt instruments; authorizing the County to  
6 provide certain exemptions; limiting the amount of issuer fees and the use of  
7 resulting revenues; establishing the Economic Development Incentive Fund if issuer  
8 fees are established; requiring that certain revenues be credited to the Fund;  
9 providing for the composition and use of the Fund; authorizing Howard County to  
10 enact certain legislation concerning administration of the Fund; and generally  
11 relating to the authority of Howard County to establish certain issuer fees and the  
12 establishment and administration of the Economic Development Incentive Fund for  
13 purposes of economic development.

14 BY adding to

15 The Public Local Laws of Howard County

16 Section 26.300 and 26.301 to be under the new subtitle "Subtitle 3. Economic

17 Development Incentive Fund Authorization"

18 Article 14 - Public Local Laws of Maryland

19 (1977 Edition and November 1995 Supplement, as amended)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

21 MARYLAND, That the Laws of Maryland read as follows:

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1           **Article 14 - Howard County**

2           SUBTITLE 3. ECONOMIC DEVELOPMENT INCENTIVE FUND AUTHORIZATION

3 26.300.

4           (A) IN THIS SUBTITLE, "REVENUE BONDS" MEANS BONDS AUTHORIZED  
5 UNDER THE MARYLAND ECONOMIC DEVELOPMENT REVENUE BOND ACT.

6           (B) (1) HOWARD COUNTY MAY ESTABLISH, BY LAW, AN ISSUER FEE FOR  
7 ISSUING OR REFINANCING REVENUE BONDS PURSUANT TO THE MARYLAND  
8 ECONOMIC DEVELOPMENT REVENUE BOND ACT.

9                   (2) AN ISSUER FEE ESTABLISHED UNDER THIS SUBSECTION:

10                           (I) MAY BE IN ADDITION TO ANY APPLICATION FEE; BUT

11                           (II) MAY NOT EXCEED THE LIMITS SPECIFIED IN THIS SECTION.

12                   (3) IN ENACTING A LAW ESTABLISHING AN ISSUER FEE, HOWARD  
13 COUNTY MAY EXEMPT FROM THE FEE CERTAIN CATEGORIES OF REVENUE BONDS.

14                   (4) REVENUES FROM THE ISSUER FEE MAY ONLY BE USED FOR THE  
15 PURPOSES AND IN THE MANNER SPECIFIED IN THIS SUBTITLE.

16           (C) (1) AN ISSUER FEE MAY NOT EXCEED:

17                           (I) FOR REVENUE BONDS PROVIDING INITIAL FINANCING, AN  
18 AMOUNT EQUAL TO 1/8 OF 1% PER ANNUM OF THE OUTSTANDING PRINCIPAL  
19 BALANCE OF THE BONDS (NOT TO EXCEED \$10,000,000), DISCOUNTED AT THE BOND  
20 YIELD TO THE DATE OF ISSUE OF THE BONDS; OR

21                           (II) FOR REVENUE BONDS USED TO REFUND EXISTING REVENUE  
22 BONDS, 1/4 OF 1% OF THE PRINCIPAL AMOUNT OF THE BONDS.

23                   (2) THE ISSUER FEE MAY NOT EXCEED AN AMOUNT THAT IS IN EXCESS  
24 OF THE AMOUNT ALLOWED UNDER THE ARBITRAGE LIMITATIONS UNDER THE  
25 INTERNAL REVENUE CODE AND REGULATIONS ADOPTED UNDER THE INTERNAL  
26 REVENUE CODE.

27           (D) IF THE COUNTY ESTABLISHES AN ISSUER FEE, THE DIRECTOR OF  
28 FINANCE SHALL PLACE ALL REVENUE COLLECTED THROUGH THE FEE IN THE  
29 ECONOMIC DEVELOPMENT INCENTIVE FUND.

30 26.301.

31           (A) IF THE COUNTY ESTABLISHES AN ISSUER FEE UNDER § 26.300 OF THIS  
32 SUBTITLE, THERE IS ESTABLISHED A NONREVERTING SPECIAL REVENUE FUND  
33 KNOWN AS THE ECONOMIC DEVELOPMENT INCENTIVE FUND.

34           (B) THE ECONOMIC DEVELOPMENT INCENTIVE FUND CONSISTS OF:

35                   (1) ISSUER FEES ESTABLISHED UNDER § 26.300 OF THIS SUBTITLE; AND

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1                   (2) OTHER MONEY APPROPRIATED TO THE FUND THROUGH THE  
2 COUNTY'S BUDGETARY PROCESS.

3                   (C) THE ECONOMIC DEVELOPMENT INCENTIVE FUND MAY BE USED:

4                   (1) TO RETAIN, EXPAND, OR RELOCATE EXISTING BUSINESSES IN THE  
5 COUNTY; AND

6                   (2) FOR PURPOSES CONSISTENT WITH ITEM (1) OF THIS SUBSECTION, AS  
7 PART OF A MATCHING REQUIREMENT TO OBTAIN FUNDING OR FINANCING FROM A  
8 STATE AGENCY OR ENTITY AFFILIATED WITH STATE GOVERNMENT.

9                   (D) HOWARD COUNTY MAY ENACT A LOCAL LAW TO ADMINISTER THE USE  
10 OF MONEY FROM THE ECONOMIC DEVELOPMENT INCENTIVE FUND.

11                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 July 1, 1996.