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

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

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

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

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

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

26.301.

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

(B) THE ECONOMIC DEVELOPMENT INCENTIVE FUND CONSISTS OF:

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

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

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

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

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

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

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

Approved May 23, 1996.