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Secretary of State
Certificate and Order for Filing
TEMPORARY ADMINISTRATIVE RULES
A Statement of Need and Justification accompanies this form..

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I certify that the attached copies* are true, full and correct copies of the TEMPORARY Rule(s) adopted on Nov. 19, 2007 by the

Oregon State Treasury Debt Management Division		Chapter 170
Agency and Division		Administrative Rules Chapter Number
Sally Furze	350 Winter St. NE, Suite 100, Salem, OR 97301	503-378-4990
Rules Coordinator	Address	Telephone
to become effective November 19, 2007	through April 15, 2008.	

RULE CAPTION

Allocation of Private Activity Bond Limit
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

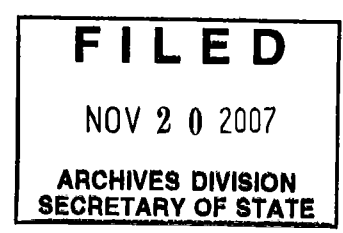
List each rule number separately, 000-000-0000.

Secure approval of new rule numbers (Adopted rules) with the Administrative Rules Unit prior to filing

ADOPT:

AMEND: 170-071-0005

SUSPEND:



Stat. Auth.: ORS 286.615

Other Auth.:

Stats. Implemented: ORS 286.615

RULE SUMMARY

The rule changes (1) clarify the Private Activity Bond Committee's policy of allowing carry forward allocations for specific projects/purposes or for a qualifying class of projects to be further allocated by the requestor, (2) revise the time period for acceptance of cap allocation requests to allow for more efficient timing of meetings of the Committee, and (3) bring the administrative rules for PAB allocations into compliance with HB 3265 which becomes effective on January 1, 2008.

	Sally Furze	November 19, 2007
Authorized Signer	Printed name	Date

*With this original and Statement of Need, file one photocopy of certificate, one paper copy of rules listed in Rulemaking Actions, and electronic copy of rules. ARC 940-2005

OST 2-2007(Temp)

STATEMENT OF NEED AND JUSTIFICATION

A Certificate and Order for Filing Temporary Administrative Rules accompanies this form.

Oregon State Treasury Debt Management Division

Chapter 170

Agency and Division

Administrative Rules Chapter Number

In the Matter of:: OAR 170-071-0005

Rule Caption: Allocation of Private Activity Bond Limit

Statutory Authority: ORS: ORS 286.615

Other Authority:

Stats. Implemented: ORS 286.615

Need for the Temporary Rule(s):

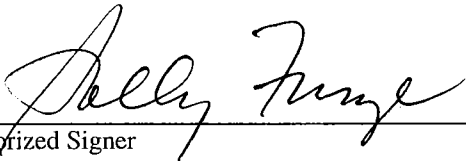
The rule changes (1) clarify the Private Activity Bond Committee's policy of allowing carry forward allocations for specific projects/purposes or for a qualify class of projects to be further allocated by the requestor, (2) revise the time period for acceptance of cap allocation requests to allow for more efficient timing of meetings of the Committee, and (3) bring the administrative rules for PAB allocations into compliance with HB 3265 which becomes effective on January 1, 2008.

Documents Relied Upon, and where they are available:

Not applicable

Justification of Temporary Rule(s):

To facilitate the Private Activity Bond Committee's intention to consider 2008 cap allocation requests at the regularly scheduled carry forward meeting in January 2008, enhancing Committee effectiveness and efficiency.



Authorized Signer

Sally Furze

Printed name

November 19, 2007

Date

DIVISION 71
PRIVATE ACTIVITY BOND COMMITTEE
Private Activity Bonds

170-071-0005

Allocation of Private Activity Bond Limit

(1) Definitions:

(a) "Committee" means the Private Activity Bond Committee established pursuant to ORS 286.615.

(b) "Issuer" has that meaning given to it by ORS 286.605.

(c) "Private Activity Bonds" has the meaning given in Section 141 of the Internal Revenue Code of 1986.

(2) Meetings of the Committee. Committee meetings will be held as necessary, and on dates determined by the Committee to be consistent with the efficient allocation of the state's private activity bond volume limit (CAP), with public notice given as required by law. Committee meetings are open to the general public and may be held in any location permitted under the public meetings law, ORS 192.610 to 192.690, where the Committee deems appropriate. The Committee reserves the right to change its meeting schedule as allowed by the Oregon Public Meetings Law.

(3) Allocation Requests. Applications for current year CAP must be submitted no earlier than 30 days prior to the year for which the allocation is requested. Requests must be received no later than 10 business days before the scheduled meeting of the Committee at which the request is to be considered. Private activity bond issuers not specifically granted CAP by the legislature must submit requests for CAP to the Committee. Issuer's who have been granted a CAP allocation by the legislature may also apply to the Committee for additional CAP. CAP requests may be made for a specific project or for an amount to be further allocated by the requestor among a class of projects or activities that meet the allocation criteria. CAP requests and all communications must be sent to the Committee's address (Office of the State Treasurer, Debt Management Division, 350 Winter Street NE, Suite 100, Salem, Oregon 97301-3896; email "DMD@ost.state.or.us") and include:

(a) name of the governmental bond issuer,

(b) title of the obligation to be issued,

(c) principal amount of the obligation,

- (d) amount of the allocation request,
- (e) date of any purchase commitment if such commitment has been made,
- (f) name and address of the original purchaser(s) of the obligation if such purchase has been made,
- (g) name, address and phone number of the principal user(s) of the proceeds from the issue,
- (h) anticipated sale date of the issue,
- (i) anticipated closing date of the issue,
- (j) name, address and phone number of bond counsel,
- (k) section and paragraph of the Internal Revenue Code, as identified by bond counsel, under which the bonds are deemed private activity bonds,
- (l) how the project or activity for which an allocation is requested meets statutory standards,
- (m) expected number of family wage jobs created or saved as a result of the allocation,
- (n) expected number of housing units to be constructed or renovated as a result of the allocation, (describe how the affordability requirements of the Internal Revenue Code and your local requirements, if applicable, are to be met) and
- (o) any additional material, as required by the Committee, in support of the requested allocation.

(4) Allocation Standards. The purpose of private activity bonding in this state is to maximize the economic benefits of such bonding to the citizens of this state. To this end, the Committee shall make allocations that are expected to further economic development, housing, education, redevelopment, public works, energy, waste management, transportation and other activities that the Committee determines will benefit the citizens of the state. The Committee, in determining whether an allocation is made to a project or class of projects or activities, will consider criteria including but not limited to the following:

- (a) support projects that increase the number of family wage jobs in Oregon,
- (b) promote economic recovery in small cities heavily dependent on a single industry,
- (c) emphasize development in underdeveloped rural areas of this state,

- (d) utilize educational resources available at institutions of higher education,
- (e) support development of the state's small businesses, especially businesses owned by women and members of minority groups,
- (f) encourage use of Oregon's human and natural resources in endeavors, which harness Oregon's economic comparative advantages.

(5) Decision Factors. The Committee shall consider the following factors in reaching its allocation decision:

- (a) amount of CAP remaining within the Committee's allocation discretion and the total amount of unused CAP remaining at the time the request is received,
- (b) amount of allocation requested,
- (c) whether the project(s) or activities promote one of the standards listed in section (4) of this rule, and
- (d) type of bond issuer making the request.

(6) Allocation Methods. (a) The Committee may grant more or less than the originally requested amount of CAP. Issuers must submit requests in the form and manner described in section (3) of this rule.

(b) At the Committee's discretion, a portion of their CAP may be reserved for the last six months of the calendar year.

(7) Committee Decision Final. Issuers have the right to submit additional information, germane to their request, to the Committee at its meeting described in section (6) of this rule. Action of the Committee is final, however, if a CAP request is denied, a new application may be re-submitted through the procedures outlined in this rule.

(8) Post-Allocation Report. Issuers to whom CAP allocations have been made under this rule must submit to the Committee, within 150 days after receiving such allocation or by December 15 of the current calendar year, whichever is earliest, a confirmation of bond closing. In the event an issuer fails to file written confirmation of bond closing as required by this section, the CAP allocation shall automatically lapse. Bond closing confirmations must be delivered to the Committee address and includes:

- (a) name of the governmental bond issuer,
- (b) title of the obligation issued,
- (c) principal amount of the obligation issued and allocation used,

(d) date of closing,

(e) date of the bond allocation,

(f) name and address of the individual submitting the bond closing confirmation, and

(g) any additional material, which may be required by the Committee in support of the closing confirmation.

(9) Lapse or Extension of Allocation. Lapse of an allocation does not preclude the issuer from applying for a subsequent allocation for the same project. Issuers may, under compelling circumstances, request an extension of time to their initial 150-day period. Such requests must be filed with the Committee for approval or denial of the extension. All CAP allocations automatically lapse on December 15 of the calendar year for which the allocation is made, unless the issuer who has received the allocation files with the Committee a binding commitment to purchase and close the bond issue on or before December 31.

(10) Carry Forward Allocations.

(a) The Committee, on behalf of the state's agencies, commissions, and governmental units, may elect to carry forward all unused CAP. To receive a carry forward CAP allocation, an issuer must file a carry forward request with the Committee before December 15 and after September 30 of the current calendar year. The Committee will require information necessary for it to determine whether such carry forward request qualifies under the Internal Revenue Code and associated regulations. The Committee, not later than January 31 of the following year, shall make carry forward allocations to eligible issuers for specified purposes or for an amount to be further allocated by the requestor among a class of projects or activities that meet the allocation criteria. Carry forward requests must include the information required in section (3) of this rule.

(b) An issuer receiving a carry forward allocation must forward to the Internal Revenue Service a document indicating the carry forward election made to that issuer by the Committee, in such manner and format proscribed by the Internal Revenue Service and any relevant state or federal regulations.

(c) It is the responsibility of the issuers to whom carry forward CAP is granted to file Form 8328 "Carry Forward Election of Unused Private Activity Bond Volume Cap" with the Internal Revenue Service Center, Ogden, UT 84201 on or before February 15 of the year in which the carry forward is granted, in order to validate the carry forward with the federal government. A signed copy of the issuer's filing with the Internal Revenue Service must also be sent to the Committee on or before February 15 of the year in which the carry forward CAP is granted.

(d) Use Report. Issuers to whom carry forward CAP is granted must submit to the Committee, within 30 days of closing, a confirmation of CAP use and bond closing information including:

(A) name of the governmental bond issuer,

(B) title of the obligation issued,

(C) principal amount of the obligation issued and allocation used,

(D) date of closing,

(F) date of the bond allocation,

(G) name and address of the individual submitting the bond closing confirmation, and

(H) any additional material, which may be required by the Committee in support of the closing confirmation.

(11) Annual Needs Survey. The Committee during the final quarter of each calendar year will inquire of the private activity bond issuers of the state as to their anticipated private activity bond issuance and the need for private activity bond allocation in the ensuing year. To be taken into consideration by the Committee for future allocation issuers should provide their information to the Committees address on or before December 15 of the calendar year prior to the year for which private activity bond projections are made.

(12) The Committee may allocate amounts, subject to the standards set forth in subsection (4) of this rule, among issuers without a request for allocation from the issuer in the event additional bond limit becomes available, because of changes in federal law or otherwise, that has not been specifically allocated to an issuer by the Legislative Assembly.

(13) Exceptions. The Committee, at its discretion, may waive any or all provisions of this rule.

Statutory Authority: ORS 286.615

Statutes Implemented: ORS 286.615