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Issuance of Private Activity Bonds

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Issuance of Private Activity Bonds

Sec. 32-141-1. Definitions

As used in Sections 32-141-1 to 32-141-3, inclusive, the following terms have the meaning ascribed to them in this section.

“Private activity bonds” means any bonds or notes which meet the criteria set forth in section 141 of the Internal Revenue Code of 1986, as amended, the interest on which is exempt from tax under Section 103 of the Internal Revenue Code of 1986, as amended, except for those bonds which are specifically excluded from the state ceiling under the terms of Section 146 of the Internal Revenue Code of 1986, as amended.

“Secretary” means the Secretary of the Office of Policy and Management.

“State ceiling” means the limit which is prescribed by Section 146 of the Internal Revenue Code of 1986, as amended, on the amount of private activity bonds which may be issued collectively by all state issuers in any calendar year.

“State issuer” means the state or any political subdivision thereof, any municipality or any political subdivision thereof or any department, agency, authority or other body of the state or any municipality, which is authorized to issue private activity bonds.

(Effective August 23, 1988)

Sec. 32-141-2. Issuance of private activity bonds by municipalities

(a) Any municipality or political subdivision, department, agency, authority or other body of a municipality shall obtain the written approval of the secretary of the office of policy and management prior to the issuance of any private activity bonds. Applications for such approval shall include:

- (1) The exact legal name of the prospective issuer;
- (2) The exact amount of private activity bonds that are proposed to be issued;
- (3) The prospective date of such issuance;
- (4) The purpose for which such bonds will be issued; and
- (5) The statutory authorization for the issuance of such bonds by the issuer.

(b) Within fourteen days of receipt of an application, the secretary shall notify the applicant in writing of his approval or disapproval. The secretary shall approve the request if he finds that: (1) the application for approval is complete; (2) an allocation from the portion of the state ceiling reserved for municipalities under Section 32-141 of the General Statutes, as amended by Section 2 of Public Act 87-539, is available and that the needs for such allocations by all other municipalities which have applied, have been or can be satisfied; and (3) the applicant intends to use the proceeds of the bond issuance to carry out legislatively determined public purposes.

(c) Any approval to a municipality or political subdivision, department, agency, authority or other body of a municipality to issue private activity bonds shall terminate ninety days after such approval has been granted. If the bonds for which approval to issue has been granted by the secretary have not been sold within such ninety days, the issuer must reapply to the secretary for approval to issue.

(Effective August 23, 1988)

Sec. 32-141-3. Issuance of private activity bonds from the allocation for contingencies

(a) Any state issuer shall obtain the written approval of the secretary prior to the issuance of private activity bonds which are allocated from the portion under the

state ceiling reserved for contingencies under Section 32-141 of the General Statutes, as amended by Section 2 of Public Act 87-539. Applications for such approval shall include:

- (1) The exact legal name of the prospective issuer;
- (2) The exact amount of private activity bonds that are proposed to be issued;
- (3) The prospective date of such issuance;
- (4) The purposes for which such bonds will be issued; and
- (5) The statutory authorization for the issuance of such bonds by the issuer.

(b) Within fourteen days of receipt of an application, the secretary shall notify the applicant in writing of his approval or disapproval. The secretary shall approve the request if he finds that: (1) the application for approval is complete; (2) an allocation from such portion reserved for contingencies is available and that the needs for such allocations by all other state issuers which have applied have been or can be satisfied; and (3) the applicant intends to use the proceeds of the bond issuance for purposes which the secretary deems to be in the best interest of the state.

(c) Any approval to a state issuer to issue private activity bonds which are allocated from such portion of the state ceiling reserved for contingencies shall terminate ninety days after such approval has been granted. If the bonds for which approval has been granted by the secretary have not been sold within such ninety days, the issuer must reapply to the secretary for approval to issue.

(Effective August 23, 1988)