

STATEMENTS OF POLICY

Title 13—COMMERCE AND TRADE

DEPARTMENT OF COMMERCE

[13 PA. CODE CH. 55]

Private Activity Bonds

The Department of Commerce (Department) amends § 55.5 (relating to allocations of tax-exempt bond authority) to read as set forth in Annex A. The statement of policy is amended under authority of section 7(4) of the Tax-Exempt Bond Allocation Act (act) (73 P. S. § 397.7(4)).

Background

The Federal Internal Revenue Code of 1986 (IRC) imposes a State ceiling on the aggregate amount of private activity bonds that may be issued in each calendar year by or on behalf of the Commonwealth and its political subdivisions.

The General Assembly adopted the act in 1985 to provide for the allocation of the State ceiling. The act authorizes the Secretary of Commerce to publish as statements of policy the county-by-county allocations.

The amended statement of policy provides for the 1996 allocation of the State ceiling. The amendment is needed because the current statement of policy provides allocations only for calendar year 1995.

Amendments

Section 55.5 is amended to establish the private activity bond allocations for calendar year 1996.

Fiscal Impact

The amended statement of policy has no fiscal impact on the Commonwealth, political subdivisions or the public. The amended statement of policy does not affect the total dollar amount of private activity bonds, as these ceilings are determined by Federal law. No Commonwealth funds are involved in the issuance of private activity bonds. All costs of bond issuance are paid for by bond proceeds or through funds of the issuer or borrower. The amended statement of policy will result in the use of private activity bonds to their maximum benefit, thereby increasing available resources.

Paperwork Requirements

Additional paperwork requirements are not imposed as a result of the amended statement of policy.

Contact Person

For further information regarding the amended statement of policy, contact Jill B. Busch, Deputy Chief Counsel, Office of Chief Counsel, Department of Commerce, Room 416 Forum Building, Harrisburg, PA 17120, (717) 783-8452.

Finding

The Department finds that delay in implementing the statement of policy will have a serious adverse impact on the public interest.

Order

The Department, acting under the authorizing statute, orders that:

(a) The statement of policy of the Department, 13 Pa. Code Chapter 55, is amended by amending § 55.5 to read as set forth in Annex A, with ellipses referring to the existing text of the section.

(b) The Secretary of Commerce shall submit this order and Annex A to the Office of General Counsel for approval as to form and legality as required by law.

(c) The Secretary of Commerce shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(d) This order shall take effect upon publication in the *Pennsylvania Bulletin*.

THOMAS B. HAGEN,
Secretary

Fiscal Note: 4-59. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 13. COMMERCE AND TRADE

PART I. DEPARTMENT OF COMMERCE

CHAPTER 55. PRIVATE ACTIVITY BONDS—STATEMENT OF POLICY

§ 55.5. Allocations of tax-exempt bond authority.

The act allocates the Commonwealth's tax-exempt bond authority to five categories as follows:

(1) *Housing related bonds.* An amount equal to \$175 million will be allocated for housing related bonds, including qualified residential rental projects and qualified mortgage bonds as defined by sections 142(d) and 143(a) of the Internal Revenue Code (26 U.S.C.A. §§ 142(d) and 143(a)). Requests to apply the housing related bond allocation to specific projects or uses, including mortgage credit certificate programs, will be reviewed and may be approved or disapproved by the Board of the Housing Finance Agency. Application for housing related bond allocations shall be made to the Executive Director of the Housing Finance Agency.

(2) *Qualified student loan bonds.* No amount will be allocated to the Pennsylvania Higher Education Assistance Agency for qualified student loan bonds provided by section 144(b) of the Internal Revenue Code (26 U.S.C.A. § 144(b)).

(3) *Qualified small issue bonds.* An amount equal to \$152,600,000 will be allocated for qualified small issue bonds under section 144(a) of the Internal Revenue Code. This amount will be allocated in accordance with the formula in § 57.1(d) (relating to allocations). Requests to apply this allocation to specific projects or uses will be reviewed and may be approved or disapproved by the Secretary. Application for allocations shall be made to the Bonds Office in the Department. The Secretary will provide allocations for qualified small issue bonds utilizing the procedure and subject to the requirements in § 57.3 (relating to procedures).

<i>County</i>	<i>Allocation</i>
Adams	\$400,000
Allegheny	\$4,597,190
Armstrong	\$400,000
Beaver	\$400,000
Bedford	\$3,244,377
Berks	\$8,780,505

STATEMENTS OF POLICY

<i>County</i>	<i>Allocation</i>	<i>County</i>	<i>Allocation</i>
Blair	\$5,672,503	Perry	\$677,500
Bradford	\$400,000	Philadelphia	\$4,325,795
Bucks	\$7,274,234	Pike	\$400,000
Butler	\$400,000	Potter	\$400,000
Cambria	\$920,313	Schuylkill	\$9,082,286
Cameron	\$400,000	Snyder	\$400,000
Carbon	\$2,481,251	Somerset	\$400,000
Centre	\$712,188	Sullivan	\$400,000
Chester	\$10,879,100	Susquehanna	\$400,000
Clarion	\$400,000	Tioga	\$989,688
Clearfield	\$1,024,375	Union	\$400,000
Clinton	\$400,000	Venango	\$400,000
Columbia	\$400,000	Warren	\$400,000
Crawford	\$400,000	Washington	\$3,730,002
Cumberland	\$5,173,003	Wayne	\$400,000
Dauphin	\$400,000	Westmoreland	\$8,312,917
Delaware	\$1,068,082	Wyoming	\$400,000
Elk	\$1,093,750	York	\$2,771,238
Erie	\$9,696,256	Total	\$152,600,000
Fayette	\$400,000		
Forest	\$400,000		
Franklin	\$5,530,284		
Fulton	\$746,875		
Greene	\$400,000		
Huntingdon	\$400,000		
Indiana	\$400,000		
Jefferson	\$1,371,251		
Juniata	\$400,000		
Lackawanna	\$400,000		
Lancaster	\$1,648,751		
Lawrence	\$400,000		
Lebanon	\$3,972,815		
Lehigh	\$400,000		
Luzerne	\$4,926,721		
Lycoming	\$5,176,472		
McKean	\$712,188		
Mercer	\$1,610,594		
Mifflin	\$400,000		
Monroe	\$400,000		
Montgomery	\$15,696,243		
Montour	\$400,000		
Northampton	\$1,301,876		
Northumberland	\$3,799,377		

(4) *Other qualified private activity bonds.* An amount equal to \$225 million will be allocated to other qualified private activity bonds, including qualified redevelopment bonds as defined by section 144(c) of the Internal Revenue Code, exempt facility bonds as defined by section 142 (excluding section 142(d)) of the Internal Revenue Code, and enterprise zone bonds as defined by section 1394 of the Internal Revenue Code, all of which are subject to the volume cap provided by section 146 of the Internal Revenue Code (26 U.S.C.A. § 146). Requests to apply this allocation to specific projects or uses will be reviewed and may be approved or disapproved by the Secretary. Applications for allocations shall be made to the Bonds Office in the Department. An allotment of at least 25% of the allocation provided in this paragraph is reserved for solid waste disposal projects.

* * * * *

[Pa.B. Doc. No. 96-1013. Filed for public inspection June 21, 1996, 9:00 a.m.]