

## Private Activity Bond Authority

The Private Activity Bond Authority Review Board is charged with managing the State's volume cap for the following programs: Private Activity Bond Authority Program, Recovery Zone Bond Program and the Qualified Energy Conservation Bond Program.

### Private Activity Bond Authority Program

The Private Activity Bond Program (PAB) is Utah's tax-exempt bonding authority, which creates a lower cost, long-term source of capital under the Federal Tax Act of 1986. The PAB Program runs on a calendar year from January 1-December 31. Following is the project recap for 2010.

Category	Number of Projects	Volume Cap Allocation
Multi-Family Housing	1 (plus add'l cap given to two previously funded projects)	\$28,175,000
Manufacturing	4	\$26,800,000
Single Family Housing		\$114,985,500
Student Loans		\$90,345,750
<b>TOTALS</b>	<b>5</b>	<b>\$260,306,250</b>

### Recovery Zone Bonds

The America Recovery and Reinvestment Act (ARRA) authorized a national volume cap of \$25 billion for the Recovery Zone Bond (RZB) Program. Each state's volume cap allocation was based on the decline in employment in 2008 as determined by the U.S. Treasury and received at least the minimum of 0.9% of the national volume cap. The RZB Program is divided into two categories: Recovery Zone Economic Development Bonds (RZEDB) and Recovery Zone Facility Bonds (RZFB). RZEDB are a special category of Build America Bonds that are issued for public entities in economically distressed areas. RZFB allow a municipality to finance private business type improvements on a tax-exempt basis that could not otherwise be financed.

Utah's portion of the RZB Program was \$225,000,000; \$90,000,000 in RZEDB and \$135,000,000 in RZFB. Suballocations were automatically made by the U.S. Treasury to any city or county within the state, with a population of at least 100,000, which met the employment decline figures. Suballocates not able to use their volume cap waived it back to the State for reallocation. The program ended on December 31, 2010. Recap of the projects funded are as follows:

Category	Number of Projects	Volume Cap Allocation
Economic Development	9	\$86,998,000
Facility	10	\$90,900,500
<b>TOTALS</b>	<b>19</b>	<b>\$177,898,500</b>

### **Qualified Energy Conservation Bonds**

The American Recovery and Reinvestment Act (ARRA) of 2009 amended the Energy Improvement and Extension Act of 2008 and increased the volume cap for Qualified Energy Conservation Bonds (QECB) from \$800 million to \$3.2 billion. Volume cap was allocated to States in proportion to their population with Utah receiving \$28,389,000. By law, Utah was required to allocate a portion of its volume cap to any large local government with a population totaling over 100,000 and any Indian Tribal Government, which is treated as a large local government, regardless of their total population.

QECB are taxable bonds issued for "qualified conservation purposes" and the U.S. Treasury provides a 70% tax credit to bondholders. After the initial distributions, the State had \$3,848,376 in volume cap for allocation to projects approved by the PAB Review Board. Suballocatees not able to use their volume cap can waive it back to the State. There is no sunset date on this program. Below is the usage of QECB by December 31, 2010.

<b>Category</b>	<b>Number of Projects</b>	<b>Volume Cap Allocation</b>
QECB	2	\$5,000,966