



C.L. "BUTCH" OTTER
GOVERNOR

*EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE*

EXECUTIVE ORDER NO. 2010-08

**AMENDING AND RESTATING EXECUTIVE ORDER NO. 2009-15 CONTINUING A
SYSTEM FOR ALLOCATING VOLUME CAP FOR RECOVERY ZONE BONDS IN
THE STATE CONSISTENT WITH THE PROVISIONS OF THE U.S. INTERNAL
REVENUE CODE OF 1986**

WHEREAS, Sections 1400U-1 through U-3 of the U.S. Internal Revenue Code of 1986 (the "Code") provide that until January 1, 2011 certain bonds can be issued for Projects in Recovery Zones, and subjects such recovery zone bonds to volume limitations or "volume cap" (the "Volume Cap"); and

WHEREAS, the Code, as amended, provides a formula for allocations of such Volume Cap, and in order to provide for the implementation and administration of the formula for allocation of the Volume Cap among the state and its issuing authorities, it is necessary and desirable to issue this Executive Order; and

WHEREAS, on July 30, 2009, Executive Order No. 2009-15 (the "Prior Executive Order") was issued providing for the said Volume Cap allocations and now it is desirable to amend and restate the Prior Executive Order to include provisions for deemed waiver by eligible counties and the City of Boise in Idaho (the "Municipalities") of the allocations of Volume Cap back to the Idaho Department of Commerce for further allocation for eligible projects in the State.

NOW, THEREFORE, I, C.L. "BUTCH" OTTER, Governor of the State of Idaho, by the power vested in me by the Constitution and laws of the State of Idaho, do hereby order and proclaim:

Section 1: As used in this Executive Order:

- (1) "Allocation Dollars" means the dollar amount of the Volume Cap expressed in terms of dollars. Each allotment dollar equals one dollar of Volume Cap that may be allocated under this Executive Order.
- (2) "Bonds" means the Recovery Zone Bonds for which an allocation of the Volume Cap is required by the Code.
- (3) "Code" means the Internal Revenue Code of 1986, as amended by the American Recovery and Reinvestment Act of 2009, and any related regulations including without limitation the Notice, all as may be amended or supplemented.
- (4) "Department" means the Department of Commerce of the State.
- (5) "Director" means the director of the Department or such other official or officials of the Department as the director shall designate to carry out the duties of the director set forth in this Executive Order.
- (6) "Form 8038" means Department of the Treasury tax form 8038 (OMB NO. 1545-0720) or any other federal tax form or other method of reporting required by the Department of the Treasury under Section 149(e) of the Code.

- (7) "Initial Allocation" means one of the initial allocations established under Section 4(1) hereof.
- (8) "Issuing Authority" means
- (a) any county, city or port district;
 - (b) any public corporation created pursuant to Section 50-2703 of the Idaho Code, or other entity acting on behalf of one or more counties, cities, or both;
 - (c) the Idaho Housing and Finance Association;
 - (d) the State; or
 - (e) any other entity authorized to issue Bonds in the State.
- (9) "Municipality" means a county or city receiving an Initial Allocation.
- (10) "Notice" means IRS Notice 2009-50, as amended, revised or supplemented.
- (11) "Program" means the program to be financed in whole or in part with the proceeds of the sale of Bonds.
- (12) "Project" means the facility to be financed in whole or in part with the proceeds of sale of Bonds.
- (13) "Recovery Zone" means an area of the State as determined in accordance with the Code and Notice.
- (14) "Recovery Zone Bonds" means Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds as provided in the Code and Notice.
- (15) "Recovery Zone Economic Development Bonds" means bonds issued in accordance with the Code and the Notice for qualified economic development purposes for state or local government facilities as further provided in the Code and the Notice.
- (16) "Recovery Zone Facility Bonds" means bonds issued in accordance with Code and the Notice for Recovery Zone property as further provided in the Code and Notice.
- (17) "State" means the state of Idaho, any of its agencies, instrumentalities, institutions and divisions authorized to issue Bonds under State law.
- (18) "Subsequent State Allocation" means an allocation of Volume Cap by the Department acting for the State of all or a portion of Initial Allocations returned to the State by waiver or deemed notice under the Code and Notice.
- (19) "Ultimate Beneficiary" means the ultimate beneficiary of the Volume Cap as provided in the Code and Notice.
- (20) "Volume Cap" means the volume cap for Recovery Zone Bonds for the State as computed under Sections 1400U-1 through U-3 of the Code, the Notice and related regulations.

Section 2. The Volume Cap is allocated in accordance with the procedures set forth in this Executive Order. An Initial Allocation of the Volume Cap which has been waived or deemed waived and thereby returned to the State in accordance with the Code and/or Notice may be obtained by submitting an application to the Director in accordance with Section 3, as appropriate. The Director shall evidence a grant of an allocation of the Volume Cap by issuing a certificate of such allocation in accordance with Section 4, as appropriate. The Department may

seek and obtain waivers of Initial Allocations from applicable counties or municipalities that choose not to make their own allocations under the Code and Notice and allow the Department to make Subsequent State Allocations hereunder. Such waivers may include conditions regarding the Subsequent State Allocations.

Section 3.

(1) In the event an Initial Allocation is waived, deemed waived or returned in accordance with the Code and/or Notice, any Issuing Authority or Ultimate Beneficiary shall, prior to the issuance of such Bonds, submit an application to the Director which contains the following information and attachments:

- (a) the name of the Issuing Authority or Ultimate Beneficiary;
- (b) the mailing address of the Issuing Authority or Ultimate Beneficiary;
- (c) the tax identification number of the Issuing Authority or Ultimate Beneficiary;
- (d) the name, title and office telephone number of the official of the Issuing Authority or Ultimate Beneficiary to whom notices should be sent and from whom information can be obtained;
- (e) the principal amount of Bonds proposed to be issued for which an application for an allocation of the Volume Cap is requested;
- (f) the nature, the purpose and the specific location of the Project or the type of Program;
- (g) the initial owner or user of the Project, if other than the Issuing Authority or Ultimate Beneficiary;
- (h) a copy of a valid and fully executed resolution or similar official action of the Issuing Authority evidencing its intention to issue Bonds for the Project;
- (i) with respect to Bonds, the anticipated date on which the Bonds are expected to be sold and the anticipated date on which the closing or final transaction with respect to the issuance and sale of the Bonds is expected to occur;
- (j) the name, address, and telephone number of all parties to the transaction;
- (k) that the Bonds are expected to be issued under the Code and Notice and including a copy of a letter from the purchaser or underwriter of the Bonds confirming the expected issuance date;
- (l) that the Project or Program is located in a Recovery Zone and that the Project will be accomplished in accordance with the Code and Notice;
- (m) such information as the applicant may wish to submit in order to demonstrate the need for, and economic impact of, its Program or Project in the State, together with any information which demonstrates how its Program or Project will effectively utilize and efficiently distribute resources throughout the State;and
- (n) any other information or attachments reasonably required by the Director.

(2) The Director shall

- (a) establish the form of application for requests for allocations of the Volume Cap, which form shall contain the information required by Section 3(1), and

(b) make such forms available to the public upon request.

(3) The Director shall be under no obligation to process any application that is incomplete. Any application submitted by an Issuing Authority or Ultimate Beneficiary that the Director does not process shall be returned by the Director on or before the fifteenth day after receipt thereof with a brief explanation as to why the application was not processed.

Section 4.

(1) Allocations of Volume Cap shall initially be made to eligible counties and large municipalities in the amounts as set forth in section 12 below which are the amounts determined by the Internal Revenue Service under the Notice (collectively, the “Initial Allocations”) to be further allocated by said entities as provided in the Code and Notice. Such Initial Allocation shall be permanent unless such Initial Allocation is returned to the State because it is waived or deemed waived or otherwise as provided in the Code and Notice:

(a) In accordance with the Code and Notice, the State’s national allocation of Volume Cap Allocation Dollars is hereby allocated to Recovery Zones throughout the State, as Initial Allocations as provided in section 12 below;

(b) The above Initial Allocations shall be in effect until the same are waived or deemed waived or otherwise returned to the State Department of Commerce in accordance with the Code and Notice. If an Initial Allocation is not allocated to an Ultimate Beneficiary or returned to the Department by July 1, 2010 such Initial Allocation shall be deemed waived to the Department as of said date. Not later than August 1, 2010, each Municipality shall notify the Department of any allocations to Ultimate Beneficiaries under its Initial Allocation by transmitting a copy of such Municipality’s Certificate of Allocation for such Ultimate Beneficiary. Each Ultimate Beneficiary of a Certificate of Allocation shall furnish to the Municipality and to the Department a copy of the IRS reporting form for the Bonds to be issued under the Certificate of Allocation. In the event that Bonds are not issued pursuant to such Certificate of Allocation, the Municipality shall so notify the Department and such amount of Bonds shall be deemed waived back to the Department.

(c) The Director shall track the use of the Initial Allocations as described in section 4(1)(b) above.

(d) Thereafter, Subsequent State Allocations shall be made based first on need, economic impact and efficient distribution of resources as determined by the Department and within that determination, and then in the chronological order in which they are received as provided in Section 3, subject to any conditions which may be set forth in any voluntary waiver by the applicable county or municipality of an Initial Allocation.

(2) Except as otherwise provided in this Executive Order, on or before the fifteenth day after receipt by the Director of an application for a Subsequent State allocation of the Volume Cap under Section 3 above, the Director shall, if the application is in satisfactory order, the Director will make the requested allocation in the amount so requested, and certify to the Issuing Authority applying for the allocation that an allocation has been made, the amount of such allocation. Certificates of allocation evidencing the granting of an allocation by the Director in accordance with the preceding sentence, shall be issued by the Director, first based on a determination of need, economic impact and efficient use of resources as determined by the Department, and then in the chronological order in which completed applications are received subject to any conditions which may be set forth in the waiver of Initial Allocation executed by the applicable county or municipality.

(3) Every allocation of the Volume Cap by application under Section 3 shall remain effective until, and including, the earlier of

(a) a date to be determined by the Director but not to exceed 180 days after the date on which such allocation was made,

(b) 12:00 o'clock midnight on December 31, 2010, or

(c) the date upon which the Director receives a written notification from any such Issuing Authority pursuant to Section 6(2). Any allocation for which Bonds are issued on or prior to the applicable date specified in this subsection shall be irrevocably allocated to such Bonds.

(4) No application submitted by an Issuing Authority or Ultimate Beneficiary to the Director pursuant to this section shall be processed if the amount of allocation of the Volume Cap requested in such application is in excess of the amount of Volume Cap remaining available for allocation. Any application not processed for the reason stated in this subsection may be resubmitted to the Director, with or without a change in the amount of allocation requested. Any application resubmitted to the Director pursuant to this subsection shall be treated as a new application. Should an allocation not be granted for the reasons stated in this subsection, the Director shall continue to process other applications in the first based on need, economic impact and efficient use of resources as determined by the Department and then in chronological order in which received, granting allocations pursuant to the provisions of this Executive Order.

(5) The expiration date of an allocation of Volume Cap under this Executive Order may be extended upon prior written approval of the Director.

(6) In the event that the Director is uncertain whether an application meets the requirements set forth in this Executive Order or the Code and/or Notice above, he may defer action on such application until he has received another application(s) and then determine which application best meets such criteria.

Section 5. No application submitted to the Director may be amended without the consent of the Director; provided, however, that no such consent shall be required for an Issuing Authority or Ultimate Beneficiary to submit a new application in order to replace a previously submitted application if such new application is submitted before an allocation is made on the basis of the original application; provided further, that the consent of the Director shall not be required for an Issuing Authority or Ultimate Beneficiary to withdraw a previously submitted application. For purposes of receiving an allocation of the Volume Cap, any application that has been amended shall be treated as though such application was submitted on the date that the amendment was made, rather than on the date of the original submission of such application.

Section 6.

(1) After the effective date of this Executive Order, any Issuing Authority issuing Bonds under a Subsequent State Allocation without a certificate or allocation of the Director required to be applied for pursuant to Section 3, or any Issuing Authority issuing Bonds under a Subsequent State Allocation after the expiration of an allocation under Section 4, as appropriate, is not entitled to any Subsequent State Allocation of the Volume Cap for such Bonds, and any Issuing Authority issuing Bonds in excess of the Subsequent State Allocation set forth in the certificate of allocation is not entitled to any Subsequent State Allocation of the Volume Cap for such excess.

(2) Each Issuing Authority shall

(a) advise the Director on or before the earlier of the fifteenth day after the issuance of any Bonds or the fifteenth day after December 31, 2010, of the principal amount of Bonds issued under the Subsequent State Allocation set forth in each certificate of allocation issued by the Director evidencing the granting of

an allocation for such Bonds by delivering to the Director a copy of the Form 8038 which was delivered to the Internal Revenue Service in connection with such Bonds, or, if no such form was required to be delivered to the Internal Revenue Service, a completed copy of a Form 8038 prepared for the Director with respect to such Bonds, or

(b) if all or a stated portion of such Bonds will not be issued, shall advise the Director in writing, on or before the earlier of

(i) the fifteenth day after the earlier of

(A) the final decision not to issue all or a stated portion of such Bonds or

(B) the expiration of the Subsequent State Allocation, or

(ii) December 31, 2010.

(3) Each Issuing Authority and Ultimate Beneficiary shall cooperate with the Director in furnishing any information the Director reasonably requires. If an Issuing Authority or Ultimate Beneficiary obtains a Subsequent State Allocation of a portion of the Volume Cap for a particular Project or Program from the Director under Section 3, but does not issue its Bonds within the prescribed time limit, or issues a lesser amount of Bonds within the prescribed time limit, such Issuing Authority or Ultimate Beneficiary may again submit an application with respect to the proposed Bonds or portion of such Bonds not issued for such Project or Program as provided in Section 3, as appropriate. Such application shall be treated as a new application.

Section 7. In addition to the duties otherwise specifically set forth in this Executive Order, the Director shall:

(1) maintain a record of all applications filed by Issuing Authorities or Ultimate Beneficiaries under Section 3 and all certificates of allocation issued;

(2) maintain a record of all Bonds issued by Issuing Authorities;

(3) maintain a record of all information filed by Issuing Authorities or Ultimate Beneficiaries under this Executive Order;

(4) make available upon reasonable request a certified copy of all or any part of the records maintained by the Department under this Executive Order or a summary thereof including information regarding the Volume Cap allocated and any amounts available or at any time remaining available, for allocation under this Executive Order;

(5) the Director shall serve as the State official designated under State law to make any allocation including without limitation Subsequent State Allocations or certifications required to be made under the Code; and

(6) promulgate reasonable rules not inconsistent with this Executive Order deemed necessary or expedient to allocate the Volume Cap hereunder.

Section 8. If any provision of this Executive Order shall be held to be, or shall, in fact, be invalid, inoperative or unconstitutional, the defect of the provision shall not affect any other provision of this Executive Order or render it invalid, inoperative, or unenforceable. To the extent this Executive Order shall be held or shall, in fact, be invalid, inoperative, or unconstitutional, all allocations of the Volume Cap previously made under this Executive Order shall be treated as allocations made by the Governor of the State in accordance with this Executive Order.

Section 9.

The State pledges and agrees with the owners of any Bonds to which an allocation of the Volume Cap has been granted under this Executive Order that the State will not retroactively alter the allocation of the Volume Cap to such Bonds.

Section 10. No action taken pursuant to this Executive Order shall be deemed to create an obligation, debt or liability of the State or be deemed to constitute an approval of any obligation issued or to be issued hereunder.

Section 11. The purpose of this Executive Order is to maximize the benefits of financing and development through the use of Bonds providing a system for the implementation and administration of the formula provided under the Code for allocating the Volume Cap.

Section 12. Volume Cap Amounts:

Area	Residual	Recovery Zone Economic Development Bond	Recovery Zone Facility Bond
<i>Ada County, ID</i>	<i>Residual</i>	19,381,000	29,071,000
<i>Adams County, ID</i>		933,000	1,400,000
<i>Bannock County, ID</i>		3,902,000	5,854,000
<i>Benewah County, ID</i>		455,000	682,000
<i>Blaine County, ID</i>		52,000	77,000
<i>Boise City city, ID</i>		24,902,000	37,352,000
<i>Boise County, ID</i>		797,000	1,196,000
<i>Bonner County, ID</i>		230,000	345,000
<i>Bonneville County, ID</i>		2,894,000	4,341,000
<i>Boundary County, ID</i>		145,000	218,000
<i>Butte County, ID</i>		131,000	197,000
<i>Camas County, ID</i>		5,000	7,000
<i>Canyon County, ID</i>		18,542,000	27,811,000
<i>Caribou County, ID</i>		145,000	218,000
<i>Cassia County, ID</i>		441,000	661,000
<i>Clark County, ID</i>		47,000	70,000
<i>Clearwater County, ID</i>		38,000	56,000
<i>Elmore County, ID</i>		1,210,000	1,815,000
<i>Franklin County, ID</i>		553,000	830,000
<i>Gem County, ID</i>		1,581,000	2,371,000
<i>Idaho County, ID</i>		891,000	1,337,000
<i>Jefferson County, ID</i>		638,000	957,000
<i>Kootenai County, ID</i>		4,695,000	7,043,000
<i>Lemhi County, ID</i>		1,130,000	1,696,000
<i>Lewis County, ID</i>		220,000	331,000
<i>Lincoln County, ID</i>		469,000	704,000
<i>Minidoka County, ID</i>		408,000	612,000
<i>Nez Perce County, ID</i>		1,656,000	2,484,000
<i>Oneida County, ID</i>		80,000	120,000

Owyhee County, ID	1,018,000	1,527,000
Payette County, ID	750,000	1,126,000
Power County, ID	352,000	528,000
Valley County, ID	910,000	1,365,000
Washington County, ID	399,000	598,000



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho in Boise on this 12th day of May in the year of our Lord two thousand and ten, and of the Independence of the United States of America the two hundred thirty-fourth and of the Statehood of Idaho the one hundred twenty-first.

C.L. "BUTCH" OTTER
GOVERNOR

BEN YURSA
SECRETARY OF STATE