



TO: Governor

DATE: July 22, 1983

FROM: Gerry Thompson *Gerry*

SUBJECT: Industrial Revenue Bond Regulations

Issue: The new Temporary Federal Tax Law regulations require approval of industrial revenue bond issues prior to issuance be affected governmental units. Failure to comply would cause loss of tax exempt status of bonds.

The Governor or any other state elected official designated by the Governor may approve the bond issue.

Alternatives:

1. The Governor designate the State Treasurer.
2. Governor approve the bond issues.

Recommendation:

The Governor approve the bond issue. As chief executive officer approval rights should be retained by you. When necessary because of your unavailability, specific delegation of approval authority could be given to the State Treasurer.

Further Discussion

Review of this issue with affected agency heads proved agreement with this recommendation.

Economic Development Department concurs with above recommendation for Port of Portland and Economic Development Commission Industrial Revenue Bonds.

Department of Energy concurs with above recommendation.

Executive Department concurs with above recommendation.

Treasurer Clay Myers originally surfaced this issue by memo to you May 31, 1983. He indicated that both DOE and EDD suggested that approval authority be granted the State Treasurer. Our confirmation indicates otherwise. Agency heads recommend for the retention of your approval authority.

Do you agree with our recommendation? If so, I will notify all parties.