ADMINISTRATIVE REGULATION	AR: 6.05	DATE APPROVED
		March 27, 2012

SUBJECT:	ORIGINATING DEPARTMENT:
IRS Tax Exempt Bonds Compliance Policies	**Department of Management and Budget**

PURPOSE:

The County has a fiduciary responsibility to comply with Section 148 of the Internal Revenue Code to ensure that bonds issued by the County are remediated in accordance with the Internal Revenue Code and other applicable regulations.

This Administrative Regulation establishes policies and procedures to accomplish that goal.

DEFINITIONS:

Words and phrases used herein shall have the following meanings:

Bond Counsel – shall mean an attorney, or firm of attorneys nationally recognized and experienced in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions.

Chief Financial Officer – shall mean the Management and Budget Director or such other chief financial officer of the Issuer as defined in Section 218.403, Florida Statutes.

Code – shall mean the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

Financial Advisor – shall mean the financial advisor of the Issuer, if any.

IRS – shall mean the Internal Revenue Service.

Issuer – shall mean Citrus County, Florida.

Issuer's Counsel – shall mean the County Attorney.

Tax Certificate – shall mean a tax certificate or agreement entered into by the Issuer in connection with the issuance of Tax-Exempt Bonds.

Tax-Exempt Bonds – shall mean bonds, notes, or other obligations of the Issuer the interest on which is excusable from gross income of the holders thereof for federal income tax purposes.

POLICY:

1. Prior to any closing for issuance of Tax-Exempt Bonds, The Management and Budget Director shall consult with the Financial Advisor and Bond Counsel and obtain a written certification from the underwriter, placement agent, or other purchaser of the bonds as to the offering price of the Tax-Exempt Bonds that is in form and substance acceptable to the Issuer and Bond Counsel.

2. The County issuer through its Management and Budget Director and in consultation with its Bond Counsel will:

   a maintain clear and consistent accounting procedures for tracking the investment and expenditures of bond proceedings, including investment earnings on bond proceeds;

   b at, or shortly after, closing of a bond issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate;

   c monitor that sale proceeds and investment earnings on sale proceeds of Tax-Exempt Bonds are spent in a timely fashion consistent with the requirements of the Tax Certificate.

3. The , Management and Budget Director in consultation with the Issuer's Counsel, shall review proposed contracts or arrangements with nongovernmental persons or organizations or the federal government (collectively referred to as "private persons") with respect to the Bond-Financed Facilities which could result in private business use of the facilities such as sales of Bond-Financed Facilities; leases of Bond-Financed Facilities, and management service contracts relating to Bond-Financed Facilities. The Issuer shall consult with Bond Counsel, to the extent deemed necessary, to discuss new contracts or amendments to existing contracts and determine whether any limits on private business use are exceeded or any other requirements set forth in the Tax Certificate and, if so, whether any actions are required to be taken to comply with Code.

4. The Management and Budget Director will confirm that Bond Counsel has filed the applicable information reports (such as Form 8038-G) for each Tax-Exempt Bond issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the bond issue. The Issuer, in consultation with appropriate consultants, if necessary, shall confirm, recalculate, and annually monitor the calculation of fair market value and arbitrage on outstanding debt of the Issuer as the basis for ongoing rebate compliance as set forth in the 8038-G and the tax certificate.

5. If the Management and Budget Director of other officer or official of the Issuer determines that an action or inaction has occurred that does, or could, cause the interest on Tax-Exempt Bonds to become includable in the gross income of the holders thereof for federal income tax purposes, the Chief Financial Officer shall promptly seek the advice of Bond Counsel regarding remedial actions, if any, that could be taken by the Issuer.

6. Working together, the Management and Budget Director and the Issuer's Counsel will ensure that for each issue of Tax-Exempt Bonds, the transcript and all records and documents described in these procedures will be maintained while any of the bonds are outstanding and during the three-year period following the final maturity or redemption of that bond issue, or if the bonds are refunded (of re-refunded), while any of the refunding bonds are outstanding and during the three-year period following maturity of redemption of the refunding bonds.

FOOTNOTES & REFERENCES TO RELATED AR's: