



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
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Legislative Report

File Number: Res. 0421-24

Agenda Date: 05/21/2024

File Type: Resolution

RESOLUTION DESIGNATING OFFICIAL AUTHORIZED TO DECLARE OFFICIAL INTENT UNDER REIMBURSEMENT BOND REGULATIONS

WHEREAS, the Department of the Treasury has issued final regulations (Treas. Reg. Section 1.150-2) (the "Reimbursement Bond Regulations") that, for the purpose of determining whether interest on certain obligations of a state or local government is excluded from gross income for federal income tax purposes, permit the use of the proceeds of tax-exempt obligations to reimburse capital expenditures made prior to the date such obligations are issued only if the state or local government, not later than 60 days of the date of expenditure, declares its official intent to reimburse the expenditure with proceeds of a tax-exempt borrowing;

WHEREAS, the Reimbursement Bond Regulations require that if a current expenditure is to be permanently financed by a later issue of tax-exempt obligations a state or local government must declare its intention to reimburse itself for the expenditure from proceeds of a borrowing not later than 60 days from when the expenditure is made (the "Declaration of Official Intent");

WHEREAS, the Reimbursement Bond Regulations permit a state or local government to designate official(s) or employee(s) to make Declarations of Official Intent on its behalf;

WHEREAS, the Common Council (the "Governing Body") of the City of Racine (the "Issuer") deems it to be necessary, desirable and in the best interest of the Issuer to authorize the Finance Director to make a Declaration of Official Intent on its behalf when the Issuer reasonably expects to reimburse itself from the proceeds of a borrowing for certain expenditures for a specific property, project or program which it pays for from other funds prior to the receipt of the proceeds of the borrowing; and

WHEREAS, the Governing Body hereby finds and determines that designating the Finance Director with the authority to make Declarations of Official Intent will facilitate compliance with the Reimbursement Bond Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Issuer, pursuant to Treas. Reg. Section 1.150-2(e)(1), that:

Section 1. Authorization to Declare Official Intent. The Finance Director is hereby authorized and designated to make Declarations of Official Intent pursuant to the above-referenced Reimbursement Bond Regulations.

Section 2. Form of Declaration. Any such Declaration of Official Intent shall be made in substantially the form attached hereto.

Section 3. Public Availability. Any Declaration of Official Intent shall be maintained in the files of the Issuer and shall be made available for public inspection in compliance with applicable State law governing the availability of records of official acts of the Governing Body including Subchapter II of Chapter 19, Wisconsin Statutes (the “Public Records Law”).

Section 4. Further Authorizations. The Finance Director is hereby further authorized to take such other actions as may be necessary or desirable to comply or evidence compliance with the Reimbursement Bond Regulations.

Section 5. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Adopted, recorded and approved this _____ day of _____, 2024.

Cory Mason
Mayor

ATTEST:

Tara McMnamin
City Clerk

(SEAL)