*** § 5. Statewide bond reserve.** One-third of the statewide ceiling is hereby set aside as a statewide bond reserve to be administered by the director.

1. Allocation of the statewide bond reserve among state agencies, local agencies and other issuers. The director shall transfer a portion of the statewide bond reserve to the commissioner for allocation to and use by local agencies and other issuers in accordance with the terms of this section. The remainder of the statewide bond reserve may be allocated by the director to state agencies in accordance with the terms of this section.

2. Allocation of statewide bond reserve to local agencies or other issuers.

a. Local agencies or other issuers may at any time apply to the commissioner for an allocation from the statewide bond reserve. Such application shall demonstrate:

(i) that the requested allocation is required under the code for the interest earned on the bonds to be excluded from the gross income of bondholders for federal income tax purposes;

(ii) that the local agency's remaining unused allocation provided pursuant to section three of this act, and other issuer's remaining unused allocation, or any available carryforward will be insufficient for the specific project or projects for which the reserve allocation is requested; and

(iii) that, except for those allocations made pursuant to section eleven of this act to enable carryforward elections, the requested allocation is reasonably expected to be used during the calendar year.

b. In reviewing and approving or disapproving applications, the commissioner shall exercise discretion to ensure an equitable distribution of allocations from the statewide bond reserve to local agencies and other issuers. Prior to making a determination on such applications, the commissioner shall notify and seek the recommendation of the commissioner of housing and community renewal in the case of an application related to the issuance of multi-family housing or mortgage

revenue bonds, and in the case of other requests, such state officers, departments, divisions and agencies as the commissioner deems appropriate.

c. Applications for allocations shall be made in such form and contain such information and reports as the commissioner shall require.

3. Allocation of statewide bond reserve to state agencies. The director may make an allocation from the statewide bond reserve to any state agency. Before making any allocation of statewide bond reserve to state agencies the director shall be satisfied:

a. that the allocation is required under the code for the interest earned on the bonds to be excluded from the gross income of bondholders for federal income tax purposes;

b. that the state agency's remaining unused allocation provided pursuant to section four of this act or any available carryforward will be insufficient to accommodate the specific bond issue or issues for which the reserve allocation is requested; and

c. that, except for those allocations made pursuant to section eleven of this act to enable carryforward elections, the requested allocation is reasonably expected to be used during the calendar year.
* NB Repealed January 1, 1991