

Senate File 586

H-8270

- 1 Amend Senate File 586, as passed by the Senate, as follows:
- 2 1. Page 52, after line 34 by inserting:
- 3 <NEW SUBSECTION. 11. A state bank, upon the approval of the
- 4 superintendent, may invest up to five percent of its aggregate
- 5 capital in a tax equity financing transaction in which the
- 6 state bank provides equity financing to fund a project or
- 7 projects that generate tax credits and the equity-based
- 8 structure of the transaction permits the transfer of such tax
- 9 credits to the state bank. A state bank may take a majority
- 10 financial position, but shall be a passive investor and shall
- 11 not take a management position, in each such project, subject
- 12 to the following:
- 13 a. The state bank shall not participate in the operation of
- 14 any project or facility resulting from such a transaction or
- 15 the sale of energy, if any, derived from the project.
- 16 b. The state bank shall obtain a legal opinion or otherwise
- 17 demonstrate a good-faith determination that the tax credits
- 18 are available before engaging in a tax equity financing
- 19 transaction.
- 20 c. The tax benefits or other payments the state bank
- 21 receives from the transaction shall repay the state bank's
- 22 investment and provide the expected rate of return at the time
- 23 of the investment.
- 24 d. Except as provided under paragraph "c", the state bank
- 25 shall not share in any appreciation in value of its interests
- 26 in the project or in any of the real or personal assets
- 27 associated with the project.
- 28 e. The state bank's total investment in any combination
- 29 of shares or equity interests of any tax equity financing
- 30 transactions pursuant to this subsection shall be limited to
- 31 fifteen percent of its aggregate capital.>
- 32 2. Page 92, by striking lines 17 through 26.
- 33 3. Title page, lines 1 and 2, by striking <providing civil
- 34 penalties,>
- 35 4. By renumbering as necessary.

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