



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

December 1, 2023

Private Activity Bond Volume Cap Relinquishment

The federal tax code, *Volume Cap Relinquishment*, allows for state and local governments to use tax-exempt bonds to finance “qualified private activities,” including certain types of mortgage bonds and student loans, subject to an annually determined volume cap.

[Utah Code 35A-8-21, *Private Activity Bonds*](#), sets parameters for the sub-allocation of Utah’s volume cap. The statute initially reserves 33% of the volume cap for student loans, which can be reassigned for other purposes upon written notification by the eligible issuing authority (Utah Board of Higher Education).

Commissioner’s Recommendation

The Commissioner recommends the Board affirm that it does not intend to issue any bonds from the Private Activity Bond Student Loan Account in 2024 and agree to relinquish its unused share of the account, effective January 2, 2024.