KING & SPALDING

Investing in Georgia
Economic Development Newsletter

Welcome to King & Spalding's economic development news bulletin, *Investing in Georgia*. In this edition, you will find:

- A Client Alert regarding recent SEC enforcement actions against a School District
- A new calculator created by the National League of Cities demonstrating the impact of threatened tax reform on tax-exempt municipal bonds
- A report on the vital role local elected officials serve in economic development activities

We hope you find this helpful, as we partner to keep Georgia a great place to live and work!

Bill Holby
King & Spalding Economic Development Practice Group

Recent Developments

SEC Sanctions School District and Bond Underwriter. On July 29, 2013, the SEC entered a pair of cease and desist orders against an Indiana School District and its bond underwriter regarding false statements made in connection with a bond offering. The School District, like most public issuers, had previously signed a "continuing disclosure agreement" in which it had agreed to file publicly available reports on an annual basis containing financial information and operating data. **More »**

Fiscal Survey of States shows Fiscal Improvements May Be Temporary. According to a recent article in The Bond Buyer, higher revenue collections have boosted the short-term outlook for states, but slow economic recovery and stubbornly high unemployment have many states worried that such fiscal improvements may be temporary. The Spring 2013 version of the Fiscal Survey of the States released by the National Governors Association and the National Association of State Budget Officers shows that "fiscal distress is finally beginning to subside for most states" but says they remain challenged with providing resources in critical areas. **More »**

In The News

Local Elected Officials Play Key Role in Economic Development. We all understand the important responsibilities that state and local economic

August 2013

By the numbers

6.6%
Percentage of Americans who work at least 60 hours per week.

67
The current age of the oldest of the "baby boomers" -- the 78 million Americans born between 1946 and 1964.

$16.7 trillion
Outstanding debt of the US as of July, 2013, double the $8.4 national debt as of July, 2006

Top 3
Venezuela, Saudi Arabia and Canada -- the top 3 countries for oil reserves.

1%
Percentage of the US population that accounts for 21.8% of all health care expenditures; 5% accounts for 49.5% of such expenditures.

84%
Portion of first mortgages taken out by home buyers today that are 30-year fixed rate

development professionals serve in the recruitment of new businesses to a community. The role of local elected officials, however, can easily be overlooked or misunderstood. A report produced through a partnership of the International Economic Development Council and the Center for Research and Innovation of the National League of Cities identifies a "top 10 list" of things elected officials should know about economic development in order to be effective leaders. **More »**

Georgia Grown Program Provides Strong Support to Agriculture Community. A recent "Best Business Practices" article in the Georgia Chamber of Commerce "Profile" magazine quotes Georgia Department of Agriculture Commissioner Gary Black: "From Rabun Gap to Bainbridge, Waycross to Blue Ridge, agriculture is part of every life in Georgia. While certainly all Georgians do not live on farms, agriculture affects each and every citizen of the state. It is a $70 billion industry providing Georgians with more than 380,000 jobs. **More »**

Looking Ahead

Putting a Finer Point on Tax Reform: There is support both in Congress and in the White House for proposals that would limit the exemption for interest earned on municipal bonds. If adopted, these measures would significantly increase the infrastructure financing costs for local governments and their residents. In order to demonstrate exactly how significant such limitations would be, the National League of Cities developed a calculator that clarifies the magnitude of such changes on financing costs. **More »**

The Current Economic State: An Insider's View: King & Spalding senior counsel Lloyd Hand, a member of King & Spalding's Government Advocacy and Public Policy Practice Group, recently shared his views on the vital need of the President and the Congress to strike a compromise that will provide assurance to the private sector regarding tax policy, spending policy and regulatory policy:
"Few, if any, Economists would disagree that economic growth is the engine that drives the U.S. economy or, for that matter, the world economy. **More »**

---

mortgages.

$5.00
Cost per barrel of using pipelines to move oil from Canada across the US to refineries on the Gulf of Mexico; the cost is $20 per barrel if moved by rail.

8
Number of visits per year that the average American aged 65 and older makes to a doctor, a hospital and/or an emergency room.

45%
Number of US households headed by individuals of "working age" that have not set aside any funds for their future retirement.

Contact
Bill Holby
+1 404 572 4663
bholby@kslaw.com

About King & Spalding

Celebrating 125 years of service, King & Spalding is an international law firm with more than 800 lawyers in Abu Dhabi, Atlanta, Austin, Charlotte, Dubai, Frankfurt, Geneva, Houston, London, Moscow, New York, Paris, Riyadh (affiliated office), San Francisco, Silicon Valley and Washington, D.C. The firm represents half of the *Fortune* 100 and, according to a *Corporate Counsel* survey in August 2009, ranks fifth in its total number of representations of those companies. For additional information, visit www.kslaw.com.