

EXECUTIVE ORDERS.

01.01.1986.10

PROCLAMATION ON ALLOCATION OF STATE CEILING
FOR CERTAIN BONDS ISSUED IN 1986

WHEREAS, On [December 17, 1985 the United States House of Representatives passed H.R. 3838, a tax reform bill] OCTOBER 22, 1986 H.R. 3838, THE TAX REFORM ACT OF 1986, WAS SIGNED INTO LAW BY THE PRESIDENT OF THE UNITED STATES ("H.R. 3838") [and it appears that final action on H.R. 3838 or any substitute tax reform legislation will not be taken for several months]; and

WHEREAS, H.R. 3838 [would amend] AMENDS the Internal Revenue Code of 1954, as amended (the "Code") by establishing a ceiling for each state on the dollar amount of [nonessential function] PRIVATE ACTIVITY bonds (as defined in H.R. 3838) ("PRIVATE ACTIVITY BONDS") that may be issued by a state and its agencies and political subdivisions in a calendar year (the "State Ceiling") and by providing a method of allocating the State Ceiling among a state's issuing authorities; and

WHEREAS, The State Ceiling imposed by H.R. 3838 [would] WILL result in a significant decrease in the dollar amount of bonds which [could] CAN be issued by Maryland issuing authorities for industrial and commercial development, [educational and health care facilities,] single-family and multi-family housing, and certain other governmental programs financed by [nonessential function] PRIVATE ACTIVITY bonds; and

WHEREAS, The provisions of H.R. 3838[, if enacted into law in its present form, would be] ARE effective retroactively for state and local bonds issued after [December 31, 1985] AUGUST 15, 1986; and

WHEREAS, H.R. 3838 authorizes the Governor of Maryland to proclaim a different State Ceiling allocation formula for Maryland (the "Maryland State Ceiling") until the earlier of the enactment of relevant state legislation or [such date provided in H.R. 3838, currently January 1, 1987] JANUARY 1, 1988; and

WHEREAS, THE CONFERENCE REPORT TO ACCOMPANY H.R. 3838 (THE "CONFERENCE REPORT") [Report No. 99-426 of the Committee on Ways and Means of the United States House of Representatives accompanying H.R. 3838] indicates that such state action providing for a different State Ceiling allocation formula may be taken prior to the ADOPTION OF [enactment of H.R. 3838] THE CONFERENCE REPORT, if such state action refers specifically to the [unified] NEW PRIVATE ACTIVITY BOND volume limitation imposed by H.R. 3838 [on the aggregate