

EXECUTIVE ORDERS

(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 result in a significant decrease in the dollar amount of bonds which could 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 bonds; and

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

WHEREAS, 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 enactment of H.R. 3838, if such state action refers specifically to the unified volume limitation imposed by H.R. 3838 on the aggregate annual amount of bonds for the benefit of nongovernmental persons that a state and its issuing authorities may issue (the "unified volume limitation"); and

WHEREAS, In order to allow the orderly continuation of the issuance of nonessential function bonds by issuing authorities of the State ("State Issuers") and by Maryland issuing authorities other than State Issuers ("Local Issuers") (collectively, "State and Local Issuers" or "Issuers") during this period of uncertainty when H.R. 3838 and other federal tax reform legislation is being considered, it is in the best interests of the State of Maryland to establish guidelines immediately for the allocation of the Maryland State Ceiling among such Issuers for the period beginning with the date hereof, until the earlier of (i) the effective date of any legislation enacted by the Maryland General Assembly with respect to the allocation of the Maryland State Ceiling or (ii) such date provided in H.R. 3838, currently January 1, 1987; and

WHEREAS, This Proclamation will be amended or replaced after applicable federal tax reform legislation has become law and any amended or substitute Proclamation will be the subject of hearing and comment before it is promulgated; and