

MAINE STATE LEGISLATURE

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AUGUSTA, MAINEOFFICE OF
THE GOVERNORNO. 6FY 86/87
DATE October 7, 1986ALLOCATION OF STATE CEILING ON
PRIVATE ACTIVITY BONDS

WHEREAS, the Internal Revenue Code (the Code) provides at 26 U.S.C. subsections 103 and 103A that issuance of certain private activity tax-exempt bonds in the State is subject to annual volume limitations (the State ceiling); and

WHEREAS, there is currently pending legislation, in the form of H.R. 3838, which has been passed by both houses of the United States Congress and is awaiting signature by the President, which legislation would further limit issuance of tax-exempt bonds; and

WHEREAS, the Code and H.R. 3838 contain certain formulas for allocations of the State ceiling among issuers in the State, which formulas may be varied by the Legislature or, in some cases, the Governor; and

WHEREAS, the Legislature has enacted Title 10, chapter 9, which delegates to the Governor the authority to vary the formulas in the Code, as it may be amended, and in pending Federal legislation, including H.R. 3838, and to establish an allocation formula and procedure for the State; and

WHEREAS, it is desirable to establish a procedure for allocation of available State ceiling among issuers for the purpose of ensuring that the limited State ceiling is allocated in the most beneficial manner for the State; and

WHEREAS, it is necessary to establish an effective and efficient means of monitoring issuance of bonds requiring an allocation of the State ceiling and to establish a mechanism for awarding allocations;

NOW, THEREFORE, I, JOSEPH E. BRENNAN, Governor of the State of Maine, do hereby direct that:

1. In lieu of the allocation of the State ceiling provided under the Code and proposed under H.R. 3838, the State ceiling shall be allocated to issuers of private activity bonds in accordance with the procedures specified in this Executive Order and any supplemental or replacement Executive Order issued hereafter.

2. The Maine State Housing Authority is hereby allocated \$148,000,000 of the 1986 State ceiling under H.R. 3838 for further allocation to issuers for housing related projects requiring an allocation under H.R. 3838.

3. The Treasurer of State is hereby allocated \$19,000,000 of the 1986 State ceiling under H.R. 3838 for general obligation issues of the State requiring an allocation of the State ceiling.

4. The Finance Authority of Maine is hereby allocated \$76,000,000 of the 1986 State ceiling under H.R. 3838 for further allocation to issuers of bonds for solid waste energy projects and bonds which meet the definition of "qualified small issue bonds" under H.R. 3838.

5. The Maine Municipal Bond Bank is hereby allocated \$7,000,000 of the 1986 State ceiling under H.R. 3838 for further allocation to all bonds requiring an allocation of State ceiling other than those bonds for which allocations have been made or authorized under sections 2,3, or 4 of this Order.

6. Not later than December 1, 1986, the Maine State Housing Authority, the Treasurer of State, the Finance Authority of Maine and the Maine Municipal Bond Bank shall provide the Governor and the other named agencies with a report on allocations issued under H.R. 3838 through the date of the report or expected to be issued by the end of December, 1986, along with a recommendation as to whether and in what manner the initial allocations established by this Executive Order should be altered. The Governor may repool and reallocate unused State ceiling to other issuers by Executive Order.

7. The Maine State Housing Authority, the Treasurer of State, the Finance Authority of Maine and the Maine Municipal Bond Bank may take such other actions and establish such procedures as are necessary to implement this Order and to enable bond issuers to utilize the State ceiling effectively and efficiently.

8. The Maine State Housing Authority, Treasurer of State, Finance Authority of Maine and Maine Municipal Bond Bank shall each be responsible for maintaining records of allocations made by each and for assuring that allocations are made only to the extent required by law or necessitated by pending Federal legislation.

9. Until and unless H.R. 3838 is signed and enacted into law as the Tax Reform Act of 1986, all issuers shall ensure that bonds issued comply with existing law as well as those provisions of H.R. 3838 which will be effective retroactively upon enactment.

10. Executive Order 10 FY 85/86 dated March 21, 1986, "Allocation of State Ceiling on Nongovernmental Bonds" is hereby rescinded.



Joseph E. Brennan
Governor