



EXECUTIVE ORDER 87-2
PROVIDING FOR ESTABLISHMENT OF AN
ALLOCATION SYSTEM FOR OBLIGATIONS
SUBJECT TO A FEDERAL VOLUME LIMITATION ACT

I, RUDY PERPICH, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and the applicable statutes, do hereby issue this Executive Order:

WHEREAS, the Minnesota Legislature has passed and the Governor has signed and enacted Minn. Laws 1986, ch. 465 providing for a system of allocation of issuance authority for obligations subject to the Federal Volume Limitation Act; and

WHEREAS, Minn. Laws 1986, ch. 465, art. 1, § 11, subd. 9 defines Federal Volume Limitation Act to mean H.R. 3838 as adopted by the United States House of Representatives on December 17, 1985 or any other law of the United States that is effective after December 31, 1985 that imposes an annual volume cap, allocates the annual volume cap among various uses of the proceeds of obligation or among various issuers of the obligations or both, and allows the Governor or the State Legislature by law to provide for a different

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allocation of the annual volume cap among users and among issuers; and

WHEREAS, Minn. Laws 1986, art. 1, § 11, subd. 3 provides that if the annual volume cap in a Federal Volume Limitation Act which becomes law is less than the annual volume cap that existed in prior law, the Department of Energy and Economic Development shall adjust the calculations of the allocations available except that the amount reserved for qualified 501(c)(3) bonds may only be adjusted by the action of the Governor pursuant to Minn. Laws 1986, ch. 465, art. 1, § 27; and

WHEREAS, Minn. Laws 1986, ch. 465, art. 1, § 27 provides that if a Federal Volume Limitation Act is enacted into law in a form different than that existing under prior law which eliminates or adds any requirement that a specific type of obligation is subject to a volume limitation that is inconsistent with the allocation mechanism provided for in Minn. Laws 1986, ch. 465, art. 1, §§ 9-29 the Governor may, consistent with the federal volume limitation as enacted, by executive order or proclamation, establish such revisions to the allocation system as may be necessary and appropriate and which the Governor, in consultation with the Legislative Advisory Commission and the Attorney General, determines are most consistent with the purposes of and the allocation mechanism provided for in Minn. Laws 1986, ch. 465 §§ 9-29; and

WHEREAS, any executive order made by the Governor pursuant to Minn. Laws 1986, ch. 465, art. 1, § 27 must comply with the requirements set forth in that section; and

WHEREAS, the House and the Senate have adopted and the President has signed the Tax Reform Act of 1986; and

WHEREAS, the Tax Reform Act of 1986 imposes an annual volume cap, allocates the annual volume cap among various uses for which the proceeds of the obligations may be used or among various issuers of obligations or both, and allows the Governor or the State Legislature to provide for a different allocation of the annual volume cap among users and among issuers; and

WHEREAS, section 146 of the Tax Reform Act of 1986 reduces the annual volume cap to the greater of \$75 per capita or 250 million dollars; and

WHEREAS, 501(c)(3) bonds are excluded from the annual volume cap in the Tax Reform Act of 1986; and

WHEREAS, I as Governor of the State of Minnesota in consultation with the Legislative Advisory Commission and the Attorney General, have determined that certain provisions of the Tax Reform Act of 1986 are inconsistent with the allocation mechanism provided for in Minn. Laws 1986, ch. 465, art. 1, §§ 9-29;

NOW, THEREFORE, I HEREBY ORDER THAT:

1. Since 501(c)(3) bonds are excluded from the volume cap under the Tax Reform Act of 1986, all allocations made pursuant to Minn. Laws 1986, ch. 465, art. 1, § 20 are cancelled. The provisions of section 20 are no longer in force and effect and any unrefunded deposit made with the Department of Energy and Economic Development under section 20 shall be refunded.

2. Allocations of the annual volume cap under existing federal tax law pursuant to Minn. Laws 1986, ch. 465, art. 1, are cancelled except to the extent obligations have been

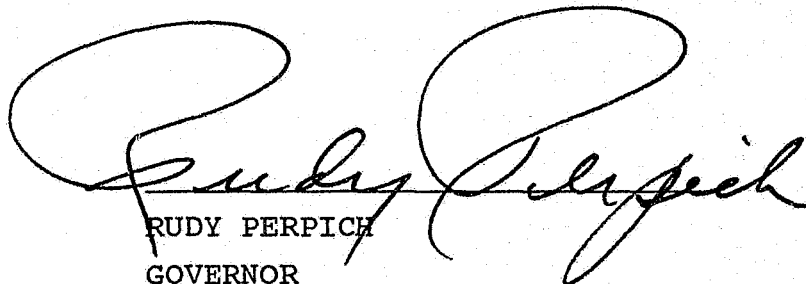
issued under such allocations and any unrefunded deposits required with an application for an allocation under the Federal Volume Limitation Act at the option of the issuer.

3. The schedule set forth below for available issuance authority as of October 22, 1986, under section 146 of the Tax Reform Act of 1986 and all subsequent adjustments heretofore made to the schedule for such available issuance authority in accordance with Minn. Laws 1986, ch. 465, art. 1 is hereby ratified and approved; and all subsequent determinations and adjustments made to the schedule of such available issuance authority in accordance with Minn. Laws 1986, ch. 465, art. 1 shall serve as available issuance authority for purposes of section 146 of the Tax Reform Act of 1986 as of the date the schedule is so determined or adjusted.

<u>ANNUAL VOLUME CAP</u>		\$ 314,475,000
<u>Entitlement</u> <u>Issuers</u>	<u>Qualified</u> <u>Mortgage Bonds</u>	<u>Any Other</u> <u>Obligations</u>
Dept. of Finance	\$	\$ 7,500,000
DEED		9,000,000
I.R.R.R.B.		10,000,000
MHFA		42,500,000
City of Minneapolis	16,000,000	15,621,537
City of St. Paul	8,500,000	19,854,544
City of Moorhead		<u>1,890,000</u>
Subtotals	\$ 24,500,000	\$ 106,366,081
<u>Competitive Pool</u>		6,708,919


Pursuant to Minnesota Statutes, Section 4.035, this Executive Order shall be effective fifteen (15) days after publication in the State Register and filing with the Secretary of State and shall remain in effect until rescinded by proper authority or it expires in accordance with Minnesota Statutes, Section 4.035, Subdivision 3.

IN TESTIMONY WHEREOF I have set my hand this thirtieth day of January, 1987.

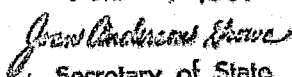


RUDY PERPICH
GOVERNOR

Filed According to Law:



JOAN ANDERSON GROWE
SECRETARY OF STATE

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
FEB 9 1987

Secretary of State

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