

State of Iowa

Executive Department

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF IOWA

EXECUTIVE ORDER NUMBER TEN

- WHEREAS, on October 21, 1983, the Ways and Means Committee of the United States House of Representatives reported out of committee HR 4170, the Tax Reform Act of 1983 (the "Tax Reform Act");
- WHEREAS, on November 16, 1983, the Ways and Means Committee of the United States House of Representatives reported out of committee certain amendments to the Tax Reform Act (the Tax Reform Act, as reported out of the Ways and Means Committee and as so amended or as it may be amended in the future is hereafter referred to as "HR 4170");
- WHEREAS, Section 721 of HR 4170 would restrict the total principal amount of certain municipal bonds the interest on which is exempt from federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended (the "Bonds"), which may be issued by any state of the United States during each calendar year;
- WHEREAS, the provisions of Section 721 of HR 4170, if enacted into law in either present form, would be effective retroactively on January 1, 1984;
- WHEREAS, Section 721 of HR 4170 provides a method of allocating the total amount of Bonds which may be issued within a state in any calendar year among the various cities, counties and issuing agencies and authorities of the state (collectively the "Political Subdivisions" or singularly the "Political Subdivision"), which method of allocation will become effective at the time HR 4170 is enacted into law and will apply retroactively unless the legislature of a state or the Governor of a state, on an interim basis, provides for an alternative method of allocating the total amount of Bonds which may be issued within the state in this calendar year;
- WHEREAS, the Governor of the State of Iowa recognizes that the provisions of Section 721 of HR 4170 place unnecessary, cumbersome and costly restrictions on the amount of Bonds which may be issued by the Political Subdivisions of the State of Iowa during this calendar year;
- WHEREAS, the Governor of the State of Iowa further recognizes that the provision of Section 721 of HR 4170 for allocating, among the Political Subdivisions of the State of Iowa, the amount of Bonds which may be issued within the State of Iowa during each calendar year is inequitable and would result in a decrease in the amount of

industrial, agricultural and commercial development within the State of Iowa and would result in a decrease in the amount of financing available for pollution control facilities and health care facilities, and would potentially decrease the amount of financial aid provided to the students of the State of Iowa;

WHEREAS, the effect of the proposed January 1, 1984 retroactive effective date of HR 4170 has been to curtail the issuance of Bonds until such time as HR 4170 is defeated;

WHEREAS, in accordance with the provisions of Section 721 of HR 4170 and to permit the issuance of Bonds within the State of Iowa during the period while HR 4170 is pending in the United States Congress, the Governor of the State of Iowa deems the best interest of the citizens of the State of Iowa to be served by an executive order that will permit, on an interim basis only, an orderly and equitable allocation of the amount of Bonds which can be issued by Political Subdivisions of the State of Iowa during the calendar year 1984 or until such time as HR 4170 is defeated or is no longer pending, or the legislature of the State of Iowa enacts an alternate allocation method.

NOW, THEREFORE, I, Terry E. Branstad, Governor of the State of Iowa, by the power and authority vested in me by the Constitution and by the laws of the State of Iowa, do hereby order and decree that the following procedure be used to allocate the total principal amount of Bonds which can be issued by Political Subdivisions of the State of Iowa during the calendar year 1984 or until such time as HR 4170 is defeated or is no longer pending, or the legislature of the State of Iowa enacts an alternate allocation method, it being fully understood that the procedure ordered hereby is for the purpose of promoting commerce, including industrial, agricultural and commercial development within the State of Iowa, controlling pollution of the air or water, creating and improving health care facilities and insuring the availability of financial aid to students of the State of Iowa, on an interim basis only, and is not intended to be a permanent solution to or acceptance of the unnecessary, cumbersome and costly provisions contained in Section 721 of HR 4170:

Section 1. The aggregate amount of Bonds which may be issued collectively by all of the Political Subdivisions of the State of Iowa during the calendar year 1984, or until such time as HR 4170 is defeated or is no longer pending, shall not exceed the total amount of Bonds allocated to the State of Iowa by HR 4170 (the "Ceiling").

Section 2. The "Ceiling" shall be allocated among the Political Subdivisions of the State of Iowa on the basis of the chronological order of receipt from a Political Subdivision of the application described in Section 3 of this Executive Order.

Section 3. A Political Subdivision of the State of Iowa which proposes to issue Bonds for a specific project or purpose must make application for an allocation of a portion of the Ceiling for the particular project or purpose by submitting an application (in the form prescribed and approved by the Governor, or his designee) to the Governor, or his designee, which contains, where appropriate, the following information:

- (a) The name and address of the Political Subdivision and the name of the elected chief executive officer of the Political Subdivision;
- (b) The name and location (by mailing address or other definitive description) of the project for which an allocation of the Ceiling is requested and the name and mailing address of both the initial owner or operator of the project and an appropriate person from whom information regarding the project can be obtained;
- (c) The date of adoption by the governing body of the Political Subdivision of an inducement resolution adopted for the purpose of taking "official action", as required by the Treasury Regulations relating to Section 103 of the Internal Revenue Code of 1954, as amended (the "Code"), if the issue of Bonds for which the allocation of the Ceiling is requested requires the taking of "official action" under the Code; and
- (d) The amount of the Ceiling which the Political Subdivision is requesting be allocated for the project or purpose subject to the application.

Section 4. Upon receipt of the completed application required by Section 3 hereof, the Governor, or his designee, shall immediately notify the Political Subdivision of the allocation of the Ceiling to be applied to the project or purpose requested in the Political Subdivision's application. The allocation of the Ceiling will remain valid for 90 days from the date notice of the allocation is mailed to the Political Subdivision unless either of the following conditions have occurred:

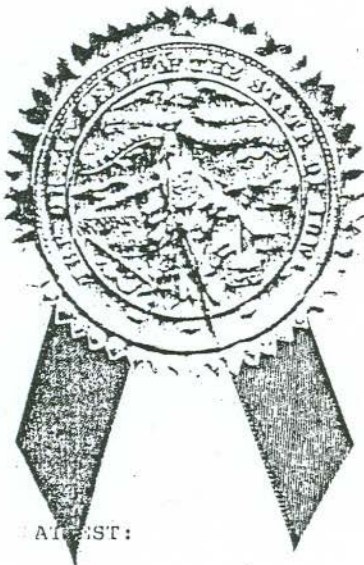
- (a) The Bonds are issued and delivered within the 90 day period in which event the allocation will be debited against the Ceiling on the date of issuance and delivery of the Bonds; or
- (b) Evidence of an agreement to purchase the Bonds is obtained from an entity with the legal ability to so purchase and is filed with the Governor, or his designee, in which event the allocation will be extended for an additional 30 days beyond the date of expiration of the 90 day period. In the event the Bonds are not issued and delivered within the additional 30 day period, the allocation of the Ceiling will expire at the close of business on the 30th day.

Section 5. In the event the allocation of the Ceiling expires as provided in Section 4 of this Executive Order, the Political Subdivision may resubmit its application for an allocation of a portion of the Ceiling for a specific project or purpose and the application of the Political Subdivision relating to the project or purpose will be reviewed in chronological order of receipt with no preference or priority being given to the Political Subdivision as a result of its prior application for the same project or purpose.

Section 6. In the event the last day of either the 90 day period or the 30 day period described in Section 4 hereof is a Saturday, Sunday or any day on which offices of the State of Iowa, banking institutions or savings and loan associations in the State of Iowa are authorized or required to close, then the time for expiration of either the 90 day period or the 30 day period shall be extended to the first day thereafter which is not a Saturday, Sunday or any of the previously described days.

Section 7. The Governor reserves the right to modify the allocation method set forth in Section 2 of this Order to comply with any provisions of HR 4170, which require that certain projects or purposes be given priority over other projects or purposes in the allocation of the Ceiling.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the State of Iowa to be affixed. Done at Des Moines this 22^d day of March in the year of our Lord one thousand nine hundred and eighty-four.



ATTEST:

Tommy E. Brunstad
GOVERNOR

Mary Ann O'Neil
SECRETARY OF STATE