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Volume Cap Allocations Released for Recovery Zone Bonds

The American Recovery and Reinvestment Tax Act of 2009, enacted into law earlier this year, creates several new tax-exempt and tax-credit bond programs including Recovery Zone Facility Bonds and Recovery Zone Economic Development Bonds.

Recovery Zone Facility Bonds are a new category of tax-exempt private activity bond for use in areas designated by an issuer as a "recovery zone" (generally an area having significant poverty, unemployment or home-foreclosure rates as determined by the issuer). Proceeds of these bonds may be loaned to or otherwise used by private entities to finance privately owned facilities [click [here](#) for our April 2009 Public Finance alert on this topic].

Recovery Zone Economic Development Bonds are a new form of bond that pays the investor bondholder interest at a taxable rate. The issuer realizes the benefit of a tax-exempt rate by means of a direct payment from the U.S. Treasury to the issuer in an amount equal to 45% of each interest payment on the bonds. Proceeds of these bonds must be used by the issuer to finance governmental projects that promote economic development.

Both categories of recovery zone bonds can be issued only during 2009 and 2010 and are subject to aggregate volume caps of \$15 billion for Recovery Zone Facility Bonds and \$10 billion for Recovery Zone Economic Development Bonds. The allocations of the volume caps among the states and among jurisdictions subject to allocation within each state have just been issued by the U.S. Treasury [click [here](#) for Notice 2009-50]. Copies of the national and Maryland jurisdiction allocations are shown below.

For further information regarding these developments, please feel free to contact any member of the Venable LLP [Public Finance](#) Group.

Maryland Jurisdiction Allocations

Area	Recovery Zone Economic Development Bond (in dollars)	Recovery Zone Facility Bond (in dollars)
Maryland	208,860,000	313,291,000
Baltimore City	20,556,000	30,834,000
Allegany County	1,700,000	2,549,000
Anne Arundel County	21,466,000	32,199,000
Baltimore County	32,574,000	48,861,000
Calvert County	2,983,000	4,475,000
Caroline County	1,357,000	2,035,000
Carroll County	7,214,000	10,821,000
Cecil County	5,596,000	8,395,000
Charles County	4,753,000	7,129,000
Dorchester County	1,348,000	2,021,000
Frederick County	5,736,000	8,604,000
Garrett County	1,433,000	2,149,000
Harford County	10,064,000	15,096,000
Howard County	12,270,000	18,406,000
Kent County	953,000	1,429,000
Montgomery County	23,703,000	35,555,000
Prince George's County	27,691,000	41,537,000
Queen Anne's County	1,994,000	2,991,000
St. Mary's County	4,082,000	6,123,000
Somerset County	1,426,000	2,140,000
Talbot County	1,466,000	2,199,000
Washington County	9,305,000	13,958,000
Wicomico County	6,759,000	10,138,000
Worcester County	2,431,000	3,647,000

National Jurisdiction Allocations

State	Recovery Zone Economic Development Bond (in dollars)	Recovery Zone Facility Bond (in dollars)
Alabama	244,676,000	367,014,000
Alaska	90,000,000	135,000,000
Arizona	90,000,000	135,000,000
Arkansas	90,000,000	135,000,000
California	806,225,000	1,209,338,000
Colorado	99,018,000	148,527,000
Connecticut	90,000,000	135,000,000
Delaware	90,000,000	135,000,000
District of Columbia	90,000,000	135,000,000
Florida	538,485,000	807,727,000
Georgia	355,785,000	533,677,000
Hawaii	90,000,000	135,000,000
Idaho	90,000,000	135,000,000
Illinois	666,972,000	1,000,457,000
Indiana	313,081,000	469,621,000
Iowa	90,000,000	135,000,000
Kansas	90,000,000	135,000,000
Kentucky	97,120,000	145,681,000
Louisiana	90,000,000	135,000,000
Maine	90,000,000	135,000,000
Maryland	208,860,000	313,291,000
Massachusetts	222,676,000	334,013,000
Michigan	773,050,000	1,159,575,000
Minnesota	132,154,000	198,231,000
Mississippi	90,000,000	135,000,000
Missouri	229,143,000	343,715,000
Montana	90,000,000	135,000,000
Nebraska	90,000,000	135,000,000
Nevada	90,000,000	135,000,000
New Hampshire	90,000,000	135,000,000
New Jersey	251,104,000	376,655,000
New Mexico	90,000,000	135,000,000
New York	370,098,000	555,147,000
North Carolina	418,154,000	627,231,000
North Dakota	90,000,000	135,000,000
Ohio	422,637,000	633,955,000
Oklahoma	90,000,000	135,000,000
Oregon	103,450,000	155,175,000
Pennsylvania	154,008,000	231,012,000
Rhode Island	100,882,000	151,322,000
South Carolina	115,041,000	172,562,000
South Dakota	90,000,000	135,000,000
Tennessee	231,417,000	347,126,000
Texas	90,000,000	135,000,000
Utah	90,000,000	135,000,000
Vermont	90,000,000	135,000,000
Virginia	104,396,000	156,595,000
Washington	90,000,000	135,000,000
West Virginia	90,000,000	135,000,000
Wisconsin	158,811,000	238,217,000
Wyoming	90,000,000	135,000,000
American Samoa	90,000,000	135,000,000
Guam	90,000,000	135,000,000
Northern Marianas	90,000,000	135,000,000
Puerto Rico	92,757,000	139,136,000
US Virgin Islands	90,000,000	135,000,000
TOTAL	10,000,000,000	15,000,000,000

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