

9. General Obligation Bonds:

General obligation bonds are authorized and issued primarily to provide funds for state owned capital improvements, including facilities for institutions of higher learning, and the construction of public schools in political subdivisions. Bonds have also been issued for local governmental improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for repayable loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes a loan for a particular object or purpose. Thereafter the Board of Public Works, a constitutional body composed of the Governor, the Comptroller of the Treasury and the State Treasurer, by resolution authorizes the issuance of bonds in a specified amount for part or all of the loan authorized by a particular enabling act.

General obligation bonds are backed by the full faith and credit of the State and, pursuant to the State Constitution, they must be fully paid within 15 years from the date of issue.

General obligation bonds outstanding and bonds authorized but unissued (amounts expressed in thousands) as of June 30, 1981 were as follows:

Purpose	Outstanding		Authorized But Unissued
	Interest Rates	Amount	Amount
General construction	3.0% to 8.2%	\$ 664,210	\$313,952
Public school construction	3.0% to 8.2%	1,069,055	160,850
Water quality	4.3% to 8.2%	120,555	132,178
Sanitary facilities and sewage treatment	3.0% to 8.2%	18,385	7,505
Hospitals and nursing homes	3.0% to 8.2%	15,075	1,000
Community colleges and vocational schools	3.0% to 8.2%	54,870	11,610
Airport development	3.0% to 8.2%	23,165	
Housing loans	4.8% to 8.2%	68,815	13,968
Maryland Port Authority loans	3.0% to 8.2%	16,915	
Other	4.9% to 8.2%	153,010	183,643
		<u>\$2,204,055</u>	<u>824,706</u>

As of June 30, 1981, general obligation debt service requirements for principal and interest (amounts expressed in thousands) in future years were as follows:

Years Ending June 30,	Total	Years Ending June 30,	Total
1982	\$301,705	1989	\$234,635
1983	298,081	1990	217,748
1984	310,597	1991	178,331
1985	300,885	1992	109,527
1986	296,140	1993	62,231
1987	275,205	1994	39,407
1988	254,672	1995	27,506
		1996	14,695

On July 1, 1981, General Obligation Bonds aggregating \$91,915,000 were issued. The interest rate on this issue is 9.20% and the bonds mature serially through 1996. In connection with this issue the state held a deposit from the purchaser of the debt in the amount of \$1,838,300 at June 30, 1981.

On October 21, 1981, General Obligation Bonds aggregating \$96,265,000 were issued. The interest rate on this issue is 11.30% and the bonds mature serially through 1996.

10. Transportation Bonds:

Consolidated Transportation Bonds are limited obligations issued by the Department of Transportation for highway, port, airport or mass transit facilities or any combination of such facilities, the principal of which must be paid within 15 years from the date of issue. The outstanding aggregate principal amount of these bonds, plus outstanding Maryland Port Authority loans (see Note 9) may not by law exceed \$950,000,000. At June 30, 1981, the principal amount of additional bonds which may be issued under this limitation was \$416,705,000.