

8. 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 government 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, which are paid from the General Obligation Debt Service Fund, 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. Property taxes, debt service fund loan repayments and general fund appropriations provide the resources for repayment of general obligation bonds.

General obligation bonds outstanding and bonds authorized but unissued (amounts expressed in thousands) as of June 30, 1984, were as follows:

Purpose	Outstanding		Authorized But Unissued
	Interest Rates	Amount	Amount
General construction	4.00% to 11.30%	\$ 789,690	\$314,346
Public school construction	4.00 to 11.30	993,410	62,500
Water quality	4.25 to 11.00	126,360	112,028
Sanitary facilities and sewage treatment	4.00 to 11.00	15,405	7,805
Hospitals and nursing homes	4.00 to 11.30	7,825	200
Community colleges and vocational schools	4.00 to 11.00	43,455	5,000
Airport development	4.00 to 4.90	13,690	
Housing loans	4.25 to 11.30	74,550	6,303
Maryland Port Authority loans	4.00 to 6.20	6,810	
Jails and correctional institutions	4.20 to 11.30	47,130	34,115
Private colleges	4.00 to 11.30	14,590	8,187
Social, cultural and historical	4.25 to 11.30	59,932	26,563
Other	4.00 to 11.30	121,468	73,237
		<u>\$2,314,315</u>	<u>\$650,284</u>

As of June 30, 1984, 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
1985	\$374,035	1993	\$154,780
1986	384,661	1994	132,209
1987	368,884	1995	119,732
1988	348,187	1996	106,585
1989	328,033	1997	91,432
1990	310,978	1998	66,634
1991	271,357	1999	15,029
1992	202,228		

On September 6, 1984, General Obligation Bonds aggregating \$138,990,000 were issued. The interest rates on this issue range from 8.5% to 9.0% and the bonds mature serially through 1999.