

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, 1985, were as follows:

Purpose	Outstanding		Authorized But Unissued
	Interest Rates	Amount	Amount
General construction	4.4% to 11.3%	\$ 792,110	\$326,454
Public school construction	4.2 to 11.3	913,025	73,100
Water quality	4.4 to 11.0	122,830	133,210
Sanitary facilities and sewage treatment	4.2 to 11.0	16,445	4,205
Hospitals and nursing homes	4.5 to 11.3	6,665	22,500
Community colleges and vocational schools	4.4 to 11.0	38,835	9,900
Airport development	4.5 to 4.9	10,485	
Housing loans	4.4 to 11.3	73,515	11,603
Maryland Port Authority loans	4.5 to 6.2	3,960	
Jails and correctional institutions	4.3 to 11.3	48,850	35,002
Private colleges	4.5 to 11.3	14,855	12,262
Social, cultural and historical	4.4 to 11.3	58,127	34,812
Savings and loan association insurance loan			100,000
Other	4.2 to 11.3	131,593	68,295
		\$2,231,295	\$831,343

As of June 30, 1985, 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
1986	\$396,768	1994	\$150,141
1987	380,992	1995	137,629
1988	366,288	1996	124,425
1989	346,110	1997	109,196
1990	329,028	1998	84,300
1991	289,384	1999	32,568
1992	220,227	2000	17,394
1993	172,745		