

not exceed \$1,200,000,000. For fiscal year 1993 the aggregate principal amount of consolidated Transportation Bonds that may be outstanding as of June 30, 1993, is \$960,000,000; however, this limit for fiscal year 1993 may be increased or decreased as a result of certain transfers and additional revenues.

Consolidated Transportation Bonds are paid from the transportation debt service fund except for the Bond Anticipation Notes (none outstanding at June 30, 1992), which are paid from the proceeds of Consolidated Transportation Bonds which are deposited in the special revenue fund. Principal of and interest on Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute and the corporate income tax as credited to the Department. These amounts are applicable to the extent necessary for that exclusive purpose before being available for other uses by the Department. If those tax proceeds become insufficient to meet debt service requirements, other receipts of the Department are available for that purpose. The holders of such bonds are not entitled to look to other State resources for payment.

Under the terms of authorizing bond resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (i) total receipts (excluding federal funds for capital projects, bond and note proceeds, income received from a sinking fund separately dedicated to the Refunding Bonds, and other receipts not available for debt service), less administration, operation and maintenance expenses, for the preceding fiscal year equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued, and that (ii) total proceeds from pledged taxes equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued.

County Transportation Bonds are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities, and to provide local participating funds for federally-aided highway projects. Debt service on these bonds is payable from the counties' and Baltimore City's shares of highway user revenues.

By law, the Department may not issue County Transportation Bonds on behalf of a participant if such participant's share of highway user revenues for the latest fiscal year is less than twice such participant's maximum annual debt service on County Transportation Bonds.

The proceeds from transportation bonds issued after December 31, 1986, are subject to Federal regulations governing the investment and use of proceeds of tax-exempt debt issuances.

During the year, Consolidated Transportation Bonds aggregating \$120,000,000 were issued at a discount of \$512,000 and County Transportation Bonds aggregating \$8,300,000 were issued at a discount of \$249,000.

At June 30, 1992, Transportation bond debt service requirements for principal and interest in future years were as follows (amounts expressed in thousands):

Years Ending June 30,	Consolidated Transportation Bonds	County Transportation Bonds	Total Transportation Bond Debt Service Requirements
1993 .....	\$ 87,102	\$26,859	\$113,961
1994 .....	91,371	27,294	118,665
1995 .....	103,561	26,892	130,453
1996 .....	113,474	27,002	140,476
1997 .....	115,221	19,912	135,133
1998 .....	117,932	19,198	137,130
1999 .....	118,198	14,737	132,935
2000 .....	116,341	12,057	128,398
2001 .....	111,888	8,966	120,854
2002 .....	112,336	7,948	120,284
2003 .....	86,851	6,687	93,538
2004 .....	90,101	4,628	94,729
2005 .....	91,639	3,818	95,457
2006 .....	57,517	2,717	60,234
2007 .....	16,097	892	16,989

At June 30, 1992, \$510,590,000 outstanding Consolidated Transportation Bonds and County Transportation Bonds are in substance defeased with the State Treasurer being trustee. At June 30, 1992, the State Treasurer held \$509,704,000 of cash, investments and accrued interest which, along with future interest on the investments, will be sufficient to retire the debt. These assets are restricted for the specific purpose of retiring these bonds and are accounted for in an agency fund. The outstanding debt is not included in the long-term debt account group as it has been in substance defeased.