

General obligation bonds authorized but unissued as of June 30, 1995, total \$1,190,974,197.

As of June 30, 1995, general obligation debt service requirements for principal and interest in future years are as follows (amounts expressed in thousands).

Years Ending June 30	Total	Years Ending June 30	Total
1996.....	\$378,445	2004.....	\$217,127
1997.....	375,011	2005.....	198,384
1998.....	368,632	2006.....	174,118
1999.....	317,401	2007.....	141,729
2000.....	317,801	2008.....	104,237
2001.....	292,615	2009.....	76,025
2002.....	270,307	2010.....	36,444
2003.....	251,724		

On October 11, 1995, general obligation bonds aggregating \$150,000,000 were issued. The interest rates on this issue range from 4.5% to 5.1% and the bonds mature serially through 2011.

Transportation Bonds —

Transportation Bonds outstanding as of June 30, 1995, are as follows (amounts expressed in thousands).

	Outstanding
Consolidated Transportation Bonds — 3.8% to 6.7%, due serially through 2008	\$ 560,400
Consolidated Transportation Bonds, Refunding — 3.6% to 4.5%, due serially through 2005.....	480,105
County Transportation Bonds — 4.8% to 6.2%, due serially through 2006.....	21,205
	<u>\$1,061,710</u>

Consolidated Transportation Bonds are limited obligations issued by the Maryland Department of Transportation (Department) for highway, port, airport or mass transit facilities, or any combination of such facilities. The principal must be paid within 15 years from the date of issue.

As provided by law, the General Assembly shall establish in the budget for any fiscal year a maximum outstanding aggregate amount of these Consolidated Transportation Bonds as of June 30 of the respective fiscal year that does not exceed \$1,200,000,000. The aggregate principal amount of those bonds that was allowed to be outstanding as of June 30, 1995, was \$1,135,000,000. Consolidated Transportation Bonds are paid from the transportation debt service fund except for the Bond Anticipation Notes (none outstanding as of June 30, 1995), which are paid from the proceeds of Consolidated Transportation Bonds deposited in the special revenue fund. Principal and interest on Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute and a portion of the corporate income tax credited to the Department. These amounts are available 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 the 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, 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.

Legislation was enacted during the 1993 session of the General Assembly that established an alternative County Transportation Bond program. This new legislation provides features similar to the current program except that the County transportation debt will be the obligation of the participating counties rather than the Department.