

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, 1997, was \$1,100,000,000. The aggregate principal amount of Consolidated Transportation Bonds outstanding as of June 30, 1997, was \$924,380,000. Consolidated Transportation Bonds are paid from the transportation debt service 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.

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 previous program except that the County transportation debt will be the obligation of the participating counties rather than the Department.

On December 1, 1996, Consolidated Transportation Bonds in the amount of \$50,000,000 were issued by the Department with a premium of \$118,080. The Bonds are dated December 1, 1996, with maturities ranging from December 1998 to December 2011, at an interest rate of 5.0%.

As of June 30, 1997, Transportation bond debt service requirements for principal and interest in future years are as follows (amounts expressed in thousands).

Years Ending June 30,	Consolidated Transportation Bonds	County Transportation Bonds	Total Transportation Bond Debt Service Requirements
1998.....	\$142,769	\$5,338	\$148,107
1999.....	133,249	869	134,118
2000.....	133,386	869	134,255
2001.....	106,334	873	107,207
2002.....	109,888	878	110,766
2003.....	115,087	886	115,973
2004.....	117,930	885	118,815
2005.....	119,495	891	120,386
2006.....	84,524	888	85,412
2007.....	45,586	892	46,478
2008.....	29,782		29,782
2009.....	21,257		21,257
2010.....	16,918		16,918
2011.....	6,600		6,600
2012.....	6,300		6,300

Maryland Transportation Authority Bonds —

The Maryland Transportation Authority (Authority) has issued Transportation Facilities Projects Revenue Bonds, Series 1991 and 1992, which are payable solely from the revenues of the transportation facilities projects.