NEW ISSUE—BOOK-ENTRY ONLY

Moody's Investors Service, Inc.: Aaa
S&P Global Ratings: AAA
Fitch Ratings: AAA
(See "Ratings" herein)

$852,125,000
STATE OF MARYLAND
General Obligation Bonds
State and Local Facilities Loan of 2021, Second Series

$540,000,000[1]	$75,000,000[2]	$113,840,000[3]	$123,285,000[4]
Second Series A Tax-Exempt Bonds (Competitive)	**Second Series B Taxable Bonds (Competitive)**	**Second Series C Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)**	**Second Series D Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)**

Dated: Applicable Date of Delivery **Due: See Inside Cover**

The Second Series A Bonds, Second Series B Bonds, Second Series C Bonds and Second Series D Bonds are sometimes referred to herein as the "Bonds." The Bonds will be issued as fully registered bonds in denominations of $5,000 each or any integral multiple thereof. Purchasers will not receive physical delivery of bond certificates. The Bonds will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments will be made so long as Cede & Co. is the registered owner of the Bonds. Interest on the Second Series A Bonds, Second Series B Bonds and Second Series D Bonds will accrue from the date of their issuance and delivery and will be payable on each February 1 and August 1, commencing on February 1, 2022 in the case of the Second Series A Bonds and the Second Series B Bonds and, commencing on August 1, 2022 in the case of the Second Series D Bonds. Interest on the Second Series C Bonds will accrue from the date of their issuance and delivery and will be payable on March 1 and September 1 of each year, commencing on September 1, 2022. So long as the Bonds are maintained under a book-entry only system, the Treasurer of the State of Maryland (the "Treasurer") will act as Paying Agent and Bond Registrar. Interest on the Bonds will be paid as specified herein to the owner of record as of the 15th day of the month immediately preceding the interest payment date.

FOR MATURITY SCHEDULES SEE INSIDE COVER

The Second Series A Bonds maturing on or after August 1, 2032 are subject to optional redemption commencing on August 1, 2031 at a redemption price equal to 100% of the principal amount thereof. The Second Series B Bonds, Second Series C Bonds and Second Series D Bonds are not subject to redemption prior to their maturities. See "THE BONDS – Redemption Provisions" herein.

In the opinion of the Honorable Brian E. Frosh, Attorney General of Maryland, and of Kutak Rock LLP, Washington, DC, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, the Bonds will be valid and legally binding general obligations of the State of Maryland to the payment of which the full faith and credit of the State are pledged. *In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Second Series A Bonds, Second Series C Bonds and Second Series D Bonds is excludable from gross income for purposes of federal income tax, and is not an item of tax preference for purposes of federal alternative minimum tax, assuming continuing compliance with the requirements of the federal tax laws. In the opinion of Bond Counsel, interest on the Second Series B Bonds is not excludable from gross income for purposes of federal income tax.* It is also the opinion of the Attorney General and of Bond Counsel that under existing law of the State of Maryland, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized in the sale or exchange thereof, will be exempt from taxation within the State of Maryland by the State or by any of its political subdivisions, municipal corporations, or public agencies; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied directly on the Bonds, their transfer or the income therefrom. See "TAX MATTERS" herein for a more complete description of the opinion of Bond Counsel and additional federal tax law consequences. Deliveries of the opinions of the Attorney General and of Bond Counsel with respect to the Second Series C Bonds and Second Series D Bonds are subject to the satisfaction of certain terms and conditions provided in the Forward Delivery Bond Purchase Agreements (as defined herein). See "FORWARD DELIVERY BOND CONSIDERATIONS FOR SECOND SERIES C BONDS AND SECOND SERIES D BONDS."

The interest rates and yields shown on the inside cover are based on the successful bids for the competitive sale of the Second Series A Bonds and Second Series B Bonds on Wednesday, August 11, 2021, by groups of banks and investment banking firms, and on the negotiated sales of the Second Series C Bonds and Second Series D Bonds to the Underwriters (defined herein). Any other information concerning the terms of the reoffering of any of the Bonds should be obtained from the successful bidders and the Underwriters and not from the State of Maryland.

The Second Series A Bonds and the Second Series B Bonds are offered for delivery, when and if issued, subject to the receipt of the approving opinions of the Attorney General of the State of Maryland and Kutak Rock LLP, Washington, DC, and certain other conditions specified in the Official Notices of Sale. The Second Series A Bonds and the Second Series B Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about August 25, 2021.

The Second Series C Bonds and the Second Series D Bonds are offered for delivery, when and if issued, subject to the receipt of the approving opinions of the Attorney General of the State of Maryland and Kutak Rock LLP, Washington, DC, and certain other conditions specified in the Forward Delivery Bond Purchase Agreements. Certain legal matters will be passed upon for the Underwriters by their counsel, Ballard Spahr LLP, Baltimore, Maryland. The Second Series C Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about March 1, 2022. The Second Series D Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about May 3, 2022. See "FORWARD DELIVERY BOND CONSIDERATIONS FOR SECOND SERIES C BONDS AND SECOND SERIES D BONDS."

BofA Securities

Citigroup **J.P. Morgan** **Morgan Stanley** **Siebert Williams Shank & Co., LLC**

August 11, 2021

[1]The Second Series A Bonds were sold on a competitive sale basis as described herein under "SALE AT COMPETITIVE BIDDING" and pursuant to the Official Notice of Sale for the Second Series A Bonds attached hereto as APPENDIX E-1.
[2]The Second Series B Bonds were sold on a competitive sale basis as described herein under "SALE AT COMPETITIVE BIDDING" and pursuant to the Official Notice of Sale for the Second Series B Bonds attached hereto as APPENDIX E-2.
[3]The Second Series C Bonds were purchased by the Underwriters listed above as described herein under "UNDERWRITING – SECOND SERIES C BONDS."
[4]The Second Series D Bonds were purchased by the Underwriters listed above as described herein under "UNDERWRITING – SECOND SERIES D BONDS."

MATURITY SCHEDULES

$540,000,000 Second Series A Tax-Exempt Bonds (Competitive)

$258,950,000 Second Series A Bidding Group 1 Bonds
Awarded to J.P. Morgan Securities LLC.

Maturing August 1	Principal	Interest Rate	Yield/Price	CUSIP
2026	$37,945,000	5.00%	0.42%	574193UJ5
2027	39,895,000	5.00	0.54	574193UK2
2028	41,940,000	5.00	0.66	574193UL0
2029	44,090,000	5.00	0.77	574193UM8
2030	46,350,000	5.00	0.86	574193UN6
2031	48,730,000	5.00	0.94	574193UP1

$281,050,000 Second Series A Bidding Group 2 Bonds
Awarded to J.P. Morgan Securities LLC.

Maturing August 1	Principal	Interest Rate	Yield/Price	CUSIP
2032	$51,225,000	5.00%	1.00%*	574193UQ9
2033	53,855,000	5.00	1.05*	574193UR7
2034	56,325,000	5.00	1.12*	574193US5
2035	58,625,000	4.00	1.28*	574193UT3
2036	61,020,000	4.00	1.33*	574193UU0

$75,000,000 Second Series B Taxable Bonds (Competitive)
Awarded to Wells Fargo Bank, National Association.

Maturing August 1	Principal	Interest Rate	Yield/Price	CUSIP
2024	$37,340,000	0.46%	0.46%	574193UV8
2025	37,660,000	0.67	0.67	574193UW6

$113,840,000 Second Series C Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)
Sold to the Underwriters listed on the cover page of this Official Statement.

Maturing March 1	Principal	Interest Rate	Yield/Price	CUSIP
2026	$35,500,000	5.00%	0.55%	574193UX4
2028	38,595,000	4.00	0.86	574193UY2
2029	39,745,000	4.00	0.96	574193UZ9

$123,285,000 Second Series D Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)
Sold to the Underwriters listed on the cover page of this Official Statement.

Maturing August 1	Principal	Interest Rate	Yield/Price	CUSIP
2027	$39,280,000	3.00%	0.92%	574193VA3
2028	40,920,000	4.00	0.98	574193VB1
2029	43,085,000	4.00	1.07	574193VC9

*Priced to the first call date of August 1, 2031.

No dealer, broker, salesman or any other person has been authorized by the State of Maryland (sometimes referred to as the "State") to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the State of Maryland. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the State and other sources that are deemed to be reliable. The information from sources other than the State is not guaranteed as to accuracy or completeness and should not be construed as representations of the State. The State of Maryland believes that the information contained in this Official Statement is correct and complete as of its date. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the State of Maryland since the respective dates as of which information is given herein.

Certain statements included or incorporated by reference in this Official Statement constitute "forward looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "budget," "forecast," or other similar words. The achievement of certain results or other expectations in such forward looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. The State does not plan to issue any updates or revisions to those forward looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

No quotations from or summaries or explanations of provisions of law and documents herein purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the State of Maryland and the purchasers or holders of any of the securities described herein. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover and inside cover pages hereof, list of officials, this page and the appendices attached hereto are part of this Official Statement.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such Act. In making an investment decision, investors must rely on their own examination of the State and terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary may be a criminal offense.

CUSIP numbers on the inside cover page of this Official Statement are copyrighted by the American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and the State takes no responsibility for the accuracy thereof. These data are not intended to create a database and do not serve in any way as a substitute for the CUSIP Service.

STATE OF MARYLAND SELECTED STATE OFFICIALS

EXECUTIVE

Lawrence J. Hogan, Jr.
Governor

Boyd Rutherford
Lieutenant Governor

Peter Franchot
Comptroller

Brian E. Frosh
Attorney General

Nancy K. Kopp
Treasurer

JUDICIAL

Mary Ellen Barbera
Chief Judge
Court of Appeals of Maryland

LEGISLATIVE

Bill Ferguson
President of the Senate
(47 Senators)

Adrienne A. Jones
Speaker of the House of Delegates
(141 Delegates)

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COVID-19 DISCLOSURE SUMMARY

The outbreak of COVID-19 was declared a pandemic by the World Health Organization and a national emergency by the President of the United States on March 13, 2020. The virus has impacted travel, commerce and financial markets globally. On March 5, 2020, Governor Hogan declared a state of emergency within the State and over the course of the COVID-19 outbreak; the Governor has since issued numerous Executive Orders extending the state of emergency and otherwise addressing the outbreak. On June 15, 2021, Governor Hogan announced the end of emergency mandates effective July 1, 2021, followed by a 45-day administrative grace period.

As of July 29, 2021, 68.6% of Maryland residents aged twelve or older have been fully vaccinated and 75.3% have received at least one dose. This represents 58.6% of Maryland's total population that has been fully vaccinated with 64.4% of the total population having received at least one dose. The State has established a dedicated website providing up-to-date information concerning the State's coronavirus metrics at https://covid.cdc.gov/covid-data-tracker/#vaccinations. This website is incorporated for convenience only and is not incorporated by reference into this Official Statement.

Various actions have been taken by the State, as well as federal and local governments and agencies, to address the impact of the COVID-19 pandemic. Emergency legislation known as the RELIEF Act was passed by the General Assembly and signed into law on February 15, 2021 by the Governor. See "STATE FINANCES – General Fund 2022 Budget" for a description of the legislation. The State anticipates posting future updates on the financial and operational impact of COVID-19 at www.buymarylandbonds.com/covid-19.pdf. This website is incorporated for convenience only and is not incorporated by reference into this Official Statement.

The State has received, and expects to receive additional funds from the federal government, which among other things, will reimburse the State for a portion of the costs incurred by the State in response to COVID-19. Federal actions include the Coronavirus Aid, Relief and Economic Security Act (see below), the Families First Coronavirus Response Act, the Consolidated Appropriations Act, and, most recently, the American Rescue Plan of 2021 (see below). In addition, the State received increased funding under the federal medical assistance percentages ("FMAP") first authorized by the Families First Coronavirus Relief Act. The ultimate impact of the pandemic on the revenues and operations of the State remains uncertain. There can be no assurance that actual results will not be materially different from the estimates and projections set forth in this Official Statement.

American Rescue Plan Act, 2021. The President of the United States signed H.R. 1319, The American Rescue Plan Act ("ARPA"), into law on March 11, 2021. This resulted in $5.7 billion in federal fund revenue spread over fiscal years 2021 and 2022 through a variety of programs and enhanced federal matching initiatives. In addition, ARPA modifies numerous provisions to the Tax Cuts and Jobs Act of 2017 and extends other temporary provisions which are expected to minimally offset the federal aid, reducing Maryland revenues by $224.6 million in fiscal year 2022 and by $2.2 million in fiscal year 2023. Additional information on the State tax implications of ARPA may be found at http://treasurer.state.md.us/media/120847/60_Day_Report_American_Rescue_Plan.pdf.

Coronavirus Aid, Relief, and Economic Security Act. The President of the United States signed into law H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), on March 27, 2020. The CARES Act resulted in an additional $2.8 billion in federal fund revenue in fiscal year 2021. It also temporarily altered several tax provisions enacted under the TCJA, which are expected to minimally offset the federal aid by about $16.0 million in fiscal year 2020 and $81.5 million fiscal year 2021. Additional information on the State tax implications of the CARES Act may be found at http://treasurer.state.md.us/media/120847/CARES_Act_60_Day_Report_Final_2020.pdf.

INTRODUCTION

ISSUER	The State of Maryland
SECURITIES	General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series A $540,000,000 Tax-Exempt Bonds (Competitive) Second Series B $75,000,000 Taxable Bonds (Competitive) Second Series C $113,840,000 Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery) Second Series D $123,285,000 Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)
AGGREGATE PRINCIPAL AMOUNT OF ISSUE	$852,125,000
INTEREST PAYMENT DATES	February 1 and August 1 for the Second Series A Bonds, the Second Series B Bonds and the Second Series D Bonds, commencing February 1, 2022 for the Second Series A Bonds and the Second Series B Bonds and commencing August 1, 2022 for the the Second Series D Bonds. March 1 and September 1 for the Second Series C Bonds, commencing September 1, 2022.
STATE ECONOMIC FACTORS	The State of Maryland has a population of approximately 6.1 million, with employment based largely in services, trade, and government. Those sectors, along with financial activities, are the largest contributors to the gross state product, according to the U.S. Department of Commerce, Bureau of Economic Analysis. Population is concentrated around the Baltimore and Washington, D.C. Metropolitan Statistical Areas, and proximity to Washington, D.C. influences the above-average percentage of employees in government. Manufacturing, on the other hand, is a much smaller proportion of employment than for the nation. The unemployment rates in 2020 for Maryland and the nation were 6.8% and 8.1%, respectively. More recently, the unemployment rate in May 2021 was 6.1% in Maryland and 5.8% nationwide. The State's per capita personal income was the seventh highest in the country in 2020, according to the Bureau of Economic Analysis, at 114.3% of the national average. See "STATE DEMOGRAPHIC AND ECONOMIC DATA."
BUDGET AND FINANCIAL	The State enacts its budget annually. Revenues are derived largely from certain broad-based taxes, including statewide income, sales, motor vehicle, and property taxes. Non-tax revenues are largely from the federal government for transportation, health care, welfare and other social programs. General Fund revenues on a budgetary basis realized in the State's fiscal year ended June 30, 2020 closed below revised estimates by $102.2 million, or 0.5%. The State ended fiscal year 2020 with a $703.5 million General Fund balance on a budgetary basis. This balance reflects a $289.0 million increase compared to the balance projected at the time the 2020 Budget was enacted. In addition, there was a balance in the Revenue Stabilization Account of approximately $1.2 billion. For fiscal year 2021, the total budget is $54.7 billion, a $7.3 billion increase over fiscal year 2020. With the passing of the fiscal year 2022 budget, the State expects to end fiscal year 2021 with a General Fund balance of $1.4 billion. The General Fund accounts for approximately $18.9 billion of expenditures for fiscal year 2021, of which the largest expenditures are for education and health, which together represent 74.6% of total General Fund expenditures. For the fiscal year 2022 the total budget as enacted is $52.5 billion,

a $2.3[1] billion decrease from fiscal year 2021. The General Fund accounts for approximately $20.9 billion of expenditures for fiscal year 2022, of which the largest are for education and health, which together represent 71.1% of total General Fund expenditures. General Fund expenditures exclude transportation, which is funded with special fund revenues from the Transportation Trust Fund. See "STATE FINANCES – State Expenditures and Services."

On a GAAP basis, the non-spendable General Fund balance was $2.0 billion, while the restricted, committed, and unassigned fund balances were $998.4 million at the end of fiscal year 2020. By comparison, the non-spendable General Fund balance was $610.3 million and the restricted, committed, and unassigned fund balances were $2.1 billion at the end of fiscal year 2019. The total GAAP fund balance for fiscal year 2020 was $3.0 billion compared with a total GAAP fund balance of $2.7 billion for fiscal year 2019. See "STATE FINANCES."

The State Reserve Fund consists of the Revenue Stabilization Account and other reserve funds, which together totaled $582.7 million at the end of fiscal year 2021. The Revenue Stabilization Account was established to retain State revenues for future needs and to reduce the need for future tax increases. Current estimates project a total reserve balance of $1.1 billion for the close of fiscal year 2022, all of which is projected to be in the Revenue Stabilization Account. The Revenue Stabilization Account balance as a percentage of fiscal year 2022 General Fund revenues is estimated to equal 5.5%.

STATE DEBT

Maryland had $14.0 billion of net State tax-supported debt outstanding as of June 30, 2021. General obligation bonds accounted for $9.9 billion of that amount. In fiscal year 2021, debt service on general obligation bonds was paid primarily from State property tax receipts. Department of Transportation bonds outstanding account for another $3.7 billion of State tax-supported debt as of June 30, 2021; the debt service on those bonds is payable from taxes and fees related to motor vehicles and motor vehicle fuel, a portion of the corporate income tax and a portion of the sales and use tax on short-term vehicle rentals. Debt obligations issued by the Maryland Stadium Authority in the form of lease-backed revenue bonds and energy lease financing account for $108.5 million of State tax-supported debt outstanding as of June 30, 2021. Rental payments under the leases are subject to annual appropriation by the General Assembly. The Water Quality Financing Administration of the Maryland Department of Environment had Bay Restoration Revenue Bonds outstanding in the amount of $209.7 million as of June 30, 2021. Revenues from users of sewerage and septic systems are pledged, to the extent necessary, as debt service on these bonds.

The State has also financed construction and acquisition of various other facilities and equipment through lease-type financing, subject to annual appropriation by the General Assembly, in the amount of $241.0 million as of June 30, 2021.

The State had $2.6 billion of authorized but unissued debt as of June 30, 2021. The current offering is the first general obligation bond sale of fiscal year 2022. See "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Tax-Supported Debt Outstanding and Debt Data."

[1]Totals may not add due to rounding.

APPLICATION OF PROCEEDS	The proceeds of the Second Series A Bonds will be applied for a variety of public purposes, including the acquisition and construction of State facilities; capital grants to local governments for public schools, community colleges, jails and correctional facilities; and grants to local governments, nonprofit institutions, and other entities for hospitals, cultural projects and other projects. The proceeds of the Second Series B Bonds will be applied for a variety of public purposes, including various loan programs for environmental and housing purposes. The proceeds of the Second Series C Bonds and Second Series D Bonds will be held uninvested in cash or used to purchase federal securities for deposit into separate escrow deposit funds and applied to the refunding of certain outstanding general obligation bonds of the State. The purpose of the refunding is the realization of savings in the debt service costs.
CONTINUING DISCLOSURE	The State will provide annual financial and other information, including notices of certain events, in order to assist the successful bidders and the Underwriters in complying with Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934. Appropriate periodic credit information will be provided to the rating agencies maintaining ratings on the Bonds. See APPENDIX F – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

THE FOREGOING INFORMATION IS QUALIFIED IN ITS ENTIRETY BY THE DETAILED INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT.

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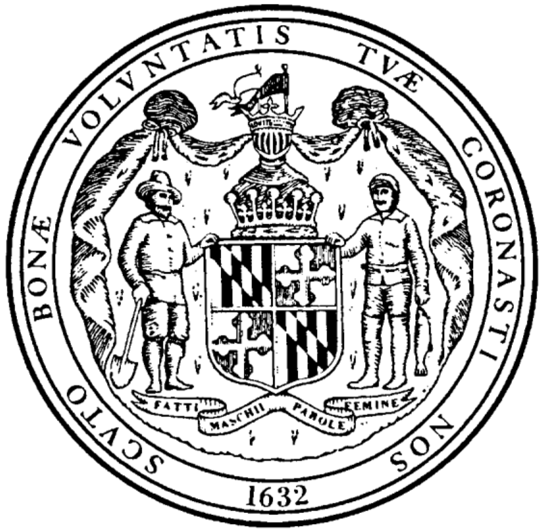

STATE OF MARYLAND
Official Statement

$852,125,000
General Obligation Bonds
State and Local Facilities Loan of 2021, Second Series

consisting of

$540,000,000 Second Series A Tax-Exempt Bonds (Competitive)	**$75,000,000 Second Series B Taxable Bonds (Competitive)**	**$113,840,000 Second Series C Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)**	**$123,285,000 Second Series D Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)**

THE STATE

The State of Maryland (the "State") ratified the United States Constitution on April 28, 1788. The capital of the State is Annapolis, where the principal activities of the State Government are centered. The State's 2020 population is estimated to have been 6,055,802 on July 1st of that year. Maryland ranks 42nd among the states in land area with 9,844 square miles. The largest city in the State is Baltimore with a 2020 population estimate of 586,131 (2,800,189 for the primary metropolitan statistical area).

THE BONDS

General

The $852,125,000 aggregate principal amount of general obligation bonds offered by this Official Statement constitutes the State and Local Facilities Loan of 2021, Second Series. The Bonds consist of $540,000,000 Second Series A Tax-Exempt Bonds (the "Second Series A Bonds"), $75,000,000 Second Series B Taxable Bonds (the "Second Series B Bonds"), $113,840,000 Second Series C Tax-Exempt Refunding Bonds (the "Second Series C Bonds") and $123,285,000 Second Series D Tax-Exempt Refunding Bonds (the "Second Series D Bonds"). The Second Series A Bonds, Second Series B Bonds, Second Series C Bonds and Second Series D Bonds are sometimes collectively referred to herein as the "Bonds." The Second Series A Bonds and the Second Series B Bonds are expected to be issued on or about August 25, 2021. The Second Series C Bonds and the Second Series D Bonds are forward delivery bonds (also referred to collectively herein as the "Forward Delivery Bonds") and are expected to be issued on March 1, 2022 and May 3, 2022, respectively, subject to the satisfaction of certain conditions set forth in the Forward Delivery Bond Purchase Agreements. See "FORWARD DELIVERY BOND CONSIDERATIONS FOR THE SECOND SERIES C BONDS AND THE SECOND SERIES D BONDS" herein.

Interest on the Bonds will accrue from their respective dates of issuance and delivery and will be payable on each February 1 and August 1, commencing February 1, 2022 for the Second Series A Bonds and the Second Series B Bonds and commencing August 1, 2022 for the Second Series D Bonds until maturity unless, in the case of the Second Series A Bonds only, redeemed prior to maturity as provided herein under "Redemption Provisions." Interest on the Second Series C Bonds will accrue from the date of issuance and delivery and will be payable on each March 1 and September 1, commencing September 1, 2022. Payment of the principal of and interest on the Bonds shall be in such currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. The Bonds will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof. The Bonds will initially be maintained under a book-entry only system; individual purchasers ("Beneficial Owners") shall have no right to receive physical possession of the Bonds, and any payment of the principal or redemption price of and interest on the Bonds will be made as described in APPENDIX G – "BOOK-ENTRY ONLY SYSTEM." So long as the Bonds are maintained under a book-entry only system, the Treasurer will serve as Bond Registrar and Paying Agent.

Interest on the Bonds will be paid on the date payable or, if that date is not a Business Day (hereinafter defined), on the next succeeding Business Day, to the person in whose name the Bond is registered on the registration books (the "Bond Register") maintained by the Bond Registrar as of the close of business on the 15th day of the month immediately preceding each interest payment date. "Business Day" means a day other than a Saturday, Sunday, or day on which banking institutions are authorized or obligated by law or required by executive order to remain closed. Principal will be payable upon presentation of the Bonds at the principal office of the Paying Agent, or at the principal office of any other Bond Registrar and Paying Agent appointed by the Treasurer, on the date the principal is payable or, if that date is not a Business Day, on the next succeeding Business Day. So long as the Bonds are maintained in a book-entry only system, interest will be paid by electronic funds transfer on the interest payment date with respect to Bonds held by The Depository Trust Company, New York, New York ("DTC") from funds sent to DTC.

So long as the Bonds are maintained in a book-entry-only system, Beneficial Owners will not have physical possession of the Bonds and transfers of their interest in the Bonds will be made through DTC. Beneficial Owners should look to the institution from which their Bonds were purchased for payment.

See "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – General Obligation Bonds" for a description of the constitutional and other legal foundations of general obligation bonds of the State.

Second Series A Tax-Exempt Bonds (Competitive)

The State determined to issue the Second Series A Bonds as tax-exempt bonds, sold on a competitive basis as described herein under "SALE AT COMPETITIVE BIDDING" and pursuant to the Official Notice of Sale for the Second Series A Bonds, included in APPENDIX E-1 hereto.

Second Series B Taxable Bonds (Competitive)

The State determined to issue the Second Series B Bonds as taxable bonds, sold on a competitive basis as described herein under "SALE AT COMPETITIVE BIDDING" and pursuant to the Official Notice of Sale for the

Second Series B Bonds, included in APPENDIX E-2 hereto.

Second Series C Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)

The State determined to issue the Second Series C Bonds as tax-exempt forward delivery refunding bonds, sold on a negotiated basis through a group of underwriters (the "Underwriters") represented by BofA Securities, Inc. (the "Representative"), during a negotiated sale period, as described herein under "UNDERWRITING – SECOND SERIES C BONDS AND SECOND SERIES D BONDS". As a result of the refunding, a net present value savings of approximately $21.3 million is anticipated. The general obligation bonds to be refunded by the Second Series C Bonds, when and if issued, consist of the following "State and Local Facilities Loans" issued in the years and numerical Series and maturities set out below (the "Series C Refunded Bonds").

Issue	Maturity	Par Amount	Call Date	Call Price	CUSIP#
2014 First Series A	3/1/2026	$42,680,000	3/31/2022	100%	574193JS8
2014 First Series A	3/1/2028	45,280,000	3/31/2022	100	574193JU3
2014 First Series A	3/1/2029	46,695,000	3/31/2022	100	574193JV1

Second Series D Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)

The State determined to issue the Second Series D Bonds as tax-exempt forward delivery refunding bonds, sold on a negotiated basis through a group of underwriters represented by the Representative, during a negotiated sale period, as described herein under "UNDERWRITING – SECOND SERIES C AND SECOND SERIES D BONDS". As a result of the refunding, a net present value savings of approximately $17.8 million is anticipated. The general obligation bonds to be refunded by the Second Series D Bonds, when and if issued, consist of the following "State and Local Facilities Loans" issued in the years and numerical Series and maturities set out below (the "Series D Refunded Bonds").

Issue	Maturity	Par Amount	Call Date	Call Price	CUSIP#
2014 Second Series B	8/1/2027	$45,155,000	8/1/2022	100%	574193KY3
2014 Second Series B	8/1/2028	47,000,000	8/1/2022	100	574193KZ0
2014 Second Series B	8/1/2029	48,920,000	8/1/2022	100	574193LA4

Authorization for the Bonds

The State Constitution prohibits the contracting of State debt unless authorized by a law providing for the collection of an annual tax or taxes sufficient to pay the interest when due and to discharge the principal within 15 years of the date of debt issuance. The State Constitution also provides that the taxes levied for this purpose may not be repealed or applied to any other purpose until the debt is fully discharged. As a matter of practice, general obligation bonds, other than refunding bonds, are issued to mature in serial installments to provide payment of interest only during the first two years and an approximately level annual payment of principal and interest over the remaining years.

The Board of Public Works (the "Board"), a constitutional body composed of the Governor, the Comptroller, and the Treasurer, by resolution authorizes the issuance of bonds in a specified amount for part or all of the loans authorized by various enabling acts. Since 1969, the Board has used its statutory authority to issue and sell general obligation bonds authorized by various enabling acts on a consolidated basis as a single issue designated as a "State and Local Facilities Loan" of a numerical Series indicating the order of sale during the calendar year. The Bonds have been authorized for issuance under this procedure.

The General Assembly annually enacts a Maryland Consolidated Capital Bond Loan Act (the "MCCBL") that consolidates within a single enabling act, authorizing funds for various capital programs administered by State agencies and other projects for local governments or private institutions to be financed through the sale of State general obligation bonds. The total amount of general obligation bonds authorized by various MCCBLs but unissued as of June 30, 2021, was $2.6 billion. In addition, the General Assembly authorized $1.1 billion of general obligation bonds in the 2021 session. See "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Capital Programs" and APPENDIX B – "SUPPLEMENTARY DEBT SCHEDULES."

Based upon the State's anticipated capital needs, the Board has authorized the sale and issuance of up to $615,000,000 of general obligation bonds to fund capital improvements and up to $300,000,000 to refund outstanding general obligation bonds.

It is anticipated that the proceeds of the sale of the Second Series A Bonds and the Second Series B Bonds will be expended for authorized projects in the categories shown in "THE BONDS – Use of Proceeds."

Security for the Bonds

The Bonds will be general obligations of the State to which the full faith and credit of the State are pledged.

Redemption Provisions

Optional Redemption for the Second Series A Bonds. The Second Series A Bonds maturing on or after August 1, 2032 are subject to redemption prior to their respective maturities on or after August 1, 2031, as a whole or in part at the option of the State at any time on at least 20 days' notice and, if in part, in any order of maturity at the option of the State, at the redemption price of par, plus accrued interest, if any, to the redemption date.

No Optional Redemption for the Second Series B Bonds, Second Series C Bonds and Second Series D Bonds. The Second Series B Bonds, Second Series C Bonds and Second Series D Bonds are not subject to redemption prior to their respective maturities.

Redemption Procedures. If less than all of the Second Series A Bonds of any maturity shall be called for redemption, the particular Second Series A Bonds to be redeemed shall be selected by the Paying Agent in such manner as, in its discretion, it shall determine, except that so long as DTC or its nominee is the sole registered owner of the Second Series A Bonds, the particular Second Series A Bonds to be redeemed shall be selected by DTC, in such manner as DTC shall determine.

In case part but not all of any of the Second Series A Bonds of any maturity shall be selected for redemption, then upon its surrender, there shall be issued without charge to the registered owner replacement bonds in any authorized denominations as specified by the registered owner. The aggregate principal amount of bonds so issued shall be equal to the unredeemed balance of the principal amount of the bond surrendered, and bonds so issued shall bear the same interest rate and shall mature on the same date as the bond surrendered. Should the State elect to redeem all or a portion of the Second Series A Bonds, the State shall provide a redemption notice (i) by first class mail, postage prepaid, at least 20 days prior to the redemption date to each registered owner as identified within the Bond Register and (ii) as may be further required in accordance with the Continuing Disclosure Agreement; provided, however, that neither the failure to mail the redemption notice nor any defect in the notice shall affect the validity of the redemption proceedings.

The redemption notice shall state: (1) whether the Second Series A Bonds are to be redeemed in whole or in part and, if in part, the portions of the principal amount of each maturity of the Second Series A Bonds to be redeemed; (2) the redemption date and the redemption price or prices; (3) that the Second Series A Bonds to be redeemed shall be presented for redemption and payment on or after the redemption date at the principal office of the Paying Agent; (4) that interest on the Second Series A Bonds called for redemption shall cease to accrue on the redemption date, and (5) any conditions to such redemption. In the event that a redemption notice contains a condition and the condition is not met, the redemption will not occur and notice will be given that the redemption is to be or was cancelled.

From and after the redemption date, if funds sufficient for the payment of the redemption price of the Second Series A Bonds called for redemption are available on such date, the Second Series A Bonds so called for redemption shall become due and payable at the redemption price or prices on the redemption date, interest on the Second Series A Bonds shall cease to accrue, and the registered owners of the Second Series A Bonds so called for redemption shall have no rights in respect thereof except to receive payment of the redemption price plus accrued interest to the redemption date. Upon presentation and surrender of the Second Series A Bonds called for redemption in compliance with the redemption notice, the Paying Agent shall pay the redemption price of the Second Series A Bonds. If the Second Series A Bonds so called for redemption are not paid upon presentation and surrender as described above, such bonds shall continue to bear interest at the rates stated therein until paid.

Remedies

Based upon the provisions of §34 and 52 of Article III of the State Constitution, general statutory law, and the enabling legislation for general obligation bond authorizations, in the opinion of the Attorney General, the courts of Maryland have jurisdiction to entertain proceedings and power to grant mandatory injunctive relief to: (1) require the

Governor to include in the annual budget an appropriation sufficient to pay all general obligation bond debt service for the ensuing fiscal year; (2) prohibit the General Assembly from taking action to reduce any such appropriation below the level required for that debt service; (3) require the Board of Public Works to fix and collect a tax on all property in the State subject to assessment for State tax purposes at a rate and in an amount sufficient to make such payments to the extent that adequate funds are not provided in the annual budget; and (4) provide such other relief as might be necessary to enforce the collection of these taxes and payment of the proceeds to the holders of general obligation bonds, *pari passu,* subject to the inherent limitations of the Constitution referred to below.

It is also the opinion of the Attorney General that, while the mandatory injunctive remedies would be available and while the general obligation bonds of the State are entitled to constitutional protection against the impairment of the obligation of contracts, such constitutional protection and the enforcement of such remedies would not be absolute. Enforcement of a claim for payment of the principal of or interest on the Bonds could be subject to the provisions of any statutes that hereafter may be constitutionally enacted by the United States Congress or by the General Assembly extending the time for payment or imposing other constraints upon enforcement.

Estimated Sources and Uses of Funds

Second Series Bonds

	Second Series A Bonds	Second Series B Bonds	Second Series C Bonds	Second Series D Bonds
Sources:				
Par Amount	$540,000,000	$75,000,000	$113,840,000	$123,285,000
Net Original Issue Premium/ Discount**	170,454,263	-	21,473,858	20,416,603
Total Sources*	710,454,263	$75,000,000	$135,313,858	$143,701,603
Uses:				
Deposit to State and Local Facilities Loan Fund	$540,000,000	$74,926,476	-	-
Deposit to the Annuity Bond Fund**	169,335,516	-	-	-
Purchase of Escrow Securities and Cash Deposit	-	-	135,068,288	143,416,905
Costs of Issuance	572,605	33,999	-	-
Underwriter's Discount	546,142	39,525	241,434	280,265
Additional Proceeds	-	-	4,136	4,433
Total Uses*	$710,454,263	$75,000,000	$135,313,858	$143,701,603

*Totals may not add due to rounding.
**The premium earned on the sale of the Second Series A Bonds will be applied first to pay the underwriter's discount and costs of issuance. $91,924,865.80 will be deposited to the Annuity Bond Fund and used to pay debt service on the Bonds. The remainder will be used to finance capital improvements authorized by the fiscal year 2022 MCCBL.

Second Series A Bonds and Second Series B Bonds. The proceeds from the sale of the Second Series A Bonds and Second Series B Bonds deposited in the State and Local Facilities Loan Fund will be expended as needed on any project authorized by an enabling act, whether or not bonds have been sold to specifically fund that project. "Project" accounting will be maintained to assure that individual project expenditures will not exceed individual project authorizations. The expenditure of bond proceeds for capital improvements is accounted for on a "cash flow" basis rather than a "project" basis.

The proceeds of the Second Series A Bonds and Second Series B Bonds deposited to the State and Local Facilities Loan Fund are reasonably anticipated to be expended for the following purposes:

	Second Series A Bonds	Second Series B Bonds
	($ in thousands)	
Education	$344,997	$47,916
Health and Hospital	42,333	5,880
Public Safety	23,458	3,258
Environment	35,819	4,975
Housing	37,658	5,230
Utilities	872	121
Transportation	372	52
Other	54,492	7,568
Total*	$540,000	$75,000

*Totals may not add due to rounding.

Second Series C Bonds and Second Series D Bonds. The proceeds of the Second Series C Bonds in the amount of $135,068,288.33 and the proceeds of the Second Series D Bonds in the amount of $143,416,905.00 will be deposited into separate Escrow Deposit Funds (respectively, the "Series C Escrow Deposit Fund" and "Series D Escrow Deposit Fund") each established under a separate Escrow Deposit Agreement each dated as of the respective date of issuance and delivery of the Second Series C Bonds and the Second Series D Bonds (each, an "Escrow Deposit Agreement") each by and between the State and ZB National Association, as escrow deposit agent (the "Escrow Deposit Agent"). Each Escrow Deposit Agreement will provide, upon the delivery of the Second Series C Bonds or the Second Series D Bonds, as applicable, for the deposit of such proceeds thereof with the Escrow Deposit Agent to be held uninvested or invested as directed by the State on the terms and conditions set forth in the Escrow Deposit Agreement. Upon written direction of the State, such proceeds may be invested in non-callable direct obligations of the United States of America and State and Local Government Series (the "Escrow Securities"). Each Escrow Deposit Agreement will require that the funds held in the Series C Escrow Deposit Account and the Series D Escrow Deposit Account be held in trust solely for the payment of the principal of and interest on the Series C Refunded Bonds and Series D Refunded Bonds on their redemption dates as set forth under "THE BONDS – Second Series C Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)" and "THE BONDS – Second Series D Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery)." The Escrow Securities, if any, in the Series C Escrow Deposit Fund and Second Series D Escrow Deposit Fund will mature at stated fixed amounts as to principal and interest at such times as will be sufficient, together with remaining uninvested cash proceeds, if any, in the Series C Escrow Deposit Fund and Series D Escrow Deposit Fund, to pay interest on the Series C Refunded Bonds and Series D Refunded Bonds and to redeem the principal amount on the redemption dates set forth above. The Escrow Securities and uninvested cash proceeds in the Series C Escrow Deposit Fund and Second Series D Escrow Deposit Fund will be pledged only to the payment of the Series C Refunded Bonds and Series D Refunded Bonds and will not be available for the payment of principal of, premium, if any, or interest on the Second Series C Bonds or Series D Refunded Bonds.

FORWARD DELIVERY BOND CONSIDERATIONS FOR SECOND SERIES C BONDS AND SECOND SERIES D BONDS

The State of Maryland expects that the Second Series C Bonds and Second Series D Bonds will be issued and delivered on or about March 1, 2022 and May 3, 2022, respectively. There are numerous conditions which must be satisfied prior to issuance and delivery of the Forward Delivery Bonds and the following is not meant to be an exhaustive list of such conditions. There can be no assurance that all of the conditions to the issuance and delivery of the Forward Delivery Bonds will be satisfied nor that the Forward Delivery Bonds will be issued.

Settlement

On or about March 1, 2022 with respect to the Second Series C Bonds and May 3, 2022 with respect to the Second Series D Bonds, or such other dates as may be mutually agreed upon by the State and the Underwriters, the State will, subject to the terms and conditions of a Forward Delivery Bond Purchase Agreement between the State and the Underwriters relating to each of the Series C Bonds and the Series D Bonds, respectively (each, a "Forward Delivery Bond Purchase Agreement" and together, the "Forward Delivery Bond Purchase Agreements"), deliver the applicable series of the Forward Delivery Bonds to the Underwriters and deliver or cause to be delivered to the Underwriters the other documents, opinions, certificates and instruments required by the Forward Delivery Bond Purchase Agreement to be delivered as part of the settlement as more fully discussed below. Subject to the terms and conditions of each Forward Delivery Bond Purchase Agreement, the Underwriters will accept such delivery and pay the purchase price for the applicable series of the Forward Delivery Bonds. The dates upon which such transactions are consummated are referred to herein as the "Second Series C Bonds Settlement Date" and "Second Series D Bonds Settlement Date" as applicable or collectively as the "Settlement Dates." A date on or about August 25, 2021 is referred to herein as the "Initial Closing Date."

Upon the execution by the Representative of the Underwriters named in the respective Forward Delivery Bond Purchase Agreement, in connection with the Underwriters' obligation to purchase the respective series of Forward Delivery Bonds, each purchaser of the Forward Delivery Bonds (each, a "Purchaser" and collectively, the "Purchasers") will be required to execute and deliver a Delayed Delivery Contract (the "Delayed Delivery Contract") in substantially the form attached hereto as Appendix H. The proposed form of the Delayed Delivery Contract is attached hereto at the request and for the convenience of the Underwriters.

The State will not be a party to the Delayed Delivery Contracts and will not in any way be responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations

under the Forward Delivery Bond Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract. Except as specified in the Delayed Delivery Contract, a Purchaser will not be able to withdraw their orders and will not be excused from performance of their obligations to take up and pay for the related Forward Delivery Bonds on the Settlement Date because of market or credit changes, including but not limited to changes in the financial condition, operations, performance, properties or prospects of the State from the date of the Forward Delivery Bond Purchase Agreements to the respective Settlement Dates.

Conditions to Settlement

General. The settlement and the issuance of the Forward Delivery Bonds are conditioned upon the satisfaction of the specific conditions of the applicable Forward Delivery Bond Purchase Agreement, including delivery of certain documents described in the Forward Delivery Bond Purchase Agreement (collectively, the "Settlement Documents"). The Settlement Documents include, among other items, the opinions of Bond Counsel with respect to the Forward Delivery Bonds in substantially the forms set forth as Appendix D hereto and certain other opinions or letters of Bond Counsel, the Attorney General of the State of Maryland and counsel to the Underwriters, as well as a certificate of the State as to the completeness and accuracy of the Updated Official Statement (as defined below) as of the respective Settlement Dates. The settlement and the issuance of the Forward Delivery Bonds are further contingent upon the Forward Delivery Bonds being rated at least investment grade by the rating agencies rating the Forward Delivery Bonds.

Under the Forward Delivery Bond Purchase Agreements, the obligation of the Underwriters to purchase the respective series of Forward Delivery Bonds is subject to the following conditions pertaining to the relevant series of Forward Delivery Bonds on their respective Settlement Dates: (1) the resolutions of the Board of Public Works with respect to the Bonds adopted on July 28, 2021 and August 11, 2021, the Forward Delivery Bond Purchase Agreement and the Continuing Disclosure Agreement to be executed by the State in connection with the Forward Delivery Bonds (collectively, the "State Documents") shall all be in full force and effect and shall not have been amended, modified or supplemented in any material respect prior to the Settlement, and the Updated Official Statement shall not have been supplemented or amended, except as may have been agreed to in writing by the Representative; (2) the Bonds shall be rated at least "BBB-" by S&P, "Baa3" by Moody's, and "BBB-" by Fitch; (3) the representations and warranties of the State in the applicable Forward Delivery Bond Purchase Agreement shall be true and accurate in all material respects as if made on the applicable Settlement Dates; (4) the State shall perform or have performed all obligations required under or specified in the applicable Forward Delivery Bond Purchase Agreement and the other State Documents and the Updated Official Statement to be performed at or prior to the Settlement; and (5) except as described in the Updated Official Statement, no litigation is pending or, to the State's knowledge, threatened in any court (i) in any manner questioning the power or the authority of the State to issue, or the issuance, validity or payment of principal of or interest on, the Forward Delivery Bonds, or the use of the proceeds thereof; (ii) questioning the exclusion from gross income for federal income tax purposes of interest on the Bonds; (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (iv) which in any material respect adversely affects the transactions described in the respective Forward Delivery Bond Purchase Agreement.

Updated Official Statement. Pursuant to the Forward Delivery Bond Purchase Agreements, the State agrees to prepare one updated official statement for each of the Second Series C Bonds and Second Series D Bonds (each as "Updated Official Statement" and together "Updated Official Statements"), to be dated a date not more than three weeks and not less than five days prior to their respective Settlement Dates, and which, as of such dates, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Updated Official Statement may consist either of the Official Statement and a supplement thereto or a separate document substantially in the form of the Official Statement updated to its date.**Other than the Updated Official Statements, the State and the Underwriters have not agreed to, nor is the State obligated to, provide updates to the information contained in this Official Statement during the period between the date of this Official Statement and the Settlement Dates (the "Forward Delivery Periods").**

Issuance of Legal Opinions. It is a condition to the issuance of the Forward Delivery Bonds on each of the Settlement Dates that the Attorney General and Bond Counsel each deliver its approving opinion with respect to the Forward Delivery Bonds in substantially the respective forms attached hereto as Appendix D. The ability of the Attorney General and Bond Counsel to deliver their opinion on each of the Settlement Dates is subject to their review and analysis at that time of certain matters, including, among others, the application of the proceeds of the Forward Delivery Bonds and pertinent provisions of statutes, regulations, rulings and court decisions, including, but not necessarily limited to, State law and federal income tax and security laws then in effect or proposed to be in effect. The Attorney General and Bond Counsel have advised the State and the Underwriters that, assuming satisfaction by the State and the Underwriters of their respective obligations to be satisfied in the Forward Delivery Bond Purchase Agreement, and the issuance of the Forward Delivery Bonds, and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise) which, in the Attorney General's and Bond Counsel's view, affect or are material to their opinions (including, without limitation, the existence of any litigation), the Attorney General and Bond Counsel each expect to be able to issue on the Settlement Dates separate opinions with respect to the Forward Delivery Bonds in substantially the forms attached hereto as Appendix D. In addition, in order to deliver such opinions, appropriate certifications and representations will be required to establish the reasonable expectations of the State. No assurances can be made that there will be no change in any applicable law, regulations or rulings, or in the interpretations thereof, prior to the Settlement Dates; the facts and circumstances that are material to such opinions will not differ, as of the Settlement Dates, from those that are currently expected; or such certifications and representations will be delivered and made in connection with the issuance of the applicable series of Forward Delivery Bonds. As a consequence of any of the foregoing, the Attorney General and Bond Counsel may be unable to render their opinions.

Termination of Forward Delivery Bond Purchase Agreement

Under the Forward Delivery Bond Purchase Agreement, the Representative may terminate its obligation to purchase the applicable series of Forward Delivery Bonds in the event that between the Initial Closing Date and the Settlement Dates, one of the following events shall have occurred:

(a) (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States or introduced therein or recommended for passage by the President of the United States (if such enacted, introduced or recommended legislation has a proposed effective date that is on or before the applicable Settlement Date), (iii) any law, rule or regulation proposed or enacted by any governmental body, department or agency (if such proposed or enacted law, rule or regulation has a proposed effective date that is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in the case of any of (i), (ii), (iii) or (iv) would (A) as to the Underwriters, prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Underwriters from purchasing the applicable series of Forward Delivery Bonds as provided in the Forward Delivery Bond Purchase Agreement or selling the applicable series of Forward Delivery Bonds or beneficial ownership interests therein to the public, or (B) as to the State, make the issuance, sale or delivery of the Bonds illegal (or have the retroactive effect of making such issuance, sale or delivery illegal, if enacted, adopted, passed or finalized), or prevent the issuance of any of the opinions required to be delivered on the Settlement Dates under the Forward Delivery Bond Purchase Agreement;

(b) Bond Counsel does not deliver an opinion on the Settlement Dates substantially in the form and to the effect set forth in Appendix D hereto; or

(c) a reduction of, or withdrawal of any of the assigned ratings on the Forward Delivery Bonds below investment grade by any rating agency.

Additional Risks Related to the Forward Delivery Periods

During the Forward Delivery Periods, certain information contained in this Official Statement could change in a material respect. Except as described herein, the Underwriters may not refuse to purchase the Forward Delivery Bonds by reason of "general market or credit changes," including, but not limited to, (a) changes in the ratings assigned to the Forward Delivery Bonds, so long as the Forward Delivery Bonds are rated investment grade by each of the rating agencies rating the Forward Delivery Bonds as of the Settlement Dates, or (b) changes in the financial condition, operations, performance, properties or prospects of the State prior to the Settlement Dates.

Purchasers of the forward delivery bonds are subject to certain additional risks described below.

Ratings Risk. No assurance can be given that, at the Settlement Dates of the Forward Delivery Bonds, the ratings described under "RATINGS" herein will continue to be in effect. As described above, the Forward Delivery Bond Purchase Agreement does not permit the Underwriters to refuse to accept delivery of and pay for the Forward Delivery Bonds because of any adverse change in the business or affairs of the State, unless such adverse change results in a reduction or withdrawal of the assigned ratings on the Forward Delivery Bonds below investment grade by any rating agency then rating the Forward Delivery Bonds. The ratings in effect as of the Settlement Dates may not be the same ratings that were in effect or expected as of the Initial Closing Date. See "RATINGS" herein.

Secondary Market. The Underwriters are not obligated to establish a secondary market in the Forward Delivery Bonds and no assurances can be given that a secondary market will exist for the Forward Delivery Bonds during the Forward Delivery Period. Prospective purchasers of the Forward Delivery Bonds should assume that the Forward Delivery Bonds will not be a liquid investment throughout the Forward Delivery Period.

Federal Tax Proposals. The Forward Delivery Bond Purchase Agreement obligates the Underwriters to acquire the respected series of Forward Delivery Bonds if the State delivers the opinions of Bond Counsel substantially in the forms set forth in Appendix D hereto and certain other conditions are met. It is possible that legislation could be introduced (or that legislation previously introduced could be amended) that, if adopted, would reform or modify the system of federal taxation. Such legislation could (a) eliminate the tax exemption granted to interest payable on "state or local bonds," such as the Forward Delivery Bonds, or (b) diminish the value of the federal tax exemption granted interest on the Forward Delivery Bonds under the current system of federal income taxation. Notwithstanding that the enactment of legislation which could diminish the value of the federal tax exemption for interest payable on "state or local bonds," the State might be able to satisfy the requirements for the delivery of the Forward Delivery Bonds. In such event, the Purchasers would be required to accept delivery of the Forward Delivery Bonds. Prospective Purchasers are encouraged to consult their tax advisors regarding the likelihood that such bills would be introduced or amended or enacted and the consequences of such enactment to the Purchasers.

Other Investment Considerations. Events occurring prior to the Settlement Dates may have significant consequences to persons who have agreed to purchase the Forward Delivery Bonds on the Settlement Dates. The values of the Forward Delivery Bonds of each maturity on the Settlement Dates are unlikely to be the same as, and in all likelihood will be greater or less than, the purchase price therefor, and such differences may be substantial. Several factors may adversely affect such values including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in the federal income tax laws affecting the relative benefits of owning tax-exempt securities versus other types of investments, such as fully taxable obligations, or any adverse development with respect to the State's results of operations, financial condition or prospects or with respect to the ratings of the Forward Delivery Bonds. In addition, although the delivery of the opinions of Bond Counsel in substantially the forms attached hereto as Appendix D, which is a condition to the issuance and delivery of the Forward Delivery Bonds, is subject to any number of conditions to be fulfilled at the time of such delivery as described above, changes or proposed changes in federal income tax laws or regulations or interpretations thereof could affect the market value of tax-exempt securities generally, including, without limitation, the Forward Delivery Bonds, without preventing the delivery of the Forward Delivery Bonds at the Settlement.

Delayed Delivery Contract. Each person placing an order for the Forward Delivery Bonds which is accepted by the Representative will be required to execute a Delayed Delivery Contract in substantially the form set forth in Appendix H hereto.

BY PLACING AN ORDER WITH THE UNDERWRITERS FOR THE PURCHASE OF THE FORWARD DELIVERY BONDS AND EXECUTING THE DELAYED DELIVERY CONTRACT, EACH PERSON ACKNOWLEDGES AND AGREES THAT HE OR SHE HAS REVIEWED THIS OFFICIAL STATEMENT IN ITS ENTIRETY AND HAS PLACED SUCH AN ORDER WITH FULL KNOWLEDGE AND UNDERSTANDING OF THE DELAYED DELIVERY CLOSING CONDITIONS AND RISKS AND IS OBLIGATED TO PURCHASE THE FORWARD DELIVERY BONDS WHICH ARE THE SUBJECT OF SUCH ORDER, SO LONG AS THE CONDITIONS OF THE FORWARD DELIVERY BOND PURCHASE AGREEMENT FOR THE DELIVERY OF THE FORWARD DELIVERY BONDS ARE SATISFIED AND THE REPRESENTATIVE HAS NOT ELECTED TO TERMINATE THE FORWARD DELIVERY BOND PURCHASE AGREEMENT.

STATE GOVERNMENT

Legislature

The State has a bicameral legislature, the General Assembly, composed of the Senate with 47 members and the House of Delegates with 141 members. The State is divided into 47 legislative districts, each with one senator and three delegates. All members of the General Assembly are elected for four-year terms. The General Assembly meets annually for a 90-day session beginning on the second Wednesday in January. This regular session may be extended by the General Assembly or the Governor, and the General Assembly may meet in special sessions, but no extended or special session may last for longer than 30 days except for the purpose of enacting the annual budget.

Constitutional Officers

The leadership of State government includes four constitutional officers elected by the voters on a statewide basis for four-year terms: the Governor, the Lieutenant Governor, the Comptroller, and the Attorney General. The Treasurer is also a constitutional officer, appointed upon a joint ballot of the Senate and the House of Delegates for a four-year term.

The Governor is the chief executive officer of the State. The Lieutenant Governor has such duties as are delegated by the Governor, which may include any and all powers and duties of the Governor, and may serve as Acting Governor during the absence or incapacity of the Governor. The Attorney General is legal counsel to the Governor, the General Assembly, and all departments and units of the State government except the Public Service Commission and certain authorities.

Together, the Comptroller and the Treasurer constitute the Treasury Department. The Comptroller is required to exercise general superintendence over the fiscal affairs of the State, to prepare plans for the improvement and management of revenue and support of public credit, to keep the accounts of the State and its agencies, to prescribe the form of completing and stating these accounts, and to superintend and enforce the collection of all taxes and revenue. The Treasurer maintains custody of all deposits of State monies, invests the State's surplus funds, maintains custody of all securities, and is responsible for all disbursements of State funds, including payment of principal and interest on State debt. Acting on behalf of the Board of Public Works, the Treasurer manages the State's general obligation debt program, including all matters relating to the issuance and oversight of general obligation bonds.

Principal Departments

The executive functions of State Government are organized into 20 major departments, 19 of which are headed by a Secretary appointed by the Governor with the advice and consent of the Senate. The State Department of Education is headed by the State Board of Education, the members of which are appointed by the Governor for overlapping five-year terms, and the State Superintendent of Schools, who is appointed by the State Board of Education for a four-year term. The departments and their principal responsibilities are as follows:

The Department of Aging administers the delivery of services and activities for the elderly.

The Department of Agriculture is responsible for supervising, administering, and promoting agricultural activities in the State.

The Department of Budget and Management analyzes and plans budgetary matters and provides coordination and liaison for the Governor with the General Assembly, State operating agencies, and the public on matters relating to the operating and capital budgets, analysis of program revenues and budget implications, and performance auditing; manages and coordinates employee health benefits; and administers personnel policies with respect to State employees.

The Department of Commerce promotes economic development, industrial opportunities, tourism, and economic resources of the State; and provides for and assists in financing industrial and commercial development.

The Department of Disabilities is responsible for developing, maintaining, revising, and enforcing statewide disability policies and standards.

The Department of the Environment is responsible for fostering and protecting the State's natural environment and administers various State programs regulating air, water, and hazardous waste pollution.

The Department of General Services advises the Board of Public Works and State agencies on matters of engineering, construction, and contracts in connection with capital expenditures and coordinates land acquisitions and the design and construction of State public works projects. The agency also houses the Office of State Procurement, which has centralized authority for procurement for all executive branch agencies except for the Maryland Department of Transportation.

The Department of Health is responsible for matters concerning public health in the State, including the direct delivery of health care services through State-owned health centers and hospitals and the financing of health services to low-income individuals through the Medicaid program.

The Department of Housing and Community Development administers the State's housing and community development assistance programs, including certain housing loan and mortgage insurance programs.

The Department of Human Services administers, on the State level, the federal and State social service, public assistance, child support, and income maintenance programs.

The Department of Information Technology is responsible for statewide Information Technology ("IT") policy, oversight of large IT projects and expenditures, and centralization of common IT functions and assets statewide.

The Department of Juvenile Services is responsible for State programs serving delinquent youths, children in need of supervision, and children in need of assistance.

The Department of Labor administers various State regulatory agencies and licensing boards responsible for licensing and regulating professions, businesses, and trades, and has responsibility for the direction, coordination, and monitoring of all State employment and training and unemployment insurance programs.

The Department of Natural Resources is responsible for developing, coordinating, and administering policies and programs involving the natural resources and wildlife of the State.

The Department of Planning is the principal agency for planning matters concerning the development and effective use of the natural and other resources of the State and also is responsible for various historical and cultural programs.

The Department of Public Safety and Correctional Services is responsible for public safety, State correctional facilities, and parole and probation.

The Department of State Police is responsible for law enforcement and crime prevention.

The Department of Transportation is responsible for State-owned transportation facilities and programs, including the planning, financing, construction, operation, and maintenance of highway, transit, rail, port, and aviation facilities.

The Department of Veterans Affairs assists the State's veterans in obtaining benefits and services, maintains veterans' cemeteries and war memorials, and operates the State's veterans' home.

The State Department of Education is charged with the general supervision of public elementary and secondary education and is responsible for establishing and administering State educational policies and programs.

See "STATE FINANCES – State Expenditures and Services" for information concerning the activities of the departments that administer functions requiring the largest expenditures of funds by the State.

Judiciary

The Judiciary, a separate branch of government established in the State Constitution, includes two courts of appellate jurisdiction. The Court of Appeals, originally created by the State Constitution of 1776, is the State's highest court; today this court's appellate jurisdiction is almost entirely discretionary. The Court of Special Appeals was established in 1966 as an intermediate appeals court having statewide jurisdiction; almost all initial civil and criminal appeals are now included in the jurisdiction of this court.

The Circuit Courts, which function as trial courts of general jurisdiction, are the common law and equity courts of record exercising original jurisdiction within the State and handle the major civil and the more serious criminal matters. A Circuit Court sits in each county and in Baltimore City. The District Court of Maryland, created in 1970, is divided into 12 geographic districts throughout the State and exercises limited civil and criminal jurisdiction.

Board of Public Works

The Governor, Comptroller, and Treasurer are the members of the Board of Public Works. The Constitution of Maryland, Article XII, §2, provides that a majority of the Board shall be competent to act. A constitutional body, the Board supervises the expenditure of all funds obtained by State general obligation bond issues and all funds appropriated for capital improvements other than public schools, roads, bridges, and highways. The Board must review and approve all contracts for such capital expenditures after review by the legislatively authorized control agency, principally, the Department of Transportation, the Department of General Services or the University System of Maryland. The Board considers, acts upon, and authorizes all issues of State general obligation bonds and fixes the rate of the State property tax required for debt service.

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STATE FINANCES

Budgetary System

Maryland has a strong executive system of government. Under the Maryland Constitution, Article III, §52, the Governor is responsible for the preparation and introduction of the State's annual budget. The Governor is required by the Constitution to submit a balanced budget, and in preparing the budget, the Governor is statutorily required to use revenue estimates reported by the Board of Revenue Estimates, whose members are the Comptroller, the Treasurer and the Secretary of Budget and Management, or explain the use of different estimates. Except for the General Assembly's own budget and the Judiciary's budget, the General Assembly cannot increase the Governor's proposed budget, but may reduce it.

Passage of the State's budget is constitutionally prioritized. The General Assembly meets annually for 90 days, beginning the second Wednesday of each January. If the budget has not been enacted seven days before the end of session (the 83rd day), the Constitution requires that the Governor issue a proclamation extending the session. If the budget has not been enacted by the 90th day, the General Assembly cannot consider any matter except the budget. This places the normal budget deadline in early April, almost three months before the start of the next fiscal year.

Although laws enacted by the General Assembly are generally subject to referendum, the power of referendum is subject to express limitations, and does not extend to the State budget. The effective date of the State budget cannot be delayed by referendum. Maryland does not require supermajorities to increase taxes or enact the budget. A simple majority is required for passage of all bills.

The Governor submits to the General Assembly, shortly after the beginning of its annual session, a budget containing a complete plan of proposed expenditures and estimated revenues for the ensuing fiscal year, together with a statement showing: (1) the revenues and expenditures for the preceding fiscal year; (2) reserves, and surplus or deficit of the State; (3) the debts and funds of the State; (4) an estimate of the State's financial condition as of the beginning and end of the preceding fiscal year; and (5) any explanation the Governor may desire to make as to the important features of the budget and any suggestions as to methods for reduction or increase of the State's revenue. The budget is required to include a total for all appropriations and all estimated revenues; total appropriations may not exceed the estimated revenues, either as submitted by the Governor or as enacted by the General Assembly. The Constitution requires the Governor to include appropriations for certain matters, including specifically an appropriation to pay and discharge the principal and interest of the debt of the State in conformity with Article III, §34 of the Constitution and all laws enacted pursuant thereto. See "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM."

The Governor also is required to include in the annual budget sufficient appropriations to fund programs for which specific statutory spending levels or rates have been established by the General Assembly at a preceding session. With the submission of the budget for the ensuing year, the Governor also presents to the General Assembly any deficiency appropriations that the Governor may deem necessary to supplement the current year's appropriations in light of current conditions. By law the Governor has the power, with the approval of the Board of Public Works, to reduce by not more than 25% any appropriation that the Governor may deem unnecessary, except appropriations for the payment of interest and the retirement of State debt, the legislature, the public schools, the judiciary, and the salaries of public officers during their terms of office.

The General Assembly is prohibited by the Constitution from amending the budget to affect certain specified provisions, including the obligations or debt of the State under Article III, §34 of the Constitution. Except for these specified provisions, the General Assembly may amend the budget to increase or decrease appropriations relating to the legislative and judicial branches but it may only strike out or reduce executive branch appropriations submitted by the Governor. The General Assembly must enact a balanced budget. After the enactment of the budget, and not before, the General Assembly is permitted to enact supplementary appropriations but may not enact any supplementary appropriation unless embodied in a separate bill that is limited to a single object or purpose and provides the revenue necessary to pay the appropriation by a tax to be levied and collected under the terms of the bill.

State expenditures are made pursuant to the appropriations in the annual budget, as amended from time to time by budget amendment. The various units of State government may, with the Governor's approval, amend the appropriations for particular programs in their individual budgets funded from the General Fund, provided they do not exceed their total General Fund appropriations as contained in the annual budget. Additionally, appropriations for programs funded in whole or in part from funds other than the General Fund may permit expenditures in excess of original appropriations to the extent that revenues from the particular non-General Fund sources exceed original budget estimates and the additional expenditures are approved by the Governor.

The Department of Budget and Management is headed by a Secretary who assists the Governor in the preparation and administration of the budget and constitutes a statutorily created department that currently contains 317 positions.

The Department of Legislative Services provides full-time professional assistance to all committees and subcommittees of the General Assembly including those involved with budget, taxation and fiscal matters. The department also conducts research into fiscal and policy issues. The Office of Legislative Audits is part of the department and is required by law to examine and report on the books and accounts of all agencies of State government at least every four years. See APPENDIX A – "FINANCIAL AND ACCOUNTING SYSTEM."

The Spending Affordability Committee consists of certain designated officers of the General Assembly and other members as may be appointed by the President of the Senate and the Speaker of the House of Delegates. Each year the Committee must submit a report to the Legislative Policy Committee of the General Assembly and to the Governor recommending the level of State spending, the level of new debt authorization, the level of State personnel, and the use of any anticipated surplus.

State Financial Overview

The fiscal year 2021 budget passed by the General Assembly on March 18, 2020 is expected to close with a General Fund balance of $1.4 billion and a Revenue Stabilization Account balance of $577.2 million; fiscal year 2022 is projected to close with a General Fund balance of $675.5 million and a Revenue Stabilization Account balance of $1.1 billion. See "STATE FINANCES – Budgetary System," "–State Revenues," "– General Fund 2021 Budget," "– General Fund 2022 Budget" and "– Interim General Fund Revenues and Expenditures."

State Revenues

The State derives most of its revenue from a combination of specialized taxes and user charges. The following are principal sources of the State's revenues:

Income Taxes. An income tax is imposed on: (1) the Federal Adjusted Gross Income ("FAGI") of individuals, subject to certain positive and negative adjustments and minus certain deductions and personal exemptions; and (2) the federal taxable income of corporations, subject to certain positive and negative adjustments. Individuals may elect to use a standard deduction in lieu of itemized deductions. The standard deduction is 15% of the individual's Maryland adjusted gross income, subject to minimum and maximum thresholds. Legislation in 2018 set those limits to not less than $1,500 or more than $2,250 in the case of most individual returns, and not less than $3,000 or more than $4,500 in the case of a joint return or an individual return of a head of household or surviving spouse. This same legislation also indexed the deduction limits beyond tax year 2018 to the cost of living as defined in the Internal Revenue Code.

Each county and Baltimore City must levy a local income tax at the rate of at least 1.75% but not more than 3.20% of the individual's Maryland taxable income. An additional tax on the income of non-residents is imposed in the amount of the lowest county income tax rate in effect (currently 1.75%). There is a growing number of credits available against the income taxes, including a refundable earned income credit. An accounting of available credits, in addition to other tax expenditures, is provided in the biannual Tax Expenditure Report from the Department of Budget and Management. The latest version of the Tax Expenditure Report is publicly available on the State Treasurer's website at http://treasurer.state.md.us/media/135975/fy2020taxexpenditurereport.pdf.

Corporations (domestic and foreign), including financial institutions and utilities, pay tax on the portion of net taxable income allocable to the State. Maryland is a "separate entity" reporting state, meaning that each corporate entity files a return for its own activities; the entities are not combined to form a single economic entity or in a manner similar to a federal affiliated filing. Generally, income has been apportioned according to a three-factor apportionment formula using sales, property, and payroll, where the sales factor is double-weighted. Legislation from the 2018 legislative session phases in a single sales formula used to apportion income to the State for the corporate income tax over a five-year period beginning in tax year 2018. By tax year 2022, all corporations subject to the corporate income tax, with an exception for specified industries and worldwide headquartered companies, must allocate to Maryland modified income using an apportionment formula in which that income is multiplied by 100% of the sales factor. Manufacturing corporations already apportion their income based on sales only and certain other industries use apportionment formulas that more accurately reflect their in-state activity. Corporate taxpayers are required to add to income any payments made for interest or intangibles to a related company and any payments made as dividends by "captive" real estate investment trusts, in order to prevent out-of-state subsidiaries from sheltering income from the Maryland corporate income tax. The corporate tax rate in effect since tax year 2008 is 8.25%.

Sales and Use Taxes. The State imposes a 6% sales and use tax on a retail sale or use of most tangible personal property in the State and certain enumerated services (including custom telephone, detective and building cleaning services among others); most services are exempt. The sales and use tax rate on alcohol purchases is 9%. Among the exemptions from the sales and use tax are sales of food for consumption off the premises by a vendor who operates a substantial grocery or market business at the same location, medicines, medical supplies and medical aids, agricultural equipment and supplies, manufacturing and research and development equipment and supplies, tangible personal property used in a production activity, residential utilities and fuel, motor vehicles and vessels subject to excise taxes, and sales to nonprofit charitable, educational or religious organizations to enable the organizations to carry on their exempt activities.

Following the Supreme Court's ruling in South Dakota v. Wayfair Inc., states may require remote sellers to collect and remit sales tax to the locality in which the customer resides. Following the ruling, the Comptroller issued regulations enabling the State to collect sales tax from remote sellers and began receiving these taxes in November 2018. In the 2019 legislative session, a bill was passed which requires online marketplace facilitators (a website that facilitates third party sales) to collect and remit sales tax based on the size of the marketplace rather than of individual sellers using the marketplace. Marketplace facilitators began remitting sales tax in November 2019. In 2020 a bill was passed to expand the sales and use tax to select digital goods. Coming into effect on March 14th, 2021, the tax on digital goods applies to the sale, subscription or license of digital entertainment products such as streaming services and news publication and general software applications. The bill is expected to generate $83.1 million of revenue in the first fiscal year and grow to $118.6 million by fiscal year 2025.

Property Taxes. Generally, all real property in the State is assessed at full cash value once every three years, with any increase in full cash value arising from the assessment phased in over the ensuing three taxable years in equal installments. Any decrease in the full cash value is recognized in full in the next taxable year and held constant for the remaining two taxable years. Certain farm, marshland, woodland, country club, and planned development property is assessed under special valuation techniques while public utility property is assessed at fair market value determined by reference to both income and property values.

The State imposes a tax at a rate expressed per $100 of assessed value on all real property subject to taxation. The State property tax rate was set at 11.2 cents in 2007 and has been maintained at that constant level. Properties exempt from the State property tax include public property and property owned by certain nonprofit organizations for their designated purposes. The Homestead Property Tax Credit limits to 10% the maximum annual increase in assessments for owner-occupied principal residences that are subject to the State property tax. Revenues from the State property tax are credited to the Annuity Bond Fund and used to service general obligation debt.

Each of the counties and Baltimore City levies its own property tax at rates established by them, as do most incorporated municipalities. Tangible personal property and commercial and manufacturing inventory of businesses is assessed at fair market value determined from annual reports filed with the State Department of Assessments and Taxation. There is no State personal property tax but 19 counties levy a tax on business personal property. See also, "STATE DEMOGRAPHIC AND ECONOMIC DATA – Assessed Value of Property."

Lottery Revenues. The State currently operates 11 major lottery games: FastPlay instant games, three- and four-digit games drawn twice daily; a five-number Maryland-only lotto-type game drawn daily; an 18-number, three-line lotto-type game drawn twice a week; three multi-state six-number lotto-type games (Mega Millions, Powerball, and Cash4Life) drawn twice a week; Keno and Racetrax, both terminal games; and various instant ticket games. Lottery tickets are sold by licensed agents under the supervision of the Maryland Lottery and Gaming Control Agency. In fiscal year 2020, the allocation of gross sales was 62.6% to prizes, 11.0% to administrative costs and agents' commissions, and 26.4% to State revenues. Except for administrative costs and relatively small distributions to the Maryland Stadium Authority and Veteran's Trust Fund, the State revenues are credited to the General Fund. In addition, since fiscal year 2016, $20.0 million has been distributed annually to the Baltimore City Public School Construction Financing Fund. This $20.0 million annual distribution is anticipated to continue for as long as related Baltimore City Public School Construction Bonds are outstanding.

Casino Gaming Revenues. The Maryland Constitution permits a maximum of 16,500 video lottery terminals ("VLT") at six locations, in Cecil County, Worcester County, Anne Arundel County, Allegany County, Baltimore City, and

Prince George's County. Video lottery operation licensees are authorized to operate table games. The distributive share of VLT revenues to the Education Trust Fund ("ETF") varies by casino and by year. For fiscal year 2020, 39.7% of VLT revenue was distributed to the ETF. For table games, the distribution of revenues is 80.0% to the video lottery operation licensee, 15.0% to the ETF, and 5.0% for grants to impacted local governments.

In addition, the expanded gaming legislation contained certain provisions not subject to referendum, including: the issuance of licenses to qualifying veterans' organizations in certain counties for instant ticket lottery machines; and transitioning VLT ownership from the State to VLT licensees. Under State law, VLT licensees who pay out more money than was bet through VLTs or table games on a given day can subtract the loss from the proceeds of a following day. In 2018, ballot question 1, which passed overwhelmingly, amended the constitution of Maryland to require that revenues from VLT operation and other commercial gaming be dedicated as supplemental funding (above statutory minimums) for pre-K through 12 public education in the following amounts: $125 million in fiscal year 2020, $250 million in fiscal year 2021, $375 million in 2022, and 100% of gaming revenues for fiscal year 2023 and beyond.

In response to the COVID-19 pandemic, the Governor of Maryland ordered the State's six casinos to close on March 16, 2020. The order to close was lifted on June 19, 2020 and each casino was operating at various levels of capacity depending on state and local orders. As of May 15, 2021, casinos are allowed to operate at 100% capacity.

The following tables provide a summary of the ongoing revenue distribution of Maryland's casino gaming program:

Total Revenue Generated by the Video Lottery
Fiscal Years 2020-2022
($ in millions)

	2020 Actual	**2021 Estimate (a)**	**2022 Estimate (a)**
Revenue Distribution (b)			
Education Trust Fund	$329.2	$421.7	$449.0
Facility License Owners	390.3	519.9	553.0
Racing Purses/Bred Funds	48.5	64.4	68.6
Local Impact Grants	45.0	59.8	63.6
Racetrack Renewal	7.9	10.5	11.2
Lottery Operations	8.3	11.0	11.7
Small, Minority, and Women-owned Businesses	-	16.2	17.2
Total (c)	$829.3	$1,103.6	$1,174.4

(a) The 2021 and 2022 Estimates are based on March 9, 2021 revenue estimates from the Board of Revenue Estimates.
(b) The share for each of the funds is statutory, varies across facilities, and may change at certain milestones.
(c) Totals may not sum due to rounding.

Total Revenue Generated by the Table Games
Fiscal Years 2020-2022
($ in millions)

	2020 Actual	**2021 Estimate (a)**	**2022 Estimate (a)**
Revenue Distribution (b)			
Education Trust Fund	$67.6	$89.9	$94.9
Facility License Owners	360.6	479.4	506.3
Local Impact Grants	22.5	30.0	31.6
Total (c)	$450.7	$599.3	$632.8

(a) The 2021 and 2022 Estimates are based on March 9, 2021 revenue estimates from the Board of Revenue Estimates.
(b) The share for each of the funds is statutory, varies across facilities, and may change at certain milestones.
(c) Totals may not sum due to rounding.

The distribution of revenue will be used for the following purposes:

Education Trust Fund: To provide funding for public elementary and secondary education, through continuation of the funding and formulas established under the Bridge to Excellence in Public Schools Act and school construction to certain jurisdictions under the Built to Learn Act. In addition to the ongoing operational revenues above, the Education Trust Fund also receives all related miscellaneous revenue, including casino license fees and account interest. Miscellaneous amounts are typically small unless there is revenue from licensing fees.

Facility License Owners: To reimburse the owners of the casino gaming facilities for operation of the facilities.

Racing Purses/Bred Funds: To supplement funding for racing purses and to assist the horse breeding industry.

Local Impact Grants: To provide assistance to local governments to be used for improvements primarily in the communities in the immediate proximity to the video lottery facilities.

Racetrack Renewal: To make funds available for capital construction and improvements to the holders of a racetrack license.

Lottery Operations: To reimburse the State Lottery and Gaming Control Commission for the costs of regulating the operation of casino gaming in Maryland.

Public Service Company Franchise Taxes. The State imposes a franchise tax at the rate of 2% on the gross receipts from operations of public service companies engaged in the telephone business or in the transmission, distribution or delivery of electricity or natural gas in Maryland. In addition, a franchise tax of 0.062 cents for each kilowatt hour of electricity delivered for final consumption in Maryland, and of 0.402 cents for each therm of natural gas delivered for final consumption in Maryland, is imposed on each public service company engaged in the transmission, distribution or delivery of electricity or natural gas in Maryland. Public service companies subject to the tax on kilowatt hours of electricity and therms of natural gas are entitled to credits with respect to deliveries of such products to certain industrial customers.

Insurance Taxes. Insurance companies, including health maintenance organizations, are taxed at the rate of 2% on all new and renewal gross direct premiums (after certain deductions) allocable to the State.

Motor Vehicle Fuel and Titling Taxes and Registration Fees. The State imposes a per gallon excise tax at the wholesale level. In the 2013 Legislative Session, the static excise tax rates for gasoline and special fuel were replaced by a two-part rate setting system that adjusts the relevant excise rates annually in most years and semiannually in certain years.

The first component is an annual adjustment to the July 1, 2013 base excise tax rates on each July 1st. The base rates are indexed to the Consumer Price Index, compounding with each adjustment, and the annual increase may not be greater than 8%. The second component is the product of multiplying 5% by the prior year's average daily retail price (less federal and State motor fuel excise taxes) for regular gasoline. The effective rates, beginning July 1, 2020, are 36.30 cents and 37.05 cents for gasoline and special fuels, respectively.

There is an excise tax imposed upon the issuance of original and subsequent certificates of title to motor vehicles at the rate of 6% of the fair market value of the vehicle, with an allowance for 100% of the value of a trade-in (prior to January 1, 2008, the excise tax rate was 5% and there was no trade-in allowance). The State requires a registration fee on all motor vehicles that ranges from $2.50 to $1,838 per vehicle depending on the size and type of vehicle. Registration fees are generally imposed for two years at the time of titling or at the time registration is renewed. There are several classes of vehicles, and fees vary within a class depending on the size of the vehicle. For example, the registration fee for passenger cars (Class A) ranges from $135 to $187 depending on the weight of the vehicle. An annual surcharge of $17.00 is included in most registration fees and is dedicated to the statewide Emergency Medical Services System.

Tobacco Taxes. The State imposes a tax at the rate of $2.00 per pack of 20 cigarettes and 70% of the wholesale price for cigars other than premium cigars and 30% for all other tobacco products.

Estate and Inheritance Taxes. The State's inheritance tax rate is 10% (bequests to direct relations and siblings are exempt). The State also imposes an estate tax and a generation-skipping transfer tax. These taxes were initially designed to capture the maximum revenue possible without imposing an additional tax burden on estates through a credit against the federal taxes. For State estate tax purposes, the unified credit was fixed at $345,000, which effectively exempts $1.0 million from the estate tax. Chapter 612 of 2014 provided for a phased increase in the exemption amount, and Chapters 15 and 21 of 2018 set the effective Maryland exemption of $5.0 million for decedents dying on or after January 1, 2019. As of January 1, 2019 up to $5.0 million of qualified agricultural property is exempted for Maryland estate tax purposes, although the estate tax will be recaptured if, within 10 years of the decedent's death, the property ceases to be used for agricultural purposes.

Alcoholic Beverage Taxes. There is a tax at the rate of $1.50 per gallon on all alcoholic beverages, except beer and wine, sold or delivered by a manufacturer or wholesaler to any retail dealer in the State. Taxes at the rates of 40 cents per gallon of wine and 9 cents per gallon of beer are imposed on the sale or delivery of those beverages by a manufacturer to a wholesale or retail dealer in the State. In addition, the sales and use tax rate on retail alcoholic purchases is 9%.

Bay Restoration Fee. Most users of sewerage and septic systems in the State are charged a mandatory fee of $60 per year. Revenues from users of sewerage and septic systems are pledged, to the extent necessary, as security for Bay Restoration Revenue Bonds issued by the Maryland Water Quality Financing Administration, the proceeds of which are applied primarily to provide grant funds to upgrade wastewater treatment plants with enhanced nutrient removal technology.

Other Revenues. Exclusive of the proceeds of bond issues, approximately 49.0% of State revenues in fiscal year 2020 were received from sources other than taxes and lottery receipts. The largest component (31.7% of total revenues) was received from the federal government for highway and transit reimbursements; reimbursements and grants for health care programs; categorical and matching aid for public assistance, social services, and employment security; aid for public education; and miscellaneous grants-in-aid to State agencies. In addition to federal funds, the State receives revenues from court fines and costs; patient payments for services in State hospitals; interest on invested funds; and tuition fees paid to institutions of higher education. The State also receives revenues from operations of the Maryland Transit Administration, the Maryland Port Administration, and the Maryland Aviation Administration, which are paid into the Transportation Trust Fund.

Revenue Estimates. The State's revenue estimates are based upon projections by the Board of Revenue Estimates, composed of the Comptroller, the Treasurer, and the Secretary of Budget and Management. The Board studies the findings and recommendations of the Bureau of Revenue Estimates, a statutory State agency administratively under the Comptroller, that reviews the findings and recommendations of other agencies responsible for economic monitoring and revenue administration, and reports the estimates of revenue to the Governor for submission to the General Assembly in connection with the budget.

In its report issued each December, the Board of Revenue Estimates presents revised revenue estimates for the current fiscal year (based upon current economic factors and legislative changes), and revenue estimates for the next succeeding fiscal year, upon which that fiscal year's budget is based. The revised estimate for the current year is made seven months before the end of that fiscal year, while the budget estimate for the next succeeding fiscal year is made 19 months before the end of that fiscal year. The estimates are reviewed in March, prior to final action on the budget by the General Assembly, and any appropriate adjustments to the estimates are made at that time.

The following table shows the accuracy of General Fund revenue estimates compared to actual collections for fiscal years 2016 through 2020:

Historic General Fund Revenue Estimates and Actual Collections
($ in millions)

Fiscal Year	Actual Collections	Original Estimate Amount	Original Estimate % (a)	Final Estimate Amount	Final Estimate % (a)
2016	$16,198.0	$16,245.2	99.7%	$16,448.1	98.5%
2017	16,698.7	17,081.9	97.8	16,608.4	100.5
2018	17,372.5	17,180.3	101.8	17,033.1	102.0
2019	18,199.0	17,624.9	103.3	17,982.4	101.2
2020	18,634.1	18,622.3	100.0	18,736.3	99.5

(a) Actual collections as a percentage of estimates.

State Property Tax Revenue Estimates

Receipts from the State property tax, all of which are devoted to debt service on general obligation bonds and which provided approximately 63.6% of revenues available for general obligation bond debt service payment in fiscal year 2021 (see "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – General Obligation Bonds"), are credited to a separate account known as the Annuity Bond Fund. The Board of Public Works is required annually to fix the property tax rate by May 1, after the end of the regular Legislative Session, in an amount sufficient to pay all debt service for the ensuing fiscal year on general obligation bonds after taking account of the amounts and sources of funds provided in the budget for that fiscal year, which begins July 1. The Commission on State Debt (consisting of the Treasurer, the Comptroller, the Secretary of Budget and Management, the Secretary of Transportation, the Director of the State Department of Assessments and Taxation, and one individual appointed by the Governor and not otherwise affiliated with State government) makes an original estimate approximately three months before July 1 of the year to which the property tax rate will apply and a revised estimate approximately nine months after that date. The following table portrays the accuracy of estimates of State property tax revenue in fiscal years 2017 through 2021. To date, it is unknown what the impact of the current economic climate will be on property assessments and tax revenue.

State Property Tax Revenue Estimates
($ in millions)

Fiscal Year	Property Tax Rate (a)	Actual Collections	Original Estimate Amount	Original Estimate % (b)	Final Estimate Amount	Final Estimate % (b)
2017..........	11.2	$775.2	$774.6	100.08%	$779.9	99.40%
2018..........	11.2	800.8	799.9	100.11	807.8	99.13
2019..........	11.2	828.5	834.1	99.33	836.0	99.05
2020..........	11.2	860.6	860.5	100.00	862.7	99.74
2021..........	11.2	n/a	870.0	n/a	870.4	n/a

(a) The property tax rate is in cents per $100 of assessed valuation.
(b) Actual collections as a percentage of estimates.

State Expenditures and Services

State expenditures and services for capital and operating programs include a typical range of direct governmental services and activities, as well as State support and aid to local governmental units, primarily in the area of education.

Public Education. The agencies administering public education spend the largest portion of State revenue. In the fiscal year 2022 Budget, public education accounts for 43.3% of General Fund appropriations and 31.4% of all appropriations.

Elementary and Secondary Education. The school boards of the 23 counties and Baltimore City are responsible for much of the administration of public elementary and secondary schools, including charter schools. There are no special, separate school districts in Maryland. The State supports the elementary and secondary education programs of the counties and Baltimore City through a number of aid programs. The major programs are described as follows: (1) under a formula equalized for ability to pay and based on wealth and enrollment factors, the State distributes aid to the local school systems for current expenses; (2) for personnel in local public schools, the State pays directly its share of the employer's portion of the State Retirement and Pension System contributions; and (3) the State also distributes aid based on the number of students receiving free or reduced price meals, under various components of the Students with Disabilities Aid Program, and for pupil transportation. In addition to these major programs, the State Department of Education provides aid for food service, and various educational activities and, through the State Department of Education's Interagency Fund, distributes funds to address the service needs of children at risk.

Higher Education. The public higher education system consists of the University System of Maryland and Morgan State University, each governed by its respective Board of Regents; St. Mary's College of Maryland, governed by its own Board of Trustees; Baltimore City Community College, a State institution governed by its Board of Trustees; and 15 community colleges, each governed by a local or regional Board of Trustees.

The Maryland Higher Education Commission is responsible for developing a statewide plan for higher education, approving mission statements, setting funding guidelines and administering State aid to local community colleges, aid to private colleges and universities, and student financial aid programs.

The State finances the State universities and colleges principally with State General Fund revenues. In addition, the State finances a share of the cost of the locally owned two-year community colleges. State financial assistance is primarily in the form of general purpose formula grants. The State also makes grants to eligible private institutions of higher education under a formula based on State support for State four-year universities and colleges. The higher education share of fiscal year 2021 expenditures for all funds is 14.0% and is projected to be 13.9% of the fiscal year 2022 Budget.

The following table presents the trends of enrollment (expressed in full-time equivalent students) at the State universities and colleges and the local community colleges for the fiscal years shown.

Enrollment (full-time equivalent students)
in State Universities and Colleges

Fiscal Year	State Four-Year Institutions	Community Colleges	Total
2017................................	139,099	95,965	235,064
2018	140,970	92,465	233,435
2019................................	141,337	91,372	232,709
2020	138,810	88,491	227,301
2021 estimate..................	137,960	86,007	223,967
2022 estimate..................	137,470	81,017	218,487

Health. The Department of Health has general responsibility for public health in the State and provides direct services through 11 health facilities, finances medical services to the indigent, and aids local health departments on a matching formula basis. For fiscal year 2022, $16.7 billion is budgeted for the Department of Health, including $9.7 billion in federal funds, $5.8 billion in State general funds and $1.2 billion in State special funds.

The Department's largest expenditure is for the medical assistance (Medicaid) program under which the State makes payments to vendors providing health services to eligible low-income individuals and families. For fiscal year 2021, the budget provided for nearly 1.4 million Medical Assistance and the Maryland Children's Health Program (MCHP) enrollees and funding of $11.5 billion. The majority of these expenditures are for services for which the State recovered approximately a 56.2% match from the federal government. For fiscal year 2022, the budget provides for 1.5 million Medical Assistance and MCHP enrollees and funding of $13.1 billion.

The hospitals operated by the Department of Health provide care for individuals with behavioral health conditions, developmental disabilities, and chronic illness. In recent years, the State has expanded programs to provide services within the community as an alternative to institutionalization in State facilities.

Transportation. Transportation is the third largest category of State expenditures. The Department of Transportation is responsible for most of the State's various transportation facilities and for developing and maintaining a State master plan for transportation. It administers the State highway system; operates a mass transit system in the Baltimore region; assists mass transit in the Washington, D.C. region; operates and assists commuter rail systems and certain critical freight railroads; operates two airports, including Baltimore/Washington International Thurgood Marshall Airport ("BWI Marshall Airport"); operates State-owned port facilities, primarily in Baltimore Harbor; and administers the licensing and regulation of motor vehicle drivers and dealers, as well as motor vehicles. For the fiscal year 2021 budget, the transportation budget totals $5.1 billion; on the same basis, for fiscal year 2022, $5.2 billion is budgeted. See "STATE FINANCES – Transportation Trust Fund" with respect to the principal revenues and expenditures related to the Department of Transportation. The legislature took subsequent action on the budget to reduce or to restrict transportation funds for other, non-transportation, purposes in the budget.

The Maryland Transportation Authority ("MDTA"), of which the Secretary of Transportation is Chairman, is responsible for the administration of the various toll revenue facilities, which consist of bridges over the Susquehanna, Patapsco, and Potomac Rivers and the Chesapeake Bay; two tunnels under the Baltimore Harbor; the John F. Kennedy Memorial Highway (including the Interstate 95 Express Toll Lanes); the Intercounty Connector; and other transportation facilities. The MDTA's financial transactions are accounted for in a separate special revenue fund and are not included in the Transportation Trust Fund.

Human Services. The Department of Human Services administers State and federal programs relating to child welfare, foster care, public assistance, family investment services, adult services, energy assistance, legal services, child support enforcement, and work opportunity assistance for adults receiving public assistance. For fiscal year 2021, including the Department of Housing and Community Development, Maryland Commission on Civil Rights, and the Department of Human Services, $3.6 billion was budgeted for human services, including $691.4 million in State general funds. For fiscal year 2022, approximately $2.8 billion is budgeted, including $708.4 million in State general funds.

Public assistance programs include Temporary Cash Assistance ("TCA"), Supplemental Nutrition Assistance Program ("SNAP"), assistance to disabled citizens, and several emergency assistance programs. The largest categories of programs are TCA, in which the State/federal government shares vary depending upon the areas to which the State directs its maintenance of effort, and food stamps (SNAP), which are 100% federal funds. The Department of Human Services also provides a broad range of social services to the indigent and other eligible persons under both Federal-State and State-only programs.

Public Safety and Correctional Services, State Police, Juvenile Services and the Governor's Office of Crime Prevention, Youth, and Victim Services. The Departments of Public Safety and Correctional Services, State Police, and Juvenile Services, include correctional agencies and institutions, parole units, the Maryland State Police, services and facilities for adjudicated youth, and related activities. The Governor's Office of Crime Prevention, Youth, and Victim Services administers Federal and State grant programs focusing on crime control and prevention. For fiscal year 2021, approximately $2.4 billion was budgeted for these departments, of which $1.9 billion is from State general funds. For fiscal year 2022, approximately $2.4 billion is budgeted for these departments, of which $2.0 billion is from State general funds.

Other Expenditures and Services. The State has numerous other operating units, including the judicial system; financial and revenue administration; labor; planning, budgetary activity and personnel administration; natural resources and recreation; commerce; environment; and others, all of which account for approximately 9.8% of total expenditures for fiscal year 2021 and 10.1% of the fiscal year 2021 General Fund Budget. These account for 9.9% of the fiscal year 2022 total expenditures and 9.7% of the 2022 General Fund Budget. In addition, general obligation bond debt service accounted for approximately 0.7% of the fiscal year 2021 General Fund appropriation and 2.7% of the fiscal year 2021 total Fund appropriation. For fiscal year 2022, debt service accounts for 1.2% of the General Fund Budget and 2.7% of total expenditures.

State Reserve Fund

The State Reserve Fund is currently composed of four accounts: the Revenue Stabilization Account (sometimes referred to herein as the "Rainy Day Fund"), which is established to retain State revenues for future needs and to reduce the need for future tax increases; the Dedicated Purpose Account, which is established to retain appropriations for major multi-year expenditures and to meet contingency requirements; the Economic Development Opportunities Program Account, which is to be used for extraordinary economic development opportunities as a supplement to existing programs; and the Catastrophic Event Account, which is to be used to respond quickly to a natural disaster or other catastrophic event that cannot be managed within existing appropriations. All interest earned on the State Reserve Fund is credited to the Revenue Stabilization Account.

The Governor is required to include in each annual budget bill an appropriation of $100.0 million if the balance in the Revenue Stabilization Account is less than 3.0% of estimated General Fund revenues. If the balance in the Account is at least 3.0% of estimated General Fund revenues but less than 7.5% of estimated General Fund revenues, the Governor is required to include an appropriation to the Account of $50.0 million or the amount necessary to bring the balance of the Account to above 7.5%, whichever is less. Additionally, it is the State's general management practice to maintain at least 5.0% of estimated General Fund revenues in the State Reserve Fund, and any transfer that would result in a balance below 5.0% must be authorized by legislation separate from the State's annual budget bill. Maryland law defines estimated General Fund revenues as those stated in the annual report of the Board of Revenue Estimates submitted to the Governor.

Legislation passed during the 2017 Legislative Session requires that beginning in fiscal year 2021, one-quarter of the unappropriated General Fund surplus above $10.0 million be appropriated to the Postretirement Health Benefits Trust Fund and another quarter be appropriated to the State Retirement System. Each of these appropriations is capped at $25.0 million. Any remaining unappropriated General Funds above those distributions are appropriated to the Revenue Stabilization Account.

In 2017, legislation was enacted to address the volatility inherent to revenue estimates. The legislation was the result of recommendations made by a workgroup made up of experts from both the Legislative and Executive branches of State government. It requires that beginning in fiscal 2020, the Revenue Stabilization Account shall receive a share of nonwithholding General Fund revenues above the 10-year average nonwithholding revenues' share of total General Fund, subject to certain caps in certain years. In years when nonwithholding income exceeds the 10-year average, revenues allocable to the General Fund are reduced. At the end of the fiscal year, excess funds are first used to offset any General Fund revenue shortfall. If there is no shortfall, the Comptroller is required to credit excess funds to the Revenue Stabilization Account if that fund's balance is less than 6% of estimated general fund revenues. Once the Revenue Stabilization Account balance reaches 6% of estimated General Fund revenues, 50% of any excess funds are credited to the Revenue Stabilization Account (until the balance equals at least 10% of estimated General Fund revenues), and the other 50% is credited to a newly created Fiscal Responsibility Fund, which the Governor must use to provide PAYGO appropriations for public school, community college, and four-year higher education projects.

In the past, withdrawals that do not result in a Revenue Stabilization Account balance below 5% of estimated General Fund revenues required authorization by an act of the General Assembly other than the State budget bill. In fiscal year 2019 and beyond withdrawals that do not result in a balance below 5% may be authorized in the State budget. Withdrawals that result in a Revenue Stabilization Account balance below 5% of estimated General Fund revenues still must be authorized by an act of the General Assembly other than the State Budget Bill.

On November 4, 2020, the Administration withdrew $250 million from the State Reserve Fund to assist Marylanders impacted by COVID 19. The initial $150 million was distributed as follows: (1) $20 million to the Department of Labor for a COVID Layoff Aversion Fund; (2) $20 million to the Department of Housing and Community Development for business-related economic recovery; and (3) $110 million through the Department of Commerce to provide assistance to eligible businesses. The remaining $100 million was distributed at the end of December 2020 for the following purposes: (1) $5 million to the Maryland Technology Development Corporation to provide grants to socially and economically disadvantaged companies and rural companies; (2) $15 million to the Department of Housing and Community Development to support entertainment venues; and (3) $80 million to provide assistance to the hospitality industry, bars and restaurants.

Under the RELIEF ACT described below under "General Fund 2022 Budget," additional spending related to the pandemic is funded with transfers of $306 million from the State Reserve Fund. The General Assembly proposed restoring the funding to the State Reserve Fund in fiscal 2022 by rejecting $306 million of the Governor's proposed cut to the appropriation to the State Reserve Fund.

The following table presents the balances of the State Reserve Fund for the fiscal years ended June 30, 2018 through June 30, 2020, and the estimates for the fiscal years ending on June 30, 2021, and June 30, 2022. The estimates were made prior to the passage of the RELIEF ACT described below under "General Fund 2022 Budget"; additional actions related to COVID-19 may result in balances materially lower than the estimates provided in the table below.

State Reserve Fund
Fiscal Years 2018–2022
($ in millions)

Fiscal Year	Balance at Fiscal Year End: Revenue Stabilization Account	Other Accounts	Total State Reserve Fund	Revenue Stabilization Account as a % of General Fund Revenue
2018	$858.6	$16.7	$875.3	5.0%
2019[a]	876.5	14.2	890.7	4.8
2020	1,177.2	54.9	1,232.1	6.3
2021	577.2	5.5	582.7	3.0[b]
2022	1,106.5	4.0	1,110.5	5.5

Totals may not add due to rounding.

(a) In the fiscal year 2022 budget, the Revenue Stabilization Account balance as a percentage of General Fund revenue as stated in the annual report of the Board of Revenue Estimates enacted fiscal year 2019 equaled 5.0%. Subsequently, revenue write-ups related to the Tax Cut and Jobs Act of 2017 brought reserves slightly below 5.0% prior to the enactment of the fiscal year 2020 budget.

(b) In the proposed budget, the Revenue Stabilization Account balance as a percentage of General Fund revenue as stated in the annual report of the Board of Revenue Estimates enacted fiscal year 2021 equaled 5.5%. Subsequently, the State utilized funds for COVID-related relief efforts enacted prior to receipt of federal relief funding and guidance, dropping the balance below 5.0%.

Fiscal Year 2016-2020 GAAP General Fund Results of Operations

The GAAP General Fund is that fund from which all general costs of State government are paid and to which taxes and other revenues not specifically directed by law to be deposited in separate funds are recorded in accordance with Generally Accepted Accounting Principles ("GAAP"). The following table presents the comparative statement of revenues, expenditures, and changes in fund balances in the GAAP General Fund for fiscal years ended June 30, 2016 through 2020.

GAAP General Fund Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance Fiscal Years 2016-2020 ($ in thousands)

	2016	2017	2018	2019	2020
Revenues (a):					
Income taxes	$9,832,668	$9,786,505	$10.740.942	$11,475,949	$12,309,248
Sales and use taxes	4,504,417	4,609,782	4,716,515	4,888,811	4,937,256
Other taxes	1,794,271	1,788,424	1,826,222	1,763,155	1,838,627
Other licenses and fees	646,622	604,004	561,410	870,084	733,714
Charges for services	1,581,096	1,538,017	1,506,729	1,537,854	1,515,764
Interest and other investment income	51,608	(63,033)	(44,267)	250,729	133,563
Federal revenue	10,269,176	10,992,657	10,903,198	11,362,229	12,936,897
Other	473,942	542,086	393,458	691,186	586,103
Total revenues	29,153,800	29,798,442	30,604,207	32,839,998	34,991,171
Expenditures (a):					
General government	882,947	873,014	909,097	1,016,992	1,015,719
Health	12,206,406	13,334,642	13,483,142	14,295,022	15,565,135
Education	9,464,748	9,717,075	9,787,350	10,131,819	10,810,646
Human Services	2,501,100	2,391,286	2,324,795	2,325,457	2,770,891
Public Safety	1,983,864	2,076,945	1,989,791	2,075,392	2,249,138
Judicial	715,230	740,041	742,851	760,493	801,765
Labor, licensing and regulation	315,758	334,642	364,276	366,086	362,992
Natural resources and recreation	236,959	306,062	353,728	406,571	390,665
Housing and community development	282,414	319,809	327,564	360,319	377,920
Environment	108,548	108,702	102,623	109,268	109,987
Agriculture	69,105	71,000	82,600	94,104	109,899
Commerce	83,389	106,959	100,377	92,348	107,355
Intergovernmental	378,907	412,329	392,939	394,715	375,832
Total expenditures	29,229,375	30,792,506	30,961,133	32,428,586	35,047,944
Excess (deficiency) of revenues over expenditures	(75,575)	(994,064)	(356,926)	411,411	(56,773)
Other sources (uses) of financial resources:					
Capital leases	8,144	9,900	15,034	14,416	4,463
Transfers in	1,180,508	1,224,862	1,357,120	1,359,062	1,150,190
Transfers out	(600,578)	(678,964)	(640,454)	(824,481)	(771,539)
Net other sources (uses) of financial resources	588,074	555,798	731,700	548,997	383,114
Net change in fund balances	512,499	(438,267)	374,774	960,408	326,341
Fund balances at the beginning of the year	1,283,953	1,796,452	1,358,186	1,732,960	2,693,368
Fund balances, June 30	$1,796,452	$1,358,186	$1,732,960	$2,693,368	$3,019,709
Fund balance as % of revenues	6.2%	4.6%	5.7%	8.2%	8.6%

(a) The budgetary system's principal departures from the modified accrual basis, i.e. GAAP, are with the classification of the State's budgetary funds and the timing of certain revenues and expenditures. See APPENDIX A – "COMPREHENSIVE ANNUAL FINANCIAL REPORT."

General Fund 2021 Budget

2021 Budget. The Maryland General Assembly passed the fiscal year 2021 Budget (the "2021 Budget") on March 18, 2020. The 2021 Budget as passed included $19.7 billion in General Fund spending. The three largest categories of expenditures are: (1) $7.8 billion in aid to local governments from general funds, including $6.5 billion for K-12 education; (2) $4.8 billion to support public health programs, including $3.8 billion for medical assistance and (3) and $1.7 billion for the State Retirement and Pension System.

As part of the fiscal year 2021 enacted Budget, the Administration introduced, and the General Assembly passed, the Budget Reconciliation and Financing Act (the "2020 BRFA"). The 2020 BRFA reduced the appropriation to the Rainy Day Fund, generating a savings of $284.4 million while still maintaining a balance of 6.3% of revenues. In addition, the 2021 Budget saves $50 million by deferring the fiscal year 2021 supplemental contributions to the Retirement System, $33.3 million by restructuring the Local Income Tax Reserve Repayment, and $33.5 million in other reductions. The 2020 BRFA reduced fiscal year 2021 General Fund spending by $401.5 million in total, and reduced fiscal year 2020 General Fund spending by an additional $6.4 million.

The 2021 Budget includes actuarial funding of nearly $1.7 billion in funding for the State Retirement System. The 2021 Budget also includes an additional supplemental contribution to the State Retirement System of $75.0 million. See "STATE FINANCES – Maryland State Retirement and Pension System – Funding Policies."

The 2021 Budget funds debt service on the State's general obligation bonds with $131.0 million in general funds, $1.2 billion in special funds, primarily from State property tax revenues, and $11.5 million in federal funds reflecting the interest subsidy on current outstanding ARRA Bonds. The projected amount of State property tax revenues reflects a property tax rate of 11.2 cents (per $100 of taxable assessed value), a rate unchanged since fiscal year 2007.

At the time the budget bill was passed, it was estimated that the General Fund balance on a budgetary basis at June 30, 2021 would be $227.1 million.

Due to the uncertainty surrounding the COVID-19 pandemic, BRE made no changes to General Fund revenues in March, as would typically occur.

On May 20, 2020, the Board of Public Works approved $120.8 million in General Fund spending reductions for fiscal year 2020 in response to unofficial revenue guidance from the Board of Revenue Estimates. These reductions included $62.0 million appropriated to the Dedicated Purpose Account which was restricted by the legislature and would not otherwise be spent, $35.0 million intended for a Washington Metropolitan Area Transit Authority project, $7.6 million from the capital appropriation to the State Department of Education, and $7.0 million from the Department of Planning. The Governor also implemented a spending and hiring freeze at this time. These actions increased the resulting fiscal year 2020 fund balance available for fiscal year 2021.

On July 1, 2020 the Board of Public Works approved $413.0 million of budget reductions to the fiscal year 2021 budget; $394.9 million of which were General Fund reductions. These reductions included $131.0 million in reductions to higher education, reductions to local aid, and other agency related savings.

On September 29, 2020, the Board of Revenue Estimates decreased the estimated fiscal year 2021 General Fund revenues by $672.6 million.

On December 11, 2020, the Board of Revenue Estimates increased the estimated fiscal year 2021 General Fund revenues by $63.8 million.

On January 20, 2021, the Governor introduced the fiscal year 2022 budget with proposed deficiency funding to the fiscal year 2021 budget of $2.7 billion, including $2.8 billion in federal funding largely reflecting additional CARES Act spending and the enhanced FMAP for Medicaid. The savings from the enhanced federal match, the use of the Coronavirus Relief Fund to offset eligible public safety expenditures, and contingent reductions in fiscal year 2021 more than offset additional General Fund spending. In total, these actions created savings of $447.0 million.

On March 9, 2021, the Board of Revenue Estimates revised the estimated fiscal year revenue upward by $458.7 million while also recognizing the offsetting revenue impact of two pieces of emergency legislation which reduced revenues by $459.6 million. The resulting revision was a net decrease in fiscal year 2021 revenues of $779.0 thousand.

On March 11, 2021, the U.S. Congress passed the American Rescue Plan Act of 2021 (ARPA) to provide further pandemic-related fiscal relief to states. This resulted in $5.7 billion in federal fund revenue spread over fiscal years 2021 and 2022 through a variety of programs and enhanced federal matching initiatives.

During the 2021 Legislative Session, five supplemental budgets were introduced by the Governor primarily in order to address pandemic-related issues and needs. For fiscal year 2021, those supplemental budgets totaled $3.8 billion, including $221.2 million in General Funds, $3.8 billion in federal funds, $138.2 million in Higher Education Funding, and reducing Special Funds by $358.0 million.

The resulting General Fund balance on a budgetary basis as of June 30, 2021 is projected to be $1.4 billion.

General Fund 2022 Budget

2022 Budget. The Maryland General Assembly passed the fiscal year 2022 Budget (the "2022 Budget") on April 2, 2021. The 2022 Budget includes $20.9 billion in General Fund spending. The three largest categories of expenditures are: (1) $8.8 billion in aid to local governments from general funds, including $6.7 billion for K-12 education; (2) $5.9 billion to support public health programs, including $4.1 billion for medical assistance; and (3) $1.8 billion for the State Retirement and Pension System.

As part of the fiscal year 2022 Budget plan, the Administration introduced the Budget Reconciliation and Financing Act (the "2021 BRFA"). The 2021 BRFA has an overall impact of $263.4 million on the fiscal 2022 budget plan. General fund actions total $468.3 million, of which the majority ($430.2 million) results from expenditure reductions. Special fund actions result in a net increase of $209.0 million in special fund spending. Federal fund expenditures are reduced by $4.2 million. The vast majority of the general fund expenditure reductions ($413.9 million) result from provisions that authorize the use of alternative fund sources in lieu of general funds. The largest of these fund swaps ($210.4 million) results from a provision authorizing MDH and other appropriate State agencies to temporarily charge COVID-19-related expenditures to the Local Reserve Account while awaiting federal disaster relief funds. The Local Reserve Account will be repaid from federal reimbursements or by the general fund if the charges are not fully reimbursed. Additional general fund reductions totaling $200.0 million result from a provision that authorizes transfers of the same amount from the health insurance provider assessment instituted for the State Reinsurance Program to Medicaid in fiscal 2021 and 2022. The fiscal 2021 special fund appropriation in Medicaid is increased by $100.0 million as a result of this provision. See "STATE FINANCES – Maryland State Retirement and Pension System – Funding Policies."

The 2022 Budget funds debt service on the State's general obligation bonds with $260.0 million in general funds, $1.1 billion in special funds, primarily from State property tax revenues, and $11.0 million in federal funds reflecting the interest subsidy on current outstanding ARRA Bonds. The projected amount of State property tax revenues reflects a property tax rate of 11.2 cents (per $100 of taxable assessed value), a rate unchanged since fiscal year 2007.

As part of the Governor's response to the impact of the COVID-19 pandemic on Marylanders, the Administration introduced emergency legislation known as the RELIEF Act, which the General Assembly then amended and passed. This bill provided temporary tax relief to Maryland families and businesses and authorized additional spending. General Fund revenues declined compared to the official revenue estimate by $394.0 million in fiscal 2021 and $190.0 million in fiscal 2022 due to provisions exempting most unemployment benefits from the income tax for two years, expanding the refundable Earned Income Tax credit for three years, and allowing certain businesses to retain a portion of the sales tax they collect for three months in fiscal 2021. The bill also authorized $582.0 million of additional spending in fiscal 2021 and $105.0 million in fiscal 2022 to provide one-time stimulus payments to certain low-income households, address learning loss, reopen schools, provide grants to businesses impacted by the pandemic, temporarily expand the safety net for low-income Marylanders, and offset revenue losses for the Transportation Trust Fund. The additional spending is funded with transfers of $306.0 million from the Rainy Day Fund, $53.0 million from the Strategic Energy Investment Fund, and $150.0 million from the Blueprint Fund (revenue dedicated to implementing enhancements to K-12 education). This bill also contained a provision authorizing MDH and other appropriate State agencies to temporarily charge $210.4 million in COVID-19-related expenditures to the Local Reserve Account while awaiting federal disaster relief funds. The Local Reserve Account will be repaid from federal reimbursements or by the general fund if the charges are not fully reimbursed. The Governor signed this amended bill into law on February 15, 2021.

On March 9, 2021, the Board of Revenue Estimates increased the estimated fiscal year 2022 General Fund revenues by $298.6 million.

On March 11, 2021, the U.S. Congress passed the American Rescue Plan Act of 2021 (ARPA) to provide further pandemic-related fiscal relief to states. This resulted in $5.7 billion in federal fund revenue spread over fiscal years 2021 and 2022 through a variety of programs and enhanced federal matching initiatives.

Subsequently, five supplemental budgets were introduced by the Governor primarily in order to utilize relief funds. For fiscal year 2022, these added up to $2.6 billion in total funds. This includes $619.7 million in General Funds, $1.7 billion in Federal Funds, $88.6 million in Higher Education Funds, and $163.7 million in Special Funds.

Based on the events and actions discussed above, it is estimated that the General Fund balance on a budgetary basis at June 30, 2022 will be $675.5 million.

General Fund Outlook

As with all future projections, the information in this section is based on certain assumptions. One or more of these assumptions may prove to be inaccurate and may be changed in the future as new information becomes available. Prior to the impacts of COVID-19 being accounted for, the Department of Legislative Services forecast a range of structural budget deficits from $5.0 million to $370.0 million for fiscal years 2023 through 2026. See "STATE FINANCES – Budgetary System."

General Fund Revenues and Appropriations — Budgetary Basis
Fiscal Years 2020-2022
($ in millions)

	2020 Actual	2021 Est. (a)	2022 Est. (a)
General Fund Revenues			
Income Taxes	$11,750.7	$12,214.5	$12,914.8
Sales and Use Taxes	4,634.9	4,775.3	4,996.9
Lottery	548.5	630.7	596.0
Franchises, Excises, Licenses, Fees	1,700.0	1,577.1	1,853.8
Adjustments / Extraordinary Items	-	(424.8)	(254.7)
Total*	$18,634.1	$18,772.9	$20,106.8
General Fund Appropriations			
Public Education	$8,815.6	$9,016.6	$9,089.0
Human Services	598.2	576.6	605.5
Health	5,148.2	5,101.4	5,791.1
Public Safety, State Police, Juvenile Services, and the Governor's Office of Crime Prevention, Youth, and Victim Services	1,881.2	1,688.5	1,825.1
Capital Funding	47.0	68.2	461.4
State Reserve Fund – Revenue Stabilization & Dedicated Purpose Accounts	405.6	113.5	669.6
Debt Service – GO Bonds	287.0	131.0	260.0
Administrative and Other	1,746.8	2,154.3	2,194.9
Total*	$18,929.5	$18,850.1	$20,896.6

*Totals may not add due to rounding.
(a) Fund balance does not include amounts reserved for the State Reserve Fund or encumbrances. See "STATE FINANCES – State Reserve Fund."

General Fund Balance — Budgetary Basis
Fiscal Years 2020-2022
($ in millions)

	2020 Actual	2021 Est. (a)	2022 Est. (a)
Balance Beginning of Year	$974.2	$703.5	$1,438.8
Increases:			
Revenues	18,619.0	19,197.6	20,281.5
Reimbursements from Tax Credit Reserves	27.6	25.8	31.9
Other Revenues	15.1	(77.8)	(180.2)
Transfer from other funds	155.1	439.8	0.1
Total Increase	18,816.8	19,585.4	20,133.3
Decreases:			
Appropriations	19,651.8	19,663.2	20,931.6
Reductions	(120.7)	(749.5)	-
Reversions	(443.6)	(63.6)	(35.0)
Total Decrease	19,087.5	18,850.1	20,896.6
Balance End of Year*	$703.5	$1,438.8	$675.5

*Totals may not add due to rounding.
(a) Fund balance does not include amounts reserved for the State Reserve Fund or encumbrances. See "STATE FINANCES – State Reserve Fund."

Interim General Fund Revenues and Expenditures

The State does not issue, nor does it have procedures in effect that provide interim financial statements; however, the Office of the Comptroller has compiled the following summary data with respect to the revenues of the General Fund for the nine months ended March 31, 2020 and 2021. The General Fund is the fund from which all general costs of State government are paid and to which taxes and other revenues not specifically directed by law to be deposited in separate funds are recorded. Approximately 39.5% of revenues were accounted for in the General Fund in fiscal year 2020, and it is currently estimated that the General Fund will account for 37.6% of all revenues in fiscal year 2021. The presentation of this data does not purport to be, and should not be construed as, an interim Statement of General Fund Revenues, Expenditures, and Surplus; however, adjustments have been made to present the revenues on a basis reasonably comparable to the table of operating revenues included in the section "STATE FINANCES – State Revenues" presented elsewhere in this Official Statement.

General Fund Revenues. The following presents a summary of General Fund revenues on a budgetary basis by major categories for the nine months ended March 31, 2020 and 2021.

General Fund Revenues
($ in millions)

	Nine Months Ended March 31			
	Fiscal Year 2020		Fiscal Year 2021	
	Amount	% of FY Actual Revenues (a)	Amount	% of FY Estimated Revenues (a)
Income Taxes (b)	$7,394.4	62.9%	$7,976.0	65.3%
Sales and Use Taxes (b)	3,334.6	71.9	2,955.2	61.9
Property, Franchise, Excise Taxes	821.3	68.6	833.1	71.6
Sundry Fees, Licenses, Charges, Etc....	608.9	57.9	623.6	59.7
Federal..	4.8	10.9	4.9	12.0
Totals *...	$12,164.1	65.3%	$12,392.8	64.6%

*Totals may not add due to rounding.

(a) For the first nine months of fiscal year 2020, represents the percentage of actual revenues for the full fiscal year; for the first nine months of fiscal year 2021, represents the percentage of revenues as estimated by the Board of Revenues Estimates on March 9, 2021.

(b) Income taxes and sales and use taxes reflect amounts received from July through March, excluding amounts received in that period allocable to the preceding fiscal year.

General Fund Expenditures. The following presents a summary of General Fund expenditures on a budgetary basis by major category for the nine months ended March 31, 2020 and 2021 (see note (a)):

General Fund Expenditures
($ in millions)

	Nine Months Ended March 31			
	Fiscal Year 2020		Fiscal Year 2021	
	Amount	% of FY Actual Expenditures (b)	Amount	% of FY Budget Expenditures (c)
Public Education	$7,328.9	82.7%	$7,381.3	82.0%
Human Services	440.8	71.6	435.9	70.1
Public Health...	3,740.8	70.5	2,949.0	53.4
Public Safety	1,268.7	68.6	1,324.9	73.1
Administrative & Other..............................	1,841.8	67.5	-	-
Capital Funding...	-	-	2.0	133.3
State Reserve Fund.....................................			97.0	85.1
Debt Service (d)	287.0	100.0	131.0	100.0
Totals*..	$14,907.9	75.9%	$12,321.1	71.6%

* Totals may not add due to rounding.

(a) The State's accounting procedures do not require recording encumbrances (i.e., commitments evidenced by purchase orders or contracts) for financial reporting purposes except at the end of each fiscal year. Accordingly, no amounts of encumbrances have been recorded for the nine months ended March 2020 and 2021. At June 30, 2019 and 2020, General Fund encumbrances charged to expenditures for the fiscal years ended totaled $317.4 million and $294.5 million, respectively. The Office of the Comptroller has no reason to believe that the current patterns of commitments are not in conformity with historical practices.

(b) Represents the percentage of actual expenditures for the full fiscal year.

(c) Represents the percentage of current budget expenditures.

(d) Debt Service totaling $287.0 million and $131.0 million were appropriated in the General Fund and transferred to the Annuity Bond Fund in Fiscal Years 2020 and 2021, respectively.

Fiscal Year 2016-2020 General Fund Budget vs. Actual

The following statement presents a comparison of budget versus actual revenues, expenditures and encumbrances and changes in fund balance in the State's General Fund using the budgetary basis of accounting for each of the past five fiscal years ended June 30.

Statutory General Fund Comparative Statement of Revenues, Expenditures and Encumbrances and Changes in Fund Balance Budget and Actual Fiscal Years 2016 to 2020 ($ in thousands)

	2016		2017		2018		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
Income taxes	$9,456,914	$9,392,050	$10,134,354	$9,862,303	$10,223,292	$10,328,177	$10,797,042	$11,105,461	$11,339,828	$11,750,683
Sales and use taxes	4,544,507	4,444,481	4,601,449	4,539,320	4,727,127	4,645,756	4,750,875	4,812,090	5,026,412	4,634,874
Other taxes	1,209,818	1,154,267	1,136,076	1,147,778	1,103,093	1,232,018	1,087,227	1,082,744	1,100,408	1,152,862
Licenses and fees	185,752	185,231	187,217	202,368	176.807	164,962	160,024	161,291	146,374	142,894
Charges for services	298,828	213,339	297,978	204,050	293,858	228,611	286,252	202,405	280,181	176,666
Interest and other investment income	31,199	24,692	20,000	39,388	35,000	45,700	47,250	66,715	50,000	61,641
Other	596,235	737,553	623,134	778,584	609,825	671,057	634,312	755,483	664,666	1,096,559
Total revenues (a)	16,323,253	16,151,613	17,000,208	16,773,791	17,169,002	17,316,281	17,762,982	18,186,189	$18,607,869	$19,016,179
Expenditures and encumbrances by major function:										
Payments of revenue to civil divisions of the State	157,479	157,479	180,150	179,150	166,484	166,483	168,463	168,463	173,832	173,832
Legislative	84,510	84,510	89,156	89,155	89,334	89,334	91,929	91,629	97,629	97,629
Judicial review and legal	575,783	573,305	612,083	609,958	612,612	610,870	638,516	635,665	675,238	673,976
Executive and administrative control	256,137	237,068	234,183	229,276	238,594	235,214	290,074	285,118	310,261	279,101
Financial and revenue administration	224,082	214,991	231,691	224,775	225,405	220,128	236,795	228,979	234,741	222,682
Budget and management	89,614	88,860	83,979	82,763	80,141	78,950	125,860	120,619	165,408	125,986
General services	64,706	64,706	70,444	69,854	66,402	66,137	69,953	69,901	77,438	73,897
Natural resources and recreation	56,921	56,152	60,339	59,943	60,069	59,748	65,486	65,356	76,850	63,836
Agriculture	27,326	27,117	30,003	29,905	32,131	32,037	35,219	34,980	39,648	38,982
Health and hospitals	4,239,764	3,977,845	4,435,390	4,390,610	4,675,547	4,669,099	4,939,437	4,935,669	5,275,257	5,118,305
Human services	625,447	612,331	648,932	648,832	613,378	610,170	607,773	605,773	615,478	613,454
Labor, licensing and regulation	45,236	44,196	45,468	43,910	47,371	46,338	45,195	44,167	50,867	47,499
Public safety and correctional services	1,228,110	1,197,881	1,243,040	1,229,941	1,198,696	1,193,413	1,235,378	1,235,273	1,265,946	1,258,447
Public education	7,918,990	7,886,979	8,060,390	8,044,991	8,157,167	8,142,973	8,709,016	8,338,095	8,850,938	8,815,604
Housing and community development	20,382	20,352	57,995	57,519	11,846	11,845	22,616	22,615	32,752	30,077
Business and economic development	91,813	91,670	108,930	108,444	103,669	103,520	100,112	99,355	119,444	101,974
Environment	32,750	32,117	40,504	29,885	28,869	28,869	31,062	30,986	35,601	35,599
Juvenile services	279,087	269,774	272,372	269,985	266,386	257,998	264,928	262,110	267,400	259,560
State police	256,984	256,965	284,002	283,701	276,733	276,322	294,240	294,240	315,763	238,408
Loan Accounts	252,400	252,400	259,395	259,395	259,649	259,649	286,000	286,000	287,000	287,000
State reserve fund	113,935	92,500	240,336	160,377	10,000	10,000	14,345	14,345	563,621	405,621
Reversions:										
Current year reversions	(30,000)	-	(30,000)	-	(30,000)		(30,000)		(30,000)	
Prior year reversions	-	(82,932)	-	(43,471)		(92,792)		(36,261)		(31,872)
Total expenditures and encumbrances	16,611,471	16,156,281	17,258,782	17,058,898	17,190,483	17,076,305	18,242,397	17,833,077	$19,501,112	$18,929,717
Changes in encumbrances during fiscal year	-	(33,270)	-	(28,887)		(7,056)		(146,744)		22,859
Total expenditures	16,611,471	16,123,011	17,258,782	17,030,011	17,190,483	17,069,249	18,242,397	17,686,333	19,501,112	18,952,576
Excess of revenues over (under) expenditures	(288,218)	28,602	(258,574)	(256,220)	(21,481)	247,032	(479,415)	499,856	(893,243)	63,603
Other sources (uses) of financial resources:										
Transfers in (out)	-	159,293	-	149,304		113,175		38,634		(15,783)
Excess of revenues over (under) expenditures and other sources of financial resources	(288,218)	187,895	(258,574)	(106,916)	(21,481)	360,207	(479,415)	538,490	(893,243)	47,820
Fund balances at the beginning of the year	1,202,618	1,202,618	1,390,513	1,390,513	1,283,597	1,283,597	1,643,804	1,643,804	2,182,294	2,182,294
Fund balances, June 30 (b)	$754,942	$1,390,513	$914,400	$1,283,597	$1,131,939	$1,643,804	$1,262,116	$2,182,294	$1,289,051	$2,230,114

(a) This amount differs from the total General Fund revenues noted in the "General Fund Revenues and Appropriations – Budgetary Basis" schedule due to the different treatment of transfers, including the transfer of revenues from the State Reserve Fund.

(b) Includes balances for the State Reserve Fund and encumbrances.

Cigarette Restitution Fund

All payments received by the State related to the tobacco settlement are to be deposited into the Cigarette Restitution Fund ("CRF"), which can only be spent through appropriations in the annual State budget. At least 50% of the appropriations must be for: the reduction of tobacco use by minors; implementation of the agriculture plan adopted by the Tri-County Council for Southern Maryland; public and school education campaigns to decrease tobacco use; smoking cessation programs; enforcement of laws regarding tobacco sales; support for programs that expand access to health care for the uninsured; primary health care in rural areas and those targeted by tobacco companies; prevention, treatment, and research, including capital projects, concerning cancer, heart disease, lung disease, and tobacco use and control; and substance abuse treatment and prevention programs. Thirty percent of appropriations funded by the CRF must be for the Medicaid program. The remainder of the CRF may be appropriated for any public purpose. Maryland law provides a framework for two of the primary uses of the CRF by creating and outlining two specific programs: the Tobacco Use Prevention and Cessation Program and the Cancer Prevention, Education, Screening, and Treatment Program.

The special fund appropriations of the CRF are limited to the available proceeds of the tobacco settlement. In its budgetary process, the State has made various revenue assumptions; in the event the anticipated revenues or funds are less than the State expects, the appropriations cannot be fully expended. The fiscal year 2021 budget included $57.3 million in CRF support for the Medicaid program. Net expenditures from the CRF were $146.7 million in fiscal year 2021 and are estimated to total $120.3 million in fiscal year 2022.

Local Income Tax Reserve Account

Each county and Baltimore City is required by State law to levy an income tax on individuals residing within their boundaries on the last day of the taxable year. The Comptroller collects the local income tax on behalf of the local jurisdictions. When received, local income tax revenue collected by the Comptroller becomes a liability of the State as either revenue owed to the local jurisdiction or as an income tax refund owed to individual taxpayers.

Under Maryland law, the State is required to distribute a significant portion of the local income tax collected to local jurisdictions prior to receipt of individual income tax returns. Taxpayers are permitted to file an amended return up to three years after the due date for filing of each year's income tax return. To offset amounts that will be due as refunds to individual taxpayers, the State maintains a Local Income Tax Reserve Account that is funded with local income tax receipts collected by the Comptroller and not yet distributed to the local jurisdictions. As a result of the holdback of reserve funds to provide for estimated income tax refunds to individuals, local jurisdictions do not receive the full distribution of local income tax revenue until nearly four years following the receipt of income tax payments.

Over the past 10 years, multiple bills were signed into law which impacted the balance in the Local Income Tax Reserve Account. Transfers to the General Fund which have not been repaid total $869.7 million. Under current law, annual re-payments of $33.3 million from the State to the Local Reserve Account are scheduled for fiscal years 2021 through 2026 for a total repayment of $200.0 million. The 2020 BRFA restructures the repayment into 20 increments of $10 million per fiscal year transferred from income tax revenue eliminating the need for appropriations while repaying the $200.0 million in full. During the 2015 legislative session, an additional transfer of $100 million from the Local Reserve Account to the General Fund was authorized in fiscal year 2015. To date, $50 million of that transfer has been repaid with the remainder to be repaid in $10 million increments in fiscal years 2021-2025. An additional $21.8 million receivable was established as the result of a five year audit undertaken by the Comptroller's Office to determine whether or not tax returns had been coded to the proper local jurisdiction. The audit found that 99.9% of the local revenue had been allocated correctly; under-allocated local governments received $21.8 million upon audit completion and those that were over-allocated were scheduled to repay the account over a 10-year period beginning in fiscal year 2024, however, 2017 legislation eliminated the repayment of excess local tax distributions.

On May 18, 2015, the U.S. Supreme Court decided the Maryland State Comptroller of the Treasury v. Brian Wynne case. As a result of this decision, through December 2020, $249.6 million in local income tax refunds have been paid to Maryland taxpayers for tax years prior to 2014. Legislation passed in the 2015 General Assembly session authorized the Comptroller to pay the refunds due as a result of the Wynne decision, plus accrued interest, from the Local Income Tax Reserve Account. The Comptroller began processing and disbursing these refunds in July 2015. Under this legislation, the Comptroller had the authority to withhold the amount owed to individual taxpayers as a result of the Wynne decision from the Local Income Tax Reserve Account to the affected local jurisdictions from quarterly income tax distributions in nine equal installments beginning in fiscal year 2017. Legislation passed in the 2016 General Assembly session extends the reimbursement period to forty quarterly distributions beginning in fiscal year 2019. In the 2018 Session, legislation passed that further extended the start of repayment until fiscal year 2021. Since repayment was anticipated and has begun, the Office of the Comptroller does not expect any impact to the unassigned fund balance.

State Unemployment Insurance Trust Fund

The Maryland Unemployment Insurance Trust Fund (the "Fund"), provides funding for unemployment benefits in the State. Pursuant to Section 8-403 of the Labor and Employment Article of the Maryland Annotated Code, the Fund may only be used for payment of unemployment insurance benefits. The Fund pays up to 26 weeks of benefits for Marylanders who lose jobs through no fault of their own. Extended benefits beyond the first 26 weeks are paid for by federal funds. The Division of Unemployment Insurance ("Division") paid $193.2 million in Maryland Unemployment Insurance benefits to claimants (excluding Federal benefits paid entirely by the federal government) through March 31, 2021. The Division collected $52.2 million in Maryland employer contributions during the first quarter of calendar year 2021.

On March 5, 2020, Governor Hogan declared a state of emergency to control and prevent the spread of COVID-19. Governor Hogan went on to issue a stay at home order on March 30, 2020 to limit the community spread of the virus, prohibiting Marylanders from leaving their homes, unless it was for an essential job or an essential reason. This resulted in most businesses in the state closing, causing a record number of Marylanders to be out of work. During the ongoing COVID-19 pandemic, the Division has received a record number of unemployment insurance claims. The Fund continued to feel the economic impact of the COVID-19 pandemic and was depleted during the first quarter of calendar year 2021. As a result, the Division requested a Title XII Advance from the United States Department of Labor ("USDOL") to continue to be able to pay benefits to Maryland claimants. The Division began drawing down the Title XII Advance, which is like a line of credit, on February 23, 2021. As of March 31, 2021, the Division has drawn down $54.0 million from the Title XII Advance. The Title XII Advance will be interest free through September 6, 2021. Interest will begin to accrue on the Title XII Advance if the Division does not repay USDOL by September 6, 2021.

Transportation Trust Fund

The Transportation Trust Fund ("TTF"), administered by the Department of Transportation, is the largest of the special funds and consolidates into a single fund substantially all fiscal resources dedicated to transportation (excluding the Maryland Transportation Authority) including the excise taxes on motor vehicle fuel and motor vehicle titles, a portion of the sales and use tax on short-term vehicle rentals, a portion of the corporate income tax, and certain port, airport, and transit operating revenues. As of July 1, 2013, the static excise tax rates for gasoline and special fuel were replaced by a two prong rate setting system that adjusts the relevant excise rates annually in most years and semiannually in certain years. See "STATE FINANCES – State Revenues." All expenditures of the Department of Transportation are made from the TTF. In addition, the various categories of transportation bonds are serviced from the TTF, and the particular taxes and other designated revenues are both dedicated to the payment of such indebtedness and constitute the sole sources to which holders of transportation bonds legally may look for repayment.

Amounts in the TTF do not revert to the General Fund if unexpended at the end of the fiscal year; however, from time to time, the General Assembly has enacted legislation requiring that certain unpledged revenue in the TTF be delivered to the General Fund. An amendment to the State Constitution was adopted in November 2014 by a statewide referendum vote to further restrict use of the TTF funds to debt service on bonds and any lawful purpose related to the State's transportation system unless the Governor declares a fiscal emergency exists and three-fifths of all elected members of the General Assembly concurs. Legislation also has provided for the subsequent re-transfers of such funds from the General Fund to the TTF within five years of the transfer.

The following table shows a condensed summary of the fund balances of the Department of Transportation for each of the past five fiscal years ended June 30.

Department of Transportation Fund Balances
Fiscal Years 2016-2020
($ in thousands)

	2016	2017	2018	2019	2020
Revenues	$4,170,716	$4,490,955	$4,407,888	$4,609,469	$4,791,959
Expenditures	4,746,329	5,142,879	5,240,698	5,201,272	5,557,276
Excess (deficiency) of revenues over expenditures	(575,613)	(651,924)	(832,810)	(591,803)	(765,317)
Net other sources (uses) of financial resources	342,822	737,021	643,348	821,406	554,597
Excess (deficiency) of revenues over expenditures and net other sources (uses) of financial resources	(232,791)	85,097	(189,462)	229,603	(210,720)
Fund balance, July 1	356,265	123,474	208,571	19,109	248,712
Fund balance, June 30	$123,474	$208,571	$19,109	$248,712	$37,992

Note: The Department of Transportation Special Revenue and Debt Service Funds account for substantially all of the financial activities of the Transportation Trust Fund. The Maryland Transportation Authority ("MDTA") is not part of the Transportation Trust Fund. The above summary was prepared from the audited financial statements of the Department of Transportation which are prepared in accordance with Generally Accepted Accounting Principles.

Investment of State Funds

State statute provides that the investment of unexpended or surplus money over which the Treasurer has custody, which includes both general funds and special funds, is generally limited to: (1) U.S. Treasury obligations; (2) obligation of certain United States agencies or instrumentalities (collectively, "Agencies"); (3) obligations of certain supranational issuers denominated in United States dollars and eligible to be sold in the United States; (4) repurchase agreements collateralized in an amount not less than 102% of principal by U.S. Treasuries or Agencies; and (5) bankers' acceptances, money market mutual funds and commercial paper (limited to 10% of total investments), all only with the highest rating; and (6) the Maryland Local Government Investment Pool ("MLGIP").

Investment Portfolio Distribution
(par value)

	June 30, 2020	June 30, 2021
U.S. Treasuries	$0	$9,526,577
Agencies	797,159,578	2,435,458,278
Supranational Issuers	585,984,226	511,296,726
Repurchase Agreements	2,051,196,014	3,523,109,722
Banker's, MMMF & CP	1,714,083,022	4,321,180,333
MLGIP	1,784,588,373	2,010,921,394
Total*	$6,933,011,213	$12,811,493,030
Weighted Average Maturity in Days	127.17	326.89

* Totals may not add due to rounding.

Investments in U.S. Treasuries and Agencies were 19% of the portfolio on June 30, 2021, while supranational issuers were 4% and repurchase agreements were 27.5%. The monthly weighted average portfolio interest rate was 0.29% for June 30, 2021 compared to 1.43% for June 30, 2020. During fiscal year 2021, the Federal Open Market Committee left rates unchanged. The current Federal Fund Rate Range as of June 30, 2021 is 0.00% - 0.25%[1].

[1] Source: https://www.federalreserve.gov/monetarypolicy/openmarket.htm

Maryland State Retirement and Pension System

Introduction. This section is intended to provide a summary of relevant information related to the Maryland State and Retirement and Pension System (the "System" or the "State Retirement System"). The following documents related to the System are available at https://sra.maryland.gov/investments-financials and are incorporated herein by reference:

- Maryland State Retirement and Pension System Actuarial Valuation Report, as of June 30, 2020
- Maryland State Retirement and Pension System Actuarial Valuation Report for Maryland Municipal Corporations, as of June 30, 2020
- Maryland State Retirement and Pension System Comprehensive Annual Financial Report for the years ended June 30, 2020 and 2019

Please note the actuarial information provided in this section has been provided to the System by the System's Actuary, Gabriel Roeder Smith & Company ("GRS"), which was retained by the Board of Trustees of the System pursuant to statute. As with all actuarial valuations and future projections, the actuarial valuations are based on actuarial assumptions that have been presented by the actuary and adopted by the Board of Trustees. One or more of these assumptions may prove to be inaccurate and may be changed in the future based on the future experience of the System.

Plan Description. The System was established in accordance with Division II of the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits in a defined benefit plan to State employees, teachers, police, judges, legislators and employees of participating governmental units. The System is administered by a 15-member Board of Trustees that has the authority to invest and reinvest the System's assets. The Board of Trustees is obligated to hold the assets of the System for the exclusive purposes of providing benefits to participants and for reasonable expenses of administration.

The Board of Trustees pays all benefits and expenses of the various plans in the System from the accumulation fund[1], annuity savings fund[2], and expense fund established for each plan. As additional security, if needed, the State is obligated to annually pay into the System at least an amount that, when combined with the System's accumulation funds, is sufficient to provide the allowances and other benefits payable under each plan during that fiscal year.

The System is made up of two cost-sharing employer pools: the "State Pool" and the "Municipal Pool." The "State Pool" consists of State agencies, boards of education, community colleges and libraries (the "State Pool"). The "Municipal Pool" consists of the participating governmental units that elect to join the System (the "Municipal Pool"). For actuarial valuation and funding purposes, neither pool shares in each other's actuarial liabilities. Municipal Pool participants cost-share in the liabilities of only the Municipal Pool, which receives a separate annual actuarial valuation in order to determine the funding levels and actuarial liabilities of the Municipal Pool. The Municipal Pool covers employees of over 163 political subdivisions and other entities within the State.

For actuarial valuation and funding purposes, the State Pool comprises five distinct systems: Teachers' Retirement and Pension Systems (the "Teachers' Combined Systems"), Employees' Retirement and Pension Systems (the "Employees' Combined Systems"), State Police Retirement System, Judges' Retirement System, and Law Enforcement Officers' Pension System. As of June 30, 2020, the State's membership in the System included 169,687 active members, 42,565 vested former members, and 148,098 retirees and beneficiaries. Together, the Teachers' Combined Systems and the Employees' Combined Systems account for 98% of membership in the State Pool.

Plan Benefits Pre- and Post-Reform. During the 2011 Legislative Session, pension reform legislation was proposed by the Governor and enacted by the General Assembly to ensure the long-term sustainability of the System's defined benefit structure and the affordability of the State's contribution in future years (the "2011 Pension Reforms").

[1]The accumulation fund consists of employer contributions, interest on System assets, and retired members' previous contributions.

[2]The annuity savings fund consists of member contributions and statutory regular interest on members' accumulated contributions.

Following the 2011 Pension Reforms the normal service retirement benefits within the State Pool offered by the System are as follows:

PLAN TYPE	ANNUAL ALLOWANCE EQUALS	NORMAL SERVICE RETIREMENT ELIGIBILITY
Employees and Teachers Pension Systems		
Reformed	AFC[1] × .015 × Years of Service	• Rule of 90[2]; or • Age 65 with at least 10 years of eligibility service.
Alternate Contributory	(AFC × .012 × Years of Service to 6/30/98) + (AFC × .018 × Years of Service after 6/30/98)	• At least 30 years of eligibility service; or • Age 62 with at least 5 years of eligibility service, age 63 with 4 years, age 64 with 3 years, age 65 or older with 2 years.
Contributory	(AFC × .012 × Years of Service to 6/30/98) + (AFC × .014 × Years of Service after 6/30/98)	• At least 30 years of eligibility service; or • Age 62 with at least 5 years of eligibility service, age 63 with 4 years, age 64 with 3 years, age 65 or older with 2 years.
Non-Contributory	(AFC up to SSIL[3] × .008 × Years of Service) + (AFC over the SSIL × .015 × Years of Service after 6/30/98)	• At least 30 years of eligibility service; or • Age 62 with at least 5 years of eligibility service, age 63 with 4 years, age 64 with 3 years, age 65 or older with 2 years.
Non-Contributory Reformed	(AFC up to SSIL × .008 × Years of Service) + (AFC over the SSIL × .015 × Years of Service)	• Rule of 90; or • Age 65 with at least 10 years of eligibility service.
Employees and Teachers Retirement Systems		
Non-Bifurcated	$\frac{AFC}{55} \times$ Years of Service	• At least 30 years of eligibility service; or • At least age 60.
Plan C (Bifurcated Plan)	See Plan C (Bifurcated Plan) Worksheet	• At least age 60, regardless of creditable service or at least 30 years of service regardless of age.
Law Enforcement Officers' Pension System		
Non-Reformed	.02 × AFC × Years of Service up to 32.5 years	• At least age 50; or • At least 25 years of eligibility service.
Reformed	.02 × AFC × Years of Service up to 30 years	• At least age 50; or • At least 25 years of eligibility service.
Transfers from ERS	(.023 × AFC × Years of Service up to 30 years) + (.01 × AFC × Years of Service beyond 30 years)	• At least age 50; or • At least 25 years of eligibility service.
State Police Retirement System		
Non-Reformed	AFC × .0255 × Years of Service up to 28 years	• At least 22 years of eligibility service; or • At least age 50.
Reformed	AFC × .0255 × Years of Service up to 28 years	• At least 25 years of eligibility service; or • At least age 50.
CORS	1.818% × years of service × AFC	• Members joining on or before June 30, 2011: 3 highest years of salary and 5 years. • All others: 5 highest years of salary and 10 years.

PLAN TYPE	ANNUAL ALLOWANCE EQUALS	NORMAL SERVICE RETIREMENT ELIGIBILITY
		• Eligible after accruing 20 years of service regardless of age.
Judges' Retirement System		
All	6666667 × Salary of Active Judge holding same level position held at termination (Prorated if years of service less than 16)	• Members joining on or before June 30, 2012: at least age 60 or retired by order of Court of Appeals. • All others: at least age 60 and have accrued at least 5 years of eligibility service or l retired by order of Court of Appeals.
Legislative Pension Plan		
All	3.0% × current salary × years of service	• Members joining on or before June 30, 2012: age 60 and 8 years. • All others: age 62 and 8 years.

[1]AFC for purposes of the Employee and Teachers Pension Systems (Reformed benefit and Non-Contributory Reformed benefit only), the Law Enforcement Officers' Pension System (Reformed benefit only), the State Police Retirement System (Reformed benefit only) and Correctional Officers' Retirement System (Reformed benefit only) means the five highest consecutive years of earnings divided by five. For all others, AFC means the three highest consecutive years of earnings divided by three.
[2]Eligible for normal service retirement if years of service plus age equal 90.
[3]The Social Security Integration Level (SSIL) for the year of retirement or separation from employment. The SSIL for 2020 is $133,770.

In fiscal year 2020, State retirees and beneficiaries within the State Pool received benefit payments totaling $3.8 billion, with an average benefit of $25,872.

Assumptions. By law, employer contribution rates are established by annual actuarial valuations using the individual entry age normal cost method and actuarial assumptions adopted by the Board of Trustees. Assets are valued for funding purposes by recognizing investment gains and losses over a five-year period. Each year's investment gain or loss is amortized on a straight-line basis over five years. The final actuarial value of assets is limited to not more than 120% or less than 80% of the market value of assets.

At its July 2020 meeting, the System's Board of Trustees voted to maintain the assumed rate of return at 7.40% and to lower the general inflation assumption from 2.65% to 2.60%.

Based on the Actuary's actuarial experience study for fiscal years 2015 to 2018, the System's Board of Trustees adopted the following demographic assumptions:

- Retirement Age - Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period July 1, 2014 to June 30, 2018.
- Mortality - Public Sector 2010 Mortality Tables calibrated to MSPRS experience with the generational projections using MP-2018 (2-dimensional) mortality improvement scale.

Investments Allocations and Returns. The target asset allocation is set by the Board of Trustees, with no legal limits imposed by the General Assembly. The actual allocation takes into account that private market investments are made gradually in order to prudently reach the target level over multiple years. Amounts not yet invested in private markets are currently allocated to public equity and fixed income.

Asset Allocation

	Actual Allocation as of December 31, 2020	Long-Term Target Allocation
Public Equity	35.2%	37.0%
Private Equity	16.0	13.0
Rate Sensitive	16.1	19.0
Real Assets	11.1	14.0
Credit/Debt Strategies	10.4	9.0
Absolute Return	8.8	8.0
Multi Asset	1.0	0.0
Cash	1.4	0.0
Total*	100.0%	100.0%

*Totals may not add due to rounding.

The historical rates of return on the System's investments are (as of March 31, 2021, unaudited):

	1 year	3 year	5 year	10 year	20 year	25 year
Annualized Returns (gross of fees)	27.46%	9.72%	9.84%	7.81%	6.57%	6.92%

The System's rate of return, net of fees, on its investment portfolio was 18.5% (unaudited) for the fiscal year-to-date as of March 31, 2021.

Funding Policies. Effective on July 1, 2015, the State eliminated the corridor funding method for the Teachers' Combined Systems and Employees' Combined Systems beginning with fiscal year 2017. All future contributions will be based upon the Actuarially Determined Employer Contribution ("ADEC").

Employer Contribution. In fiscal year 2020, the State paid the full ADEC and contributed a total of $1.9 billion. Beginning in fiscal year 2017, the local school boards are now paid 100% of the local teachers' normal cost of local teacher's retirement as determined by the most recent valuation of the System. County governments are required to increase education funding by the additional pension costs during the phase in period.

The Department of Budget and Management estimates that the General Fund portion of the employer contribution represents 6.6% of the fiscal year 2022 General Fund budget. This percentage is anticipated to remain at 6.6% in fiscal year 2023, and is then projected to increase incrementally to 7.0% by fiscal year 2026. The following table presents estimates of the employer contribution relative to the General Fund budget in the next five fiscal years.

These projections reflect the current legislative requirements and all supplemental payments made to date (see below for a discussion of supplemental payments). As with all future projections, the data in the following table are based on certain assumptions. One or more of these assumptions may prove to be inaccurate and may be changed in the future based on future experience.

Projected Employer Contributions as a Percent of the General Fund Budget

	Employer Contributions		
Fiscal Year	State Employees	Local Teachers	Total*
2022	2.6%	4.0%	6.6%
2023	2.6	4.0	6.6
2024	2.6	4.1	6.7
2025	2.6	4.2	6.7
2026	2.6	4.4	7.0

* Totals may not add due to rounding.

Supplemental Payments. In 2011, the General Assembly passed legislation requiring supplemental contributions to each system. The supplemental payments were to reflect the difference between the State's required contribution under the corridor funding method for that fiscal year and the amount that would have been required had the 2011 Pension Reforms not been enacted (each a "supplemental payment"). In addition to the supplemental payments, during the fiscal year 2017 the General Assembly authorized additional contributions to the System of $50 million.

The General Assembly has also authorized a "pension sweeper" amendment that, unless waived by future legislation, require an additional State contribution to the System that will continue until the later of either the fund reaching 85% funded status, or when the legislature determines it to be no longer needed. In accordance with this pension sweeper, beginning with the fiscal year 2021, the System and the Postretirement Health Benefits Trust Fund would each receive one-quarter of any unappropriated General Fund balance in excess of $10.0 million, in each case up to a maximum of $25 million. Any remaining unappropriated general funds above these distributions are appropriated to the Revenue Stabilization Account.

The following table reflects all supplemental payments that have been received through fiscal year 2021, and are budgeted to be received in fiscal year 2022:

Supplemental Payments, Additional Contributions
and Pension Sweeper Amounts
Received from the State
($ in millions)

Fiscal Year	Voluntary Contributions
2014	$100.0
2015	100.0
2016	75.0
2017	150.0
2018	75.0
2019	75.0
2020	75.0
2021	75.0
2022 (budgeted)	100.0

Funded Status and Asset Value. As reported in the System's annual Actuarial Valuation Report, the funded status of each plan in the "State Pool" as of June 30, 2020 was as follows:

Funded Status of the Plans within the "State Pool" Portion of the
Maryland State Retirement and Pension System
As of June 30, 2020
($ in thousands)

Plan	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Funded Ratio (Assets/Liab.)	Unfunded AAL (UAAL)	Covered Payroll (Active Members) (a)	UAAL as a Percent of Payroll % (a)
Teachers' Retirement and Pension System	$444,456,529	$34,228,754	77.0%	$10,227,775	$7,492,465	136.5%
Employees' Retirement and Pension System	21,813,288	14,202,473	65.2	7,600,815	3,399,919	223.6
State Police Retirement System	2,362,744	1,582,378	67.0	780,365	116,274	671.1
Judges' Retirement System	598,299	512,036	86.9	77,263	51,882	148.9
Law Enforcement Officers' Pension System	1,186,813	768,901	64.8	417,912	122,266	341.8
Total of All Plans*	$70,408,672	$51,304,543	72.8%	$19,104,129	$11,182,807	170.8%

*Totals may not add due to rounding.
(a) The Covered Payroll and UAAL as a Percentage of Payroll results reported in the System's Actuarial Valuation Report were calculated using actual payroll data and differ slightly from the calculations shown in the State's Financial Statements which were calculated using projected payroll rather than actual payroll data.

The following table presents information regarding the unfunded actuarial accrued liability of the System, including both the State Pool and the Municipal Pool for the years 2011 to 2020 as of June 30 valuation dates, derived from a report by the System's Actuary.

Historical Funding Progress
Maryland State Retirement and Pension System (a)
Actuarial Value of Assets
($ in thousands)

Valuation Date June 30	Actuarial Accrued Liability (AAL)	Actuarial Value Of Assets	Funded Ratio (Assets/Liab.)	Unfunded AAL (UAAL)	Covered Payroll (Active Members)	UAAL as a Percent of Payroll %
2011.......	$55,917,543	$36,177,656	64.7%	$19,739,887	$10,478,800	188.4%
2012	57,869,145	37,248,401	64.4	20,620,745	10,336,537	199.5
2013.......	60,060,091	39,350,970	65.5	20,709,122	10,477,544	197.6
2014	62,610,193	42,996,957	68.7	19,613,237	10,803,632	181.5
2015	66,281,781	46,170,624	69.7	20,111,157	11,063,961	181.7
2016	67,781,924	47,803,679	70.5	19,978,245	11,155,924	179.1
2017	69,986,576	50,250,465	71.8	19,736,110	11,418,973	172.8
2018	72,574,689	52,586,528	72.5	19,988,161	11,566,220	172.8
2019.......	74,526,000	54,361,969	72.9	20,164,031	11,905,403	169.4
2020.......	76,471,035	56,246,776	73.6	20,224,259	12,501,422	161.8

(a) Includes both the State Pool and the Municipal Pool accrued liabilities.

The following table shows the projected funded ratios of the State Pool through projected full funding and reflects all legislative action and supplemental payments to date.

Projected Funded Ratios of State Pool
(as of December 31)

Valuation Year	Based on June 30, 2020 Valuation
2021	73.4%
2023	73.8
2025	76.2
2027	78.9
2030	83.4
2031	84.9
2037	95.8
2039	100.1

The following table presents information regarding the Asset Market Values of the System, including both the State Pool and the Municipal Pool, for the years 2011 to 2020 as of June 30 valuation dates, derived from a report by the System's Actuary.

Historical Market Value of Assets
Maryland State Retirement and Pension System (a)
($ in thousands)

Valuation Date, June 30	Market Value of Assets	Valuation Date, June 30	Market Value of Assets
2011	$37,592,752	2016	$45,365,926
2012	37,178,726	2017	48,987,183
2013	40,363,217	2018	51,827,233
2014	45,363,217	2019	53,943,420
2015	45,789,840	2020	54,586,037

(a) Includes both the State Pool and the Municipal Pool.

As of March 31, 2021, the System's market value of assets was $63.6 billion.

Accounting and Reporting. Beginning in fiscal year 2015, Statement No. 68 of the Governmental Accounting Standards Board required changes to the State's pension accounting and reporting. The net pension liability ("NPL") defined by the pronouncement, similar to the unfunded actuarial accrued liability, is reported as a liability on the government-wide statement of net position. It is a present value measure of benefits to be provided based on the employees' past service, and accordingly, recognizes the entire net pension expense, regardless of when this expense will be funded. It replaced the Net Pension Obligation ("NPO") previously reported as a liability. The NPO was the cumulative difference between required contributions to the pension plans to meet obligations as they came due and actual contributions, and therefore, measured the funding obligation only.

For the State Retirement and Pension System, a cost-sharing multiple-employer system, all cost-sharing employers are required to recognize a liability for their proportionate share of the NPL. In Maryland, the State funds the unfunded actuarial accrued liability applicable to local teachers' service, and therefore, the State records the NPL for the teachers' plan as a non-employer contributing entity.

For fiscal year 2020, the State's contribution to the System was $2.0 billion, and the total contribution to the System was $2.1 billion. The NPL for the System was calculated as $22.6 billion as of June 30, 2020 of which the State's share has been estimated to be $19.4 billion.

For a more detailed discussion of the System, see APPENDIX A, Note 15 to the Financial Statements and Required Supplementary Information. A copy of the System's Actuarial Valuation Report as of June 30, 2020 may be obtained online at https://sra.maryland.gov/actuarial-valuation-reports.

Maryland Transit Administration Retirement Programs

In addition to the principal retirement programs administered by the Board of Trustees, the Maryland Transit Administration of the Department of Transportation provides pension benefits to its employees for the three unions it recognizes and for former union members promoted to management positions (the "MTA Plan"). All other management employees hired after April 30, 1970 are members of the State Employees' Retirement or Pension Systems. All three active union contracts include a provision requiring union employees to contribute a range of 2% to 4% of their gross pay to the MTA Plan, according to their respective collective bargaining agreements.

The MTA Plan provides retirement, death and disability benefits and is funded in compliance with collective bargaining agreements. Employees hired after July 1, 2016 are vested after 10 years of service. All employees hired before July 1, 2016, vesting varies based on each bargaining agreement. Employee retirement benefits are based on years of service times an annual benefit multiplier of 1.7% of final average compensation. Generally, full service retirement benefits are based on either 30 years of service and age 52 or attainment of age 65.

The annual contribution to the MTA Plan is based upon a report of the consulting actuary (Bolton Partners Inc.). The Department of Transportation provided $43.3 million (which excludes employee contributions of approximately $4.6 million) to plan for fiscal year 2020. The Department's MTA fiscal year 2021 budget provides approximately $45.0 million (which excludes employee contributions of approximately $6.6 million) for the plan. The MTA's fiscal year 2020 allocation of the NPL is $1.057 billion.

As of May 31, 2021, membership in the MTA Plan included 2,511 active members, 518 vested former members, and 2,006 retirees and beneficiaries. The total pension liability is based upon the July 1, 2020 valuation data and assumption determined by the consulting actuary and rolled forward to June 30, 2021:

Funded Status of the MTA Plan
as of July 1, 2020
($ in thousands)

Actuarial Accrued Liability(AAL)	Actuarial Value Of Assets	Funded Ratio (Assets/Liab.)	Unfunded AAL (UAAL)	Covered Payroll (Active Members)	UAAL as a Percent of Payroll%
$836,614	$362,293	43.36%	$474,321	$157,761	300.7%

Note: For a more detailed discussion of the MTA Plan, see https://mdot.maryland.gov/OOF/2020MDOTMTAGASB68PensionPlanReport.pdf.

Other Post-Employment Benefits

State Employee and Retiree Health and Welfare Benefits Program. Retired State employees and their eligible dependents meeting certain qualifications may participate, on a subsidized basis, in the State Employee and Retiree Health and Welfare Benefits Program (the "Program"). As of June 30, 2020, the Program membership included 81,922 active employees, 2,510 vested former employees and 52,758 retirees and beneficiaries. The Program assesses a charge to retirees for post-employment health care benefits that is based on health care insurance charges for active employees. For the fiscal year ending June 30, 2020, retiree program members contributed $138.4 million and the State contributed $601.5 million for retiree health care benefits.

The State has adopted the GASB Statement No. 75 ("GASB 75") which supersedes GASB 45 and addresses how state and local governments should account for and report costs and obligations related to post-employment health care and other post-employment non-pension benefits ("OPEB") effective for fiscal year ending June 30, 2018. GASB 75 generally requires that the annual cost of OPEB and the related obligations and commitments be accounted for and reported in essentially the same manner as pensions under GASB 68. Annual OPEB costs typically will be based on actuarially determined amounts that, if paid on an ongoing basis, would provide sufficient resources to pay benefits as they come due.

The provisions of GASB 75 do not prescribe methods for funding OPEB plans, nor do they require governments to fund their OPEB plans. GASB 75 does, however, establish additional disclosure requirements for employers contributing to OPEB plans. For defined benefit OPEB, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Disclosure and required supplementary information requirements about defined benefit OPEB also are required regardless of whether or not the plan is administered through a qualifying trust.

Under GASB 75, the Net OPEB Liability is reported as a liability on the State's financial statements. The Net OPEB Liability is the difference between the Total OPEB Liability (the actuarial present value of all future projected benefit payments attributable to service prior to the measurement date) and the Fiduciary Net Position (market value of assets).

The State's annual OPEB expense is calculated as change in Net OPEB Liability over the measurement period, with deferred recognition of certain aspects of the change in liability, including investment gains/losses, demographic gains/losses, and changes in actuarial assumptions. Unrecognized amounts are reported as deferred inflows and/or deferred outflows of resources related to OPEB until they are recognized in the annual OPEB expense.

2011 Employee and Retiree Health Benefits Reforms. The 2012 Budget implemented changes to employee and retiree prescription drug and health benefits (the "2011 Health Benefit Reforms") that decreased the State's projection of OPEB liability from $15.9 billion prior to the 2011 Health Benefit Reforms to $9.2 billion after the 2011 Health Benefit Reforms, and decreased the corresponding State projection of ADEC under GASB 45 from $1.22 billion to $704.4 million. The 2011 Health Benefit Reforms increased employee and retiree prescription drug copayments and increased retiree premium payments and out of pocket maximums. For new employees hired after June 30, 2011, 10 years of service rather than 5 years is required for eligibility for retiree health benefits, and 25 years of service rather than 16 years is required in order to receive a full State subsidy. Under current law, effective January 1, 2019, State prescription drug benefits would have been discontinued for certain retirees and those retirees would have been required to enroll in Medicare Part D after the Part D coverage gap is phased out. However, following litigation brought by State retirees, an injunction has been issued forbidding the discontinuation of the prescription drug benefits for those retirees until the litigation is resolved. In addition, the General Assembly passed legislation that would create three state-funded programs to limit costs related to the prescription drug benefit for certain eligible retirees. The Department of Budget and Management projects this legislation will increase the State's net OPEB liability by at least $2.36 billion over 30 years. See "LEGAL MATTERS – Litigation and Other Matters" for a description of legal proceedings.

OPEB Projections. As of June 30, 2020, the actuary's Total OPEB Liability was $16.8 billion, and the Fiduciary Net Position was $355.1 million, resulting in a Net OPEB Liability ("NOL") of $16.4 billion. The discount rate used was an unblended pay-go rate of 2.21%. The ratio of the Fiduciary Net Position to the Total OPEB Liability was 2.12%. The covered payroll (annual payroll of active employees covered under the Program) was $5.7 billion, and the ratio of the NOL to the covered payroll was 289.69%.

The following table from the Actuarial Valuation Reports as of June 30, 2020, prepared by the State's actuary, shows the components of the State's annual OPEB expense, the contribution to the Program and the State's Net OPEB Liability for fiscal year 2021.

State Employee and Retiree Health and Welfare Benefits Program
Annual OPEB Expense and Net OPEB Liability
Fiscal Year 2020-2021
Projections as of June 30, 2020
($ in millions)

Reporting Date under GASB 75	**June 30, 2020**	**June 30, 2021**
Measurement Date under GASB 75	**June 30, 2019**	**June 30, 2020**
Net OPEB Liability	$14,290.0	$16,424.5
Deferred inflows of resources related to OPEB	1,645.8	1,253.9
Deferred outflows of resources related to OPEB	1,023.4	2,303.4
Net Liabilities Relating to OPEB	**$14,912.4**	**$15,375.0**
Net OPEB Expense	$3,075.2	$1,064.1
Less: Contributions made	(499.5)	(601.5)
Net Change in Liabilities Relating to OPEB	**$2,575.7**	**$462.6**

The State's General Fund has historically contributed approximately 60% of the annual pay-as-you-go costs of other post-employment benefits, with special and federal funds contributing the balance. Chapter 355 of the 2007 Laws of Maryland created the Postretirement Health Benefits Trust Fund (the "Trust Fund") as an irrevocable trust. Funds of the Trust Fund will be used to assist in financing the State's post-retirement health insurance subsidy. The net assets held in trust for post-retirement health benefits as of June 30, 2020 were $355.1 million. This balance also reflects the activity for investment earnings and administrative expenses during the period.

Maryland Transit Administration. The MTA provides a retiree health care benefits plan (the "MTA OPEB") to all employees who are members of the MTA plan, except for transfers from union to management positions who are required to enroll in the State Employee and Retiree Health and Welfare benefits program described above. The annual funding of the MTA OPEB is based upon a report of the consulting actuary (Bolton Partners, Inc.). The MTA OPEB is an unfunded pay-as-you-go plan. The MTA does not currently have a separate fund set aside to pay healthcare costs.

The funded status for MTA OPEB are as follows:

Maryland Transit Administration Plan OPEB
Annual OPEB Cost and Net OPEB Liability
Fiscal Year 2020
($ in millions)

Balance as of June 30, 2018 for FY 2019	$728.9
Changes for the Year:	
Service Cost	31.9
Interest	26.0
Changes of Benefit Terms	0.0
Experience Losses/(Gains)	(1.1)
Trust Contribution – Employer	(17.2)
Net Investment Income	0.0
Changes in Assumptions	64.2
Benefits Payments (net of retiree contributions)	0.0
Administrative Expense	0.0
Net Changes	103.8
Balance as of June 30, 2019 for FY 2020	$832.7

Note: Numbers may not add due to rounding

For a more detailed discussion of the MTA OPEB, see Appendix A, Note 16 to the State's 2020 Comprehensive Annual Financial Report.

Labor Management Relations

As of March 31, 2021, the State had approximately 103,751 employees.

States are exempt from the provisions of the National Labor Relations Act; thus, State employees may engage in collective bargaining only if specifically authorized. Since 1999, collective bargaining has been available to eligible State employees. Eligible State employees are assigned to one of nine bargaining units. These bargaining units are represented by six certified exclusive bargaining representatives that are entitled to negotiate with the Governor or his designee(s) regarding wages, hours, and terms and conditions of employment on behalf of bargaining unit employees. The negotiating parties execute a memorandum of understanding (MOU) of not less than one year or more than three years duration that incorporates all matters of agreement. Matters of agreement that require legislative approval or the appropriation of funds are subject to the approval of the General Assembly. Additionally, State employees may join employee associations, and the State permits the deduction of dues from employees' salaries for these associations. In December of 2017, State negotiated agreements with all six certified exclusive bargaining representatives. These agreements provided for a 2.0% cost of living adjustment on January 1, 2019, a $500 bonus and another 0.5% cost of living adjustment on April 1, 2019. The budget for fiscal year 2020 included an additional 3.0% cost of living adjustment effective July 1, 2019 and the budget for fiscal year 2021 included 2.0% cost of living adjustment effective January 1, 2021.

In addition to State employees, in 2001 collective bargaining was extended similarly to approximately 10,000 employees of the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College. Eligible employees of these entities are assigned to one of three bargaining units at each of 15 campus locations, and are represented by a total of three certified exclusive bargaining representatives. Collectively, approximately 1,252 employees of these higher education institutions pay dues to four employee associations, including the three certified exclusive bargaining representatives.

Collective bargaining was extended in 2012 to eligible State employees of the Office of the Comptroller, Maryland Transportation Authority, State Retirement Agency and Maryland State Department of Education. Since that date, approximately 750 additional employees have been extended collective bargaining.

Public school teachers throughout the State are not State employees but are employed and otherwise paid by the local school boards of education. The State, however, pays partial retirement benefit contributions on behalf of those employees. Teachers have been authorized by statute to form and participate in employee organizations for the purpose of representation on all matters relating to salaries, wages, hours, and other working conditions. Similar laws have been enacted to cover employees of Baltimore City and some counties.

The employees of the public community colleges and the public libraries are not State employees; the State, however, pays each employer's share of the retirement contribution.

Aid to Local Government

The State provides substantial assistance to local governments through a variety of direct and indirect assistance programs. Cash assistance is provided to support, among other local expenditures, community colleges, basic current expenses of elementary and secondary schools, pupil transportation, road construction and maintenance, the education of students with disabilities, local health departments, and local police departments. In addition to cash grants, the State has contributed directly to retirement for local teachers and librarians. Beginning in fiscal year 2013, State retirement contributions for local teachers and librarians reflect a lower State obligation pursuant to legislation enacted during the 2012 Legislative Session that allows for sharing costs with local jurisdictions. The State has also directly paid a major share of the debt service on bonds issued to pay for the construction of local elementary and secondary schools, community colleges, and water treatment facilities. Further, the State has assumed the non-federal share of the costs of providing medical assistance, income maintenance payments, and social services for the needy. In the transportation area, the State operates the mass transit program in the Baltimore area and provides grant assistance for the Maryland portion of the Washington metropolitan area transit system.

The following table presents a summary of major State financial support for fiscal years 2018 through 2020, and the estimates for fiscal years 2021 and 2022. Federal funds are excluded.

Major State Financial Support to Local Governments
Fiscal Years 2018–2022
($ in millions)

	2018	2019	2020	2021 Estimated	2022 Estimated
Education	$6,759	$6,957	$7,418	$7,684	$7,979
Transportation	220	247	262	243	260
Health	49	52	59	61	66
Environment	41	59	7	8	11
Public Safety	131	132	148	183	183
Other	294	312	293	307	305
Total *	$7,494	$7,759	$8,187	$8,486	$8,804

* Totals may not add due to rounding.

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STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM

The State issues general obligation bonds, to the payment of which the State ad valorem property tax is pledged, for capital improvements and for various State-sponsored projects. In addition, the Maryland Department of Transportation issues for transportation purposes its limited, special obligation bonds payable primarily from specific, fixed-rate excise taxes and other revenues related mainly to highway use. The State and certain of its agencies also have entered into a variety of lease-purchase agreements to finance the acquisition of capital assets. These lease agreements specify that payments thereunder are subject to annual appropriation by the General Assembly.

There is no general debt limit imposed by the State Constitution or public general laws. Although the State has the authority to make short-term borrowings in anticipation of taxes and other receipts up to a maximum of $100.0 million, the State has not issued short-term tax anticipation notes or made any other similar short-term borrowings for cash flow purposes.

Tax-Supported Debt Outstanding

The aggregate principal amount of outstanding bonded indebtedness of the State as of June 30, 2021 is as follows:

Tax-Supported Debt Outstanding
($ in millions)

	Outstanding at June 30, 2021	As Adjusted For This Sale[f]
General Obligation Bonds (a)	$9,912.9	$10,489.3
Consolidated Transportation Bonds (b)	3,672.3	3,672.3
Maryland Stadium Authority Bonds and Leases (c)	108.5	108.5
Capital Leases (d)	79.6	79.6
Bay Restoration Revenue Bonds (e)	209.7	209.7
Net Tax-Supported Debt	$13,983.0	$14,559.4

(a) As of June 30, 2021 the authorized but unissued amounts before and after giving effect to the current sale of the Bonds were $2.57 billion and $1.96 billion. This amount includes approximately $87.5 million of outstanding qualified zone academy bonds which are privately placed. See also APPENDIX B – "SUPPLEMENTARY DEBT SCHEDULES."
(b) See "Department of Transportation Debt."
(c) See "Maryland Stadium Authority Lease Revenue Debt Outstanding."
(d) See "Lease and Conditional Purchase Financings."
(e) See "Other Tax-Supported Debt."
(f) Assumes the issuance of the Second Series C Bonds on March 1, 2022 and the Second Series D Bonds on May 3, 2022 and the refunding of the Series C Refunded Bonds and the Series D Refunded Bonds.

The above table excludes local debt as well as revenue and enterprise debt, all of which are not State tax-supported debt. (For further information on Revenue and Enterprise Debt see "MISCELLANEOUS REVENUE AND ENTERPRISE FINANCINGS" and APPENDIX B – "SUPPLEMENTARY DEBT SCHEDULES – Revenue and Enterprise Financings.")

General Obligation Bonds

General Obligation bonds are authorized and issued primarily to provide funds for State-owned capital improvements, including institutions of higher education, and the construction of locally owned public schools. General obligation bonds also have been issued to fund 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, nonprofit, cultural, or educational institutions. In the fiscal year 2022 capital program, 20% of new general obligation bond authorizations represented financing of State-owned capital facilities, 61% represented financing grant and loan programs to construct capital improvements, including those owned by local government units such as public school construction, and 19% represented financing of local capital projects such as those owned by non-profit or other private entities.

Dedication of State Property Tax to General Obligation Debt. The State Constitution prohibits the contracting of State debt unless the debt is authorized by a law levying an annual tax or taxes sufficient to pay the debt service within 15 years and prohibiting the repeal of the tax or taxes or their use for another purpose until the debt is paid. As a uniform practice, each separate enabling act that authorizes the issuance of general obligation bonds for a given object or purpose has specifically levied and directed the collection of a State ad valorem property tax on all taxable property in the State.

The Board of Public Works is directed by law to fix by May 1 of each year the property tax rate necessary to produce revenue sufficient for the debt service requirements of the next fiscal year, which begins July 1, but the taxes so levied need not be collected if or to the extent that funds sufficient for debt service requirements in the next fiscal year have been appropriated in the annual budget. Accordingly, the Board, in annually fixing the rate of property tax after the end of the regular Legislative Session in April, takes account of appropriations of general and other funds for debt service.

From fiscal year 1972 through fiscal year 2003, general funds were appropriated to the State Department of Education for payment of debt service for public school construction debt. Other general obligation bonds were serviced to a lesser degree (prior to fiscal year 2014) from general funds as well as from the State property tax and other special and federal funds. As a result, although all the enabling acts commit the State property tax to the service of general obligation debt, and all amounts collected from such tax are applied to that purpose, it had been the normal practice to devote a significant amount of General Fund revenue to general obligation debt service.

General Fund Revenue Dedicated to General Obligation Debt Service ($ in millions)

Fiscal Year	General Fund Subsidy
2015	$140.0
2016	252.4
2017	259.4
2018	259.6
2019	286.0
2020	287.0
2021 (appropriated)	131.0
2022 (allowance)	260.0

For fiscal year 2021, the sources of current revenues are the State property tax (64.7%), premium from bond sales (12.2%), general funds (21.5%), and federal subsidies for ARRA Bonds and other revenues (1.6%).

Department of Transportation Debt

Consolidated Transportation Bonds are limited obligations issued by the Maryland Department of Transportation (the "Department"), the principal of which must be paid within 15 years from the date of issue, for highway, port, transit, rail, or aviation facilities or any combination of such facilities. The law limits the outstanding aggregate principal amount of these bonds to $4.5 billion. Current law also provides that the General Assembly may establish in the budget for any fiscal year a maximum outstanding aggregate amount of these bonds as of June 30 of the fiscal year that is less than $4.5 billion. For fiscal year 2021, the limit is $3.9 billion. As of June 30, 2021, the principal amount of outstanding bonds is $3.7 billion.

Debt service on Consolidated Transportation Bonds is payable from those portions of the excise tax on each gallon of motor vehicle fuel and the motor vehicle titling tax, sales and use tax on short-term vehicle rentals, and the corporate income tax as are credited to the Department after distribution to the General Fund, plus all departmental operating revenues and receipts. In addition, beginning July 1, 2013, the static excise tax rates for gasoline and special fuel were replaced by a two-prong rate setting system that adjusts the relevant excise rates annually in most years and semiannually in certain years. See "STATE FINANCES- State Revenues." Pursuant to the Chapter 397, Laws of Maryland 2011 enacted in the 2011 legislative session of the General Assembly, the Department no longer receives a portion of the State's general sales and use tax; however the Department's former share of that tax remains pledged to Consolidated Transportation Bonds issued prior to July 1, 2011. The holders of the Consolidated Transportation Bonds are not entitled to look to other sources for payment. The Department has covenanted with the holders of outstanding Consolidated Transportation Bonds not to issue additional bonds unless certain revenue adequacy tests are met.

In the 2014 Legislative Session, the General Assembly authorized the Department, by resolution of the Secretary of the Department, to borrow funds to finance the costs of transportation facilities through the issuance of revenue-backed bonds so long as the payment of debt service on such bonds is not supported directly or indirectly by State tax revenues pledged to meet debt service on the Department's Consolidated Transportation Bonds. Prior to enactment of this legislation, the Department had relied on the Maryland Transportation Authority or the Maryland Economic Development Corporation to be conduit issuers for these types of revenue-backed bonds. On February 10, 2021, the Department issued $219.9 million of Special Transportation Project Refunding Revenue Bonds refunding existing bonds previously issued by the Maryland Transportation Authority and the Maryland Economic Development Corporation to consolidate separate revenue pledges and provide a gross pledge of MAA's operating revenues. On July 14, 2021, the Department will issue $200.0 million of additional bonds to fund the Concourse A/B Connector and Baggage Handling System project at the Baltimore/Washington International Thurgood Marshall Airport.

Nontraditional Debt. During the 2020 Legislative Session, the General Assembly established a maximum outstanding principal amount of $1.2 billion as of June 30, 2021, for all nontraditional debt of the Department. Nontraditional debt outstanding is defined as any debt instrument that is not a Consolidated Transportation Bond or Grant Anticipation Revenue Vehicle ("GARVEE") Bond. Such debt includes but is not limited to: Certificates of Participation (documented by conditional purchase agreements) ("COPs"), debt backed by customer facility charges, passenger facility charges ("PFC"), or other revenues, and debt issued by Maryland Economic Development Corporation ("MEDCO") or any other third party on behalf of the Department. As of June 30, 2021, the Department's nontraditional debt outstanding was $590.5 million. In addition, the Department is required to report on debt issued by the Purple Line project concessionaire as non-State tax supported debt, which totaled $313.0 million as of June 30, 2021.

Private Public Partnerships

Purple Line Transit Partners (PLTP). The Maryland Department of Transportation ("MDOT") and Maryland Transit Administration ("MTA") were in a dispute with Purple Line Transit Partners, LLC ("PLTP"), the concessionaire for the Purple Line transit project. PLTP was claiming over $755 million in relation to several claims under the Public-Private-Partnership Agreement ("P3 Agreement") for the Purple Line project. MDOT/MTA and PLTP had settlement discussions regarding several claims, which included, inter alia, alleged delay costs due to the vacatur of the Record of Decision in Purple Line I and the State's alleged failure to timely acquire certain real estate interests. The parties were also attempting to resolve issues regarding purported delays caused by wall barriers required around CSX tracks and Maryland Department of Environment permitting. On May 1, 2020, Purple Line Transit Constructors, LLC, the design-build contractor for PLTP, gave PLTP notice of its unconditional termination for extended delays and costs totaling $519,112,360. On June 24, 2020, PLTP issued a notice of termination to MDOT/MTA. On June 24, 2020, MDOT/MTA issued a notice of default for an invalid termination and filed a declaratory action in the Circuit Court for Baltimore City, seeking injunctive relief and damages for breach of contract. PLTP filed a counter-claim asserting breach of contract. As a result of settlement discussions, PLTP, MTA and MDOT executed a settlement agreement and mutual releases (which also to a certain extent included PLTC) that were approved by the Board of Public Works on December 16, 2020. Pursuant to the settlement agreement, PLTP was paid $100 million in December 2020 and will be due another $150 million in December 2021. In return the claims between the parties were released and PLTP will remain as a partner to the P3 Agreement with the obligation that it would resolicit and replace PLTC with a new design-build contractor to complete the project, or the P3 Agreement would be terminated with an agreed upon termination payment made. The case pending in the Baltimore City Circuit Court was dismissed on January 5, 2021. PLTP's resolicitation process is underway to obtain a new design-build contractor. Three proposers were selected to proceed through the resolicitation process based on requested and provided statements of qualifications. Instructions to Proposers were issued on March 8, 2021, which have been updated through several addenda, and resolicitation activities are ongoing. A new design-build contractor will be selected by the end of 2021.

American Legion Bridge I-270 to I-70 Relief Plan. In 2017, Governor Larry Hogan announced Maryland's Traffic Relief Plan to reduce traffic congestion, increase economic development, and enhance safety and return quality of life to Maryland commuters. The largest component of the Plan, the I-495 & I-270 Public-Private Partnership Program, is being delivered through multiple phases. Phase 1, known as the American Legion Bridge I-270 to I-70 Relief Plan, begins south of the American Legion Bridge in the vicinity of the George Washington Memorial Parkway and extends north to I-270 and then up I-270 to I-70 in Frederick. Within Phase 1 there will be multiple sections. The section from the vicinity of the George Washington Memorial Parkway across the American Legion Bridge to I-370, including replacement of the American Legion Bridge, will be developed and delivered as the first section ("Phase 1 South"). The northern portion of Phase 1 ("Phase 1 North") includes the remaining improvements to I-270, from I-370 to I-70. In June 2019, Maryland's Board of Public Works (the "BPW") designated the project as a public-private partnership and approved the public-private partnership solicitation method. In January 2020, the BPW provided a supplemental approval for the delivery of the Project through the solicitation of a phase developer under a phased delivery approach. A two-step solicitation process was completed that included a Request for Qualifications and Request for Proposals. In July 2020, four highly qualified respondents were selected to submit a proposal to enter into a Phase P3 Agreement to complete the predevelopment work. Accelerate Maryland Partners, LLC ("AMP") was announced as the selected proposer. The AMP team includes: Transurban (USA) Operations, Inc.; Macquarie Infrastructure Developments LLC; Dewberry Engineers Inc.; Stantec Consulting Services Inc; and Bechtel Infrastructure Corporation. On June 10, 2021, in accordance with State law, a report on the project was submitted to the Comptroller, the Treasurer, certain legislative committees, the Department of Legislative Services, and the public for review and comment. The Phase P3 Agreement for Phase 1 was approved by BPW on August 11, 2021 allowing for begining predevelopment and preliminary design work. Predevelopment work includes robust collaboration with stakeholders and identification of the best ways to advance the preliminary design and due diligence activities to further avoid and minimize impacts to environmental resources, communities, properties, utilities, and other features. After completion of the predevelopment work with respect to a section of Phase 1 South, and only if a build alternative is identified under the NEPA approval process, final BPW approval will be sought for a 50-year Section P3 Agreement for final design, construction, financing, operations, and maintenance of Phase 1 South.

Maryland Stadium Authority Bonds

The Maryland Stadium Authority (the "Authority") was created in 1986 as an instrumentality of the State responsible for financing and directing the acquisition and construction of professional sports facilities in Maryland. Since then, the Authority's responsibility has been extended to include convention centers in Baltimore City and Ocean City, a conference center in Montgomery County, and the Hippodrome Theater, Camden Station Renovation in Baltimore City and Baltimore City Public Schools. On June 30, 2021, the principal amount of tax-supported outstanding bonds and capital leases of the Authority was $108.5 million. See APPENDIX B – "SUPPLEMENTARY DEBT SCHEDULES – Maryland Stadium Authority" for a summary of outstanding debt and interest rate exchange agreements of the Authority and descriptions of the Authority's projects.

Lease and Conditional Purchase Financings

The State has financed and expects to continue to finance the construction and acquisition of various facilities and equipment through conditional purchase, sale-leaseback, and similar transactions. As of June 30, 2021 the total tax-supported capital leases and conditional purchase financing outstanding was $241.0 million. See APPENDIX B – "SUPPLEMENTARY DEBT SCHEDULES – State Tax-Supported Lease and Conditional Purchase Financings" for details of the total tax-supported capital leases outstanding. All of the tax-supported lease payments under these arrangements are subject to annual appropriation by the General Assembly. In the event that appropriations are not made, the State may not be held contractually liable for the payments. These transactions generally are subject to approval by the Board of Public Works.

On December 8, 2011, MEDCO issued $170.9 million in Lease Revenue Bonds to finance the Public Health Lab (the "2011 Bonds") for use by the Department of Health, in Baltimore City, Maryland. In April 2021, MEDCO issued its $123.4 million in Lease Revenue Refunding Bonds, Series 2021 (the "2021 Bonds") for the purpose of refunding the 2011 Bonds and to pay certain costs of issuance.

Local government agencies or other lessors have also issued revenue bonds or sold COPs to finance facilities such as the district court facilities in Prince George's County. MEDCO issued lease revenue bonds in the amount of $36.0 million in June 2002, which were partially refunded in May 2010, to finance the construction of a new headquarters building for the Department of Transportation. In July 2005, the MDTA issued lease revenue bonds in the amount of $23.8 million to finance the costs of a parking facility project for the Annapolis State Office Complex, operated by the Maryland Department of General Services ("DGS"). These bonds were refunded and redeemed in August 2015 through the issuance of an $18.0 million lease revenue refunding bond to a financial institution by a direct bank loan. Lease revenue payable by DGS is pledged for the repayment of the refunding bond. In March 2019, the State sold $23.49 million of COPs to finance the acquisition of buses for shuttle services at the Baltimore Washington International Thurgood Marshall Airport.

The State Treasurer's Office consolidates equipment lease-purchases authorized in the budget into periodic lease-purchase agreements for all executive agencies. The State also has a lease-purchase program to provide financing for energy conservation projects at State facilities. Lease payments are made from the agencies' annual utility appropriations from the savings achieved through the implementation of energy performance contracts.

Bay Restoration Revenue Bonds

During the 2004 Legislative Session, the Maryland General Assembly created the Bay Restoration Fund to be managed by the Water Quality Financing Administration of the Maryland Department of the Environment ("Administration"). Through fiscal year 2012, the Bay Restoration Fund received a mandatory fee of $30 per year per equivalent dwelling unit from users of sewerage systems in the State, as well as $30 per year from septic system users. During the 2012 Legislative Session, the fee was increased from $30 per year to $60 per year for most users, effective July 1, 2012. The sewer fee revenues are projected at approximately $110.0 million per year. The sewer fee revenues are pledged, to the extent necessary, as security for Bay Restoration Revenue Bonds issued by the Administration, the proceeds of which will be applied primarily to provide grant funds to upgrade wastewater treatment plants with enhanced nutrient removal technology. The first $50.0 million of Bay Restoration Fund Revenue Bonds were issued on June 25, 2008, followed by another $100.0 million on April 19, 2014 and $180.0 million in November 2015. As of June 30, 2021, the principal amount of outstanding Bay Restoration Revenue Bonds was $209.7 million.

Debt Data

The following tables present, at fiscal year-end, various data showing: (1) the trend of outstanding general obligation debt, its relationship to assessed value of property, personal income, and population, and the trend of general obligation debt service and its relationship to revenues; (2) the trend of outstanding general obligation, transportation, and other State tax-supported debt and debt service and their relationships to the same factors; and (3) the total combined tax-supported debt of the State and debt of Baltimore City and all of the counties, towns, and special taxing districts within Maryland, and various relationships of such local combined debt to the assessed value of property, population and personal income. While the State is not obligated for local unit debt, the combined State and local unit debt ratios demonstrate the total State and local debt obligations relative to statewide assessed values, population and personal income, for general comparison with other states' debt levels.

The Capital Debt Affordability Committee ("CDAC") annually reports ratios for tax-supported debt outstanding compared to personal income and tax-supported debt service compared to revenues. Debt outstanding, personal income, debt service, revenues and population in the following tables are all as reported in the 2020 CDAC report. Because some of the numbers used in the CDAC report are preliminary, they may not agree with more recent figures reported elsewhere in this Official Statement.

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General Obligation Bond Ratios
($ in millions except per capita amounts)

	End of Fiscal Years				
	2016	**2017**	**2018**	**2019**	**2020**
General Obligation Bonds (a)........	$9,465	$9,334	$9,479	$9,607	$9,772
% Change (b)................................	9.1%	-1.4%	1.6%	1.4%	1.7%
Assessed Value (c)	$669,346	$694,548	$719,270	$746,081	$770,161
Debt Ratio (d)...............................	1.4%	1.3%	1.3%	1.3%	1.3%
Population (e)	6,016	6,052	6,043	6,046	6,056
Per Capita Debt.............................	$1,573	$1,542	$1,569	$1,589	$1,614
Personal Income (f)	$349,267	$368,258	$380,172	$390,792	$413,359
Debt Ratio (d)...............................	2.7%	2.5%	2.5%	2.5%	2.4%
General Obligation Debt Service...	$1,121	$1,183	$1,235	$1,298	$1,322
Revenues (g).................................	$17,567	$18,236	$19,052	$19,909	$20,430
Debt Service Ratio (d)..................	6.4%	6.5%	6.5%	6.5%	6.5%

* Totals may not add due to rounding.
(a) Shows amount of debt outstanding at the end of fiscal years shown (June 30) less amounts advance refunded and net of any sinking funds. Local debt includes the debt of Baltimore City, counties, towns, and special districts. Local debt data are derived from compilations by the Department of Legislative Services of data reported by the local units as required by statute.
(b) Shows the percentage of increase or decrease of the dollar values from the preceding year's amount.
(c) Amounts for full value are stated as of January 1, the date assessments are made final for the fiscal year beginning the next July 1.
(d) The debt ratios are expressed as the principal amounts of outstanding debt as percentages of (i) assessed value and (ii) personal income. The debt service ratios are expressed as the total annual amounts of debt service as percentages of all relevant revenues.
(e) Population is stated in thousands.
(f) Personal income is for the calendar year ended December 31 of the year shown.
(g) Amounts of revenue represent General Fund revenues, property taxes, bond premium, U.S. Treasury subsidies, and Education Trust Fund.

Combined State and Local Unit Debt Ratios
($ in millions except per capita amounts)

	2016	**2017**	**2018**	**2019**	**2020**
Outstanding Debt (a)					
State Tax-Supported Debt	$12,543	$12,748	$13,102	$13,597	$13,957
Local Debt (h)...................................	22,741	24,092	26,546	28,244	29,001(i)
Total Combined Debt*	$35,284	$36,840	$39,648	$41,841	$42,958
Assessed Value (c)	$669,346	$694,548	$719,270	$746,081	$770,161
Debt Ratio (d)...................................	5.3%	5.3%	5.5%	5.6%	5.6%
Population (e)	6,016	6,052	6,043	6,046	6,056
Per Capita Debt...............................	$5,875	$6,124	$6,551	$6,924	$7,136
Personal Income (f)	$349,267	$368,258	$380,172	$390,792	$413,359
Debt Ratio (d)...................................	10.1%	10.0%	10.4%	10.7%	10.4%

* Totals may not add due to rounding.
(a) Shows amount of debt outstanding at the end of fiscal years shown (June 30) less amounts advance refunded and net of any sinking funds. Local debt includes the debt of Baltimore City, counties, towns, and special districts. Local debt data are derived from compilations by the Department of Legislative Services of data reported by the local units as required by statute.
(b) Shows the percentage of increase or decrease of the dollar values from the preceding year's amount.
(c) Amounts for full value are stated as of January 1, the date assessments are made final for the fiscal year beginning the next July 1.
(d) The debt ratios are expressed as the principal amounts of outstanding debt as percentages of (i) assessed value and (ii) personal income. The debt service ratios are expressed as the total annual amounts of debt service as percentages of all relevant revenues.
(e) Population is stated in thousands.
(f) Personal income is for the calendar year ended December 31 of the year shown.
(g) Amounts of revenue represent General Fund revenues, property taxes, bond premium, U.S. Treasury subsidies, and Education Trust Fund.
(h) Includes outstanding debt of component units.
(i) Estimate.

Combined General Obligation, Transportation and Other State Tax-Supported Debt Ratios
($ in millions except per capita amounts)

	End of Fiscal Years				
	2016	**2017**	**2018**	**2019**	**2020**
Outstanding					
General Obligation Bonds (a)	$9,465	$9,334	$9,479	$9,607	$9,772
Transportation Bonds:					
Consolidated Transportation	2,146	2,578	2,912	3,343	3,627
Capital Leases	225	217	210	215	198
Stadium Authority..................................	125	120	97	130	127
GARVEE Bonds	280	207	130	49	0
Bay Restoration Revenue Bonds............	302	293	274	253	232
Total State Tax-Supported Debt*...........	$12,543	$12,748	$13,102	$13,597	$13,957
Assessed Value (b).................................	$669,346	$694,548	$719,270	$746,081	$770,161
Debt Ratio (c)...	1.9%	1.8%	1.8%	1.8%	1.8%
Population (d)...	6,016	6,052	6,043	6,046	6,056
Per Capita Debt	$2,085	$2,106	$2,168	$2,249	$2,305
Personal Income (e)................................	$349,267	$368,258	$380,172	$390,792	$413,359
Debt Ratio (c)...	3.6%	3.5%	3.4%	3.5%	3.4%
Debt Service...	$1,549	$1,661	$1,749	$1,805	$1,822
Revenues (f)...	$21,299	$22,084	$22,902	$23,867	$24,475
Debt Service Ratio (c)............................	7.3%	7.5%	7.6%	7.6%	7.4%

* Totals may not add due to rounding.
(a) Shows amount of debt outstanding at the end of fiscal years shown (June 30) less amounts advance refunded and net of any sinking funds. Local debt includes the debt of Baltimore City, counties, towns, and special districts. Local debt data are derived from compilations by the Department of Legislative Services of data reported by the local units as required by statute.
(b) Amounts for full value are stated as of January 1, the date assessments are made final for the fiscal year beginning the next July 1.
(c) The debt ratios are expressed as the principal amounts of outstanding debt as percentages of (i) assessed value and (ii) personal income. The debt service ratios are expressed as the total annual amounts of debt service as percentages of all relevant revenues.
(d) Population is stated in thousands.
(e) Personal income is for the calendar year ended December 31 of the year shown.
(f) Amounts of revenue represent General Fund revenues, property taxes, bond premium, U.S. Treasury subsidies, and Education Trust Fund.

See APPENDIX B – "SUPPLEMENTARY DEBT SCHEDULES – General Obligation Bonds" for: (1) amounts of the outstanding general obligation bonds of the State at each fiscal year end for the period 2013 through 2019; and (2) for the annual debt service requirements on all outstanding general obligation bonds of the State for future fiscal years.

Capital Programs

General obligation debt is one of several sources of funds used to finance capital assets of the State and to provide State capital grants and repayable loans to local governments and the private sector (see "STATE TAX- SUPPORTED DEBT AND CAPITAL PROGRAM – General Obligation Bonds"). Other types of debt incurred by the State and its units to finance various capital facilities and programs include bonds issued by the Department of Transportation (see "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Department of Transportation Bonds"), bonds issued by the Maryland Stadium Authority (see "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Maryland Stadium Authority Bonds") and capital leases for the acquisition of property and equipment (see "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Lease and Conditional Purchase Financings").

The State has also funded capital projects through current operating revenues and receipts. For example, the Department of Transportation funds roads, bridges, and other transportation facilities from current revenues from dedicated sources; and the Department of Natural Resources constructs waterway improvements, shore erosion and land development projects, purchases land for recreational and conservation purposes, and provides capital grants to local governments from revenues in its operating budget. Furthermore, some operating budgets have included general funds for projects normally eligible for funding by general obligation bonds.

The General Assembly annually enacts a Maryland Consolidated Capital Bond Loan appropriating funds for the various capital programs to be funded through the sale of State general obligation bonds. Once authorized, the projects are implemented by various State agencies, generally under the supervision of the Board of Public Works. Project expenditures are accounted for in the Capital Projects Fund. General obligation bonds are issued as cash is needed to meet project requirements. General obligation bond proceeds are credited to the State and Local Facilities Loan Fund, and cash is transferred to fund capital project expenditures, as needed. For each fiscal year from 2017 through 2021, the following table sets forth the amount of bonds authorized, issued, cancelled, and retired; the cumulative amount of general obligation bonds outstanding; and the cumulative amount of bonds authorized but unissued.

Bonds Authorized, Issued, Cancelled and Retired ($ in thousands)[(a)]

	Activity during Fiscal Year						Status at Fiscal Year End	
		Issued			Principal			
Fiscal Year	Authorized (b)	New	Refunding	Authorizations Cancelled	Redeemed	Refunded	Outstanding*	Authorized but Unissued*
2017	$1,069,823	$679,680	$465,685	$1,345	$786,140	$490,305	$9,334,205	$2,406,265
2018	1,075,000	1,079,823	785,340	2,300	835,446	884,515	9,479,407	2,399,142
2019	1,085,000	1,000,000	-	1,337	872,498	-	9,606,909	2,507,805
2020	1,095,000	1,095,000	232,230	25,153	904,346	257,325	9,772,468	2,482,652
2021 (c)......	1,105,000	1,015,000	471,390	-	851,598	494,330	9,912,930	2,572,652

* Totals may not add due to rounding.
(a) Per the Comptroller's Office.
(b) Amounts shown represent authorizations that become effective in the fiscal year indicated. The normal effective date is June 1, which is in the same fiscal year as the session of the General Assembly enacting the authorization; however, some authorizations are not effective until July 1, which is the first day of the following fiscal year.
(c) As of June 30, 2021.

The following table reflects activity and ending balances in the Capital Projects Fund on a budgetary basis.

Capital Projects Fund
($ in thousands)

Fiscal Year	Beginning Balance	Bond Proceeds (a)	Other (b)	General Fund Appropriation	Project Expenditures	Ending Balance*
2017	$561,923	$679,498	$86,342	$-	$1,103,925	$223,838
2018	223,838	1,079,765	145,454	-	1,038,855	410,202
2019	410,202	1,000,000	215,539	31,074	1,249,376	407,439
2020	407,439	1,094,924	192,706	-	1,083,507	611,562
2021 (c)..................	611,562	1,014,816	115,689		741,153	1,000,914

* Totals may not add due to rounding.
(a) Includes premiums on the sale of bonds used to pay underwriter's discount and costs of issuance, net of amounts used to pay refunded bonds.
(b) Consists primarily of State property transfer tax revenues and other transfers in (out).
(c) As of March 31, 2021.

The capital budget for fiscal year 2022 authorizes the creation of $1.1 billion in general obligation bond debt. In fiscal year 2022, $321.6 million in general obligation bonds is provided to improve schools throughout the State, and $215.4 million in general obligation bond funding is provided for new construction of and improvements to state owned facilities. The capital budget includes an additional $569.4 million to address other capital needs, including environmental and outdoor infrastructure improvements, higher education facilities, affordable housing, community revitalization, and other important capital priorities throughout the State.

The State's five-year Capital Improvement Program for fiscal years 2022 through 2026 includes $5.6 billion in general obligation bond sale revenue and $330.0 million in bond premium set aside for project costs. The State's anticipated capital needs for these fiscal years, included in the January 2021 Capital Improvement Program, that are to be funded through general obligation bond sales, total $2.8 billion for State-owned facilities, $1.4 billion to improve schools throughout the State and $1.4 billion for other capital needs. The funded amount, by year, is outlined in the following table.

Governor's Capital Improvement Program
($ in millions)

Fiscal Year	State-Owned Facilities	Public School Improvements	Other Capital Needs
2022	$215.4	$321.6	$568.0
2023	564.4	279.6	271.0
2024	572.8	279.6	272.6
2025	595.2	279.6	260.2
2026	613.1	279.6	252.3
Total	**$2,560.9**	**$1,440.0**	**$1,624.1**

Capital Debt Affordability Committee

The General Assembly created a Capital Debt Affordability Committee (the "CDAC"), the members of which are the Treasurer, the Comptroller, the Secretary of Budget and Management, the Secretary of Transportation, and one person appointed by the Governor. The Chairs of the Capital Budget Subcommittees of the Senate Budget and Taxation Committee and the House Appropriations Committee participate as non-voting members. The CDAC is required to submit to the Governor by October 20 of each year an estimate of the maximum amount of new general obligation debt that prudently may be authorized. Although the CDAC's responsibilities are advisory only, the Governor is required to give due consideration to the CDAC's finding in preparing a preliminary allocation of new general obligation debt authorizations for the next fiscal year.

As part of its process, the CDAC reviews all tax-supported debt, including general obligation debt, Consolidated Transportation Bonds issued by the Department of Transportation, tax-supported bonds issued by the Maryland Stadium Authority, State tax-supported capital lease transactions, GARVEE Bonds and Bay Restoration Revenue Bonds. The CDAC's most recent report, from October 2020, recommended to the Governor and the General Assembly to limit new general obligation bond authorizations to $1.095 billion for fiscal year 2021. The Committee stated that the 2020 recommendation is within the adopted affordability benchmarks of 8% debt service to revenues and 4% debt outstanding to personal income.

The following table compares the CDAC's recommendations for general obligation bond authorizations with the authorizations enacted by the General Assembly during each of the last five sessions.

CDAC's Recommendations for Bond Authorizations
($ in thousands)

General Assembly Session	For Fiscal Year	CDAC Recommendations (A)	Total New Bond Authorizations (B)	General Assembly Deauthorizations of Prior Years' Bond Authorizations (C)	Net Bond Authorizations (B) - (C)	Difference (B) - (C) - (A)
2017	2018	$995,000	$1,089,383	$24,383	$1,065,000	$70,000
2018	2019	995,000	1,091,179	16,179	1,075,000	80,000
2019	2020	995,000	1,092,194	7,194	1,085,000	90,000
2020	2021	1,095,000	1,108,114	13,114	1,095,000	-
2021	2022	1,095,000	1,106,371	1,371	$1,105,000	10,000

Total sales of general obligation bonds during the five fiscal years 2017 through 2021 are as follows:

Total Sales of General Obligation Bonds
Fiscal Years 2017-2021
($ in thousands)

	2017	**2018**	**2019**	**2020**	**2021**
General Construction......................	$372,312	$664,973	$659,609	$421,488	$415,717
State Public School Construction ...	289,784	399,210	299,603	646,822	551,435
Other...	17,584	15,640	40,788	26,690	47,848
Total..	$679,680	$1,079,823	$1,000,000	$1,095,000	$1,015,000
Refunding.......................................	$465,685	$785,340	$0	$232,230	$471,390

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MISCELLANEOUS REVENUE AND ENTERPRISE FINANCINGS

Certain other units of the State government are authorized to borrow money under legislation that expressly provides that the loan obligations shall not be deemed to constitute a debt or a pledge of the faith and credit of the State. The Community Development Administration of the Department of Housing and Community Development, higher education institutions (including the University System of Maryland, Morgan State University, St. Mary's College of Maryland and Baltimore City Community College), the Maryland Transportation Authority, the Maryland Water Quality Financing Administration, the Maryland Environmental Service and the Maryland Department of Transportation have issued and have outstanding bonds of this type. The principal of and interest on bonds issued by these bodies are payable solely from various sources, principally fees generated from use of the facilities or enterprises financed by the bonds. Outstanding revenue and enterprise debt of these State units, together with their non-State tax-supported lease and conditional purchase financings, amounted to approximately $7.1 billion on June 30, 2021. See APPENDIX B – "SUPPLEMENTARY DEBT SCHEDULES – Revenue and Enterprise Financings" for a summary of outstanding Revenue and Enterprise Financings.

The Department of Budget and Management is required to report annually on the levels of debt issued and outstanding by certain State agencies and to recommend annual debt issuance amounts for those agencies. The Governor may establish the amounts of such debt to be issued during the fiscal year, which amounts may be amended by the Governor.

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STATE DEMOGRAPHIC AND ECONOMIC DATA

Introduction

The following selected socioeconomic data may be relevant in evaluating the economic and financial condition of the State; however, this information is not intended to provide all relevant data necessary for a complete evaluation of the State's economic and financial condition.

Maryland is located on the East Coast in the South Atlantic Census Region, and is bordered by Delaware, Pennsylvania, West Virginia, Virginia, and the District of Columbia. Maryland encompasses 12,407 square miles. Ranking 42 among the 50 states in size, Maryland's land area (exclusive of inland waterways and the 1,726 square miles of the Chesapeake Bay) is 9,844 square miles.

Population

According to the 2020 Census, Maryland's population on April 1 of that year was 6,177,224, an increase of 7.0% from 2010. Maryland's population is concentrated in urban areas. In 2020, the eleven counties and Baltimore City located in the Baltimore-Washington region contained 87.3% of its population. The 2020 population for the Baltimore Metropolitan Statistical Areas was estimated at 2,800,189 and for the Maryland portion of the Washington Metropolitan Statistical Areas, 2,484,097. Overall, Maryland's population per square mile was 615 in 2020. The following table presents estimated population of Maryland and the United States from 2011 - 2020.

Population

	Maryland		United States	
Year	**Population**	**Change**	**Population**	**Change**
2011	5,840,241	0.9%	311,583,481	0.7%
2012	5,888,375	0.8	313,877,662	0.7
2013	5,925,197	0.6	316,059,947	0.7
2014	5,960,064	0.6	318,386,329	0.7
2015	5,988,528	0.5	320,738,994	0.7
2016	6,007,014	0.3	323,071,755	0.7
2017	6,028,186	0.4	325,122,128	0.6
2018	6,042,153	0.2	326,838,199	0.5
2019	6,054,954	0.2	328,329,953	0.5
2020	6,055,802	0.0	329,484,123	0.4

Source: U.S. Department of Commerce, Bureau of the Census.
Note: Figures are estimates for July 1 of each year.

In addition to population growth, the age distribution of the population has a significant impact on the economy and State revenues. Realized and expected changes to the age distribution of the population will result in subdued productivity and labor force growth compared to economic expansions of the recent past. Primarily this is due to the fact that the age distribution of the labor force is skewed more towards younger and older workers than in the past, and middle age workers are the most productive and have the highest earning on average. In March 2018, the Bureau of Revenue Estimates released a report titled The Impact of Age Demographics on Maryland's Economic and Tax Revenue Outlook. This report may be obtained online at the following link: http://treasurer.state.md.us/media/1111/BRE_Report_On_Age_Demographics.pdf. For 2019, the most recent year for which data is available, the populations of Maryland and the United States were distributed by age as follows:

Age Distribution 2019

Age	**Maryland**	**United States**
Under 5 years	6.0%	6.0%
5 through 19 years	18.7	18.9
20 to 44 years	32.8	33.3
45 to 64 years	26.7	25.4
65 years and over	15.9	16.5
	100.0%*	100.0%*

Source: U.S. Department of Commerce, Bureau of the Census.
* Totals may not add due to rounding.

Educational Levels

Maryland's workforce is more highly educated than the United States as a whole. As of 2019, the most recent year for which data are available, the percentage of the population (25 years and over) with a bachelor's degree or higher is 40.9% compared to 33.1% for the nation as a whole. Maryland ranks third in the nation in the percentage of its population over 25 with a graduate or professional degree. The percentage of the population with a high school diploma or higher is 90.4% in Maryland compared to 88.6% for the nation as a whole. Maryland's high levels of educational attainment partially explain higher median and average wages in Maryland compared to the nation as a whole. The State's educated labor force facilitates the growth of the professional services and information services sectors.

Educational Attainment of Population 25 Years and Over in 2019

	Maryland	United States
Less than High School	9.6%	11.4%
High School Diploma	24.6	26.9
Some College	18.0	20.0
Associate's Degree	6.9	8.6
Bachelor's Degree	21.8	20.3
Graduate or Professional Degree	19.1	12.8

Source: U.S. Department of Commerce, Census Bureau (American Community Survey).

Personal Income

Maryland residents received approximately $413.4 billion in personal income in 2020. Maryland's total personal income increased at a rate of 5.8%, compared to the national average of 6.1%. Per capita income remained significantly above the national average in 2019: $68,258 in Maryland compared to the national average of $59,729. In 2020, Maryland's per capita personal income ranked seventh highest in the nation. Per capita income varies across the State, with the highest incomes in the Washington and Baltimore regions. The table below shows trends in per capita personal income in Maryland and the United States.

Per Capita Personal Income Trends

Year	Maryland	Change	United States	Change	Maryland Ranking
2011	$52,426	4.8%	$42,735	5.4%	4
2012	53,534	2.1	44,598	4.4	7
2013	53,039	-0.9	44,851	0.6	6
2014	54,670	3.1	47,058	4.9	8
2015	57,007	4.3	49,003	4.1	6
2016	58,974	3.5	49,995	2.0	5
2017	60,714	3.0	52,096	4.2	5
2018	62,642	3.2	54,581	4.8	6
2019	64,541	3.0	56,474	3.5	7
2020	68,258	5.8	59,729	5.8	7

Source: U.S. Department of Commerce, Bureau of Economic Analysis.
Note: Rankings do not include the District of Columbia.

As one of the wealthier states, a greater share of personal income is derived from dividends, interest and rent, and a lesser share comes from transfer payments. In 2020, the sources of personal income in the State and the comparable sources of personal income for the nation were as follows:

Sources of Personal Income
2020
($ in millions)

	Maryland	Percentage of Personal Income Before Residence Adjustment: Maryland	Percentage of Personal Income Before Residence Adjustment: United States
Mining, forestry, fishing	$266	0.1%	1.0%
Construction	18,388	4.7	4.2
Manufacturing	11,776	3.0	5.9
Trade, transportation & utilities	32,401	8.4	10.2
Information services	7,769	2.0	2.6
Finance, insurance & real estate	25,112	6.5	6.6
Professional & business services	53,292	13.8	11.9
Educational & health services	34,762	9.0	8.6
Leisure & hospitality services	8,861	2.3	2.6
Other services	9,298	2.4	2.3
Government	29,024	7.5	1.9
Federal, civilian	4,508	1.2	0.8
Military	30,300	7.8	7.8
State & local	447	0.1	0.5
Farm income	266	0.1	1.0
Earnings by place of work	266,205	68.7	66.7
Less:			
Personal contributions for social insurance	(29,450)	(7.6)	(7.3)
Plus:			
Dividends, Interest and Rent	75,879	19.6	18.9
Transfer Payments	74,588	19.3	21.7
Personal income before residence adjustment	387,222	100.0%*	100.0%*
Residence adjustment	26,138	6.3	0.0
Total Personal Income	$413,359 *		

* Totals may not add due to rounding.
Source: U.S. Department of Commerce, Bureau of Economic Analysis (State Quarterly Personal Income, Series SQ5N).
Note: Total personal income is reported by place of residence; however, income by industry is shown by place of work. The residence adjustment accounts for Maryland residents who work outside the State.

Between 2015 and 2020, total personal income in Maryland has grown 3.9% annually, compared to a national growth rate of 4.6%. During this period, wage and salary income, roughly half of total personal income, has grown at a lower rate in Maryland than nationally. The difference in growth of the residence adjustment income earned by residents who work outside of Maryland or the nation is not very meaningful, because the residence adjustment is 6.3% of Maryland personal income, but less than one tenth a percent of national personal income.

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Average Annual Growth of Personal Income Components
(2015 through 2020)

	Maryland	United States
Wages and Salaries	3.0%	3.5%
Supplements to Wages and Salaries	2.4	2.8
Proprietors' Income	2.8	3.6
Contributions for Social Insurance	3.0	3.6
Residence Adjustment	3.1	(1.8)
Dividends, Interest, and Rent	2.7	3.5
Transfer Payments	9.9	9.7
Total Personal Income	3.9	4.6

Source: U.S. Department of Commerce, Bureau of Economic Analysis (State Annual Personal Income, Series A04).
Note: Total personal income is reported by place of residence; however income by industry is shown by place of work.
The residence adjustment accounts for Maryland residents who work outside the State.

Within the past year, a significant contraction in economic output occurred due to the COVID-19 pandemic and efforts to contain it. However, a massive federal economic stimulus response (both monetary and fiscal) has kept aggregate income growing, boosting both savings and consumption. As a result, the state's revenues have so far been insulated from experiencing the shortfall that typically accompanies recessions.

Annual Personal Income and Wages and Salaries Growth

	Personal Income		Wages and Salaries	
	Maryland	United States	Maryland	United States
2011	5.8%	6.2%	3.6%	4.0%
2012	3.0	5.1	3.1	4.6
2013	(0.3)	1.3	0.9	2.7
2014	3.7	5.7	3.4	5.1
2015	4.8	4.9	4.7	5.1
2016	3.8	2.8	3.0	2.9
2017	3.3	4.9	3.6	4.7
2018	3.4	5.3	3.6	5.0
2019	3.3	3.9	3.6	4.7
2020	5.8	6.1	1.1	0.2

Source: U.S. Bureau of Economic Analysis.

Employment

Maryland's labor force totaled 3.2 million in 2020. The government, retail trade, and services sectors (notably professional and business, and educational and health) are the leading areas of employment in the State. In contrast to the nation, considerably more Marylanders are employed by the federal government and service sectors and fewer in manufacturing, as shown in the following table:

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Distribution of Employment
2020

	Maryland	United States
Construction & mining	6.3%	5.5%
Manufacturing	4.2	8.6
Trade, transportation & utilities	17.3	18.7
Information services	1.3	1.9
Financial activities	5.3	6.1
Professional & business services	17.1	14.2
Educational & health services	17.2	16.3
Leisure & hospitality services	8.2	9.4
Other services	3.9	3.8
Government		
Federal	5.8	2.1
State & local	13.5	13.3
Total	100.0%*	100.0%*

Source: U.S. Department of Labor, Bureau of Labor Statistics.
*Totals may not add due to rounding.

Average Annual Employment Growth
(2015 through 2020)

	Maryland	United States
Construction & mining	0.7%	1.7%
Manufacturing	0.4	(0.2)
Trade, transportation & utilities	(0.7)	(0.2)
Information services	(3.1)	(0.4)
Financial activities	(1.2)	1.4
Professional & business services	0.3	0.6
Educational & health services	0.1	1.1
Leisure & hospitality services	(4.6)	(2.5)
Other services	(2.0)	(0.8)
Government		
Federal	0.7	1.2
State & local	(0.6)	(0.3)
Total Non-agricultural Employment	(0.6)	0.1

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Historical annual employment growth in Maryland's five largest sectors is shown in the table below. Maryland's five largest sectors represented 79.0% of total employment in 2020. Typically, federal government employment acts as a stabilizing factor in Maryland, falling less than private employment during recession, and rising less than private employment during expansions. In mid-2019 federal employment returned to growth after about a year of gradual decline. As of the fourth quarter of 2020, federal government purchases of inputs from the private sector continued to increase year over year by 1.1%. In the spring of 2020 the nation experienced its worst job losses since the Great Depression. In April 2020, Maryland employment declined 13.0% year over year. Employment then sharply rebounded over the summer and fall. As of April 2021, employment remains 4.9% below its April 2019 level.

The employment recovery in Maryland has been largely bifurcated, with sectors directly affected by the pandemic, such as accommodations and food service, experiencing significant losses to date and other sectors experiencing more complete recoveries. In general, sectors worst impacted by the pandemic are lower paying than those that are not. As a result, aggregate wages (and therefore income tax withholding) have fallen less than would typically be expected given the extent of job losses.

Annual Employment Growth
Maryland's Five Largest Employment Sectors

	Total Government	Trade, Transportation, & Utilities	Educational & Health Services	Professional & Business Services	Leisure & Hospitality Services	Total MD Employment	Total US Employment
2011	0.5%	1.4%	1.9%	3.1%	1.6%	1.0%	1.2%
2012	(0.3)	1.3	2.4	2.8	4.7	1.2	1.7
2013	0.0	0.2	1.4	1.8	4.0	0.9	1.6
2014	(0.3)	1.0	1.2	1.5	2.5	0.9	1.9
2015	0.3	1.6	2.4	1.8	2.7	1.5	2.1
2016	0.0	1.1	2.0	1.8	2.1	1.2	1.8
2017	0.3	0.3	2.4	0.7	2.5	1.1	1.6
2018	0.4	0.5	2.1	1.9	0.7	0.9	1.6
2019	0.2	(0.3)	1.2	1.9	0.3	0.6	1.3
2020	(1.8)	(4.7)	(6.6)	(4.5)	(25.4)	(6.8)	0.3

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Recent employment trends in Maryland are shown in the following table.

Employment Trends

Year	Unemployment Rate in Maryland	Unemployment Rate in the United States	Growth in Maryland Labor Force	Growth in United States Labor Force
2011	7.3%	8.9%	0.6%	(0.2)%
2012	6.9	8.1	0.8	0.9
2013	6.5	7.4	0.3	0.3
2014	5.7	6.2	(0.1)	0.3
2015	5.0	5.3	0.5	0.8
2016	4.3	4.9	0.5	1.3
2017	4.1	4.4	1.5	0.7
2018	3.8	3.9	0.4	1.1
2019	3.5	3.7	1.7	0.9
2020	6.8	8.1	(3.0)	(1.7)

Source: Maryland Department of Labor, Licensing and Regulation.
Note: In December 2020, the unemployment rate was 6.3% in Maryland and 6.7% in the United States.

Assessed Value of Property

Maryland levies a State tax on real property, revenues from which are credited to the Annuity Bond Fund to pay debt service. Through fiscal year 2003 the rate was 8.4 cents per $100 of assessment (21 cents on utility operating property). In fiscal year 2004 the rate was increased to 13.2 cents per $100 of assessment (33 cents on utility operating property). For fiscal years 2007 through 2022 the tax rate has been 11.2 cents per $100 of assessment (28 cents on utility operating property).

Shown below is the assessed value for State purposes of real property as determined by the State Department of Assessments and Taxation. All real property is assessed at full cash value once every three years, with any increase in full cash value phased in over the ensuing three taxable years in equal installments. Any decrease in the full cash value is recognized in full in the next taxable year and held constant for the remaining two taxable years.

Assessed Values of Real Estate
($ in thousands)

Fiscal Year	Real Property	Utility Operating Real Property	Total	Change in Assessed Values
2010	$750,498,802	$1,069,237	$751,568,039	6.2%
2011	733,884,066	708,090	734,592,156	(2.3)
2012	682,650,240	793,154	683,443,394	(7.0)
2013	651,655,464	714,633	652,370,097	(4.5)
2014	642,571,751	737,924	643,309,675	(1.4)
2015	650,759,385	780,572	651,539,957	1.3
2016	669,345,818	786,889	670,132,707	2.9
2017	694,547,847	838,059	695,385,906	3.8
2018	719,269,719	889,156	720,158,875	3.6
2019	746,080,873	837,642	746,918,515	3.7
2020	770,161,164	864,974	771,026,138	3.2
2021	793,419,280	909,519	794,328,799	3.0
2022	815,525,963	914,065	816,440,028	2.8

Source: State Department of Assessments and Taxation, March 2020.
Note: See also, "STATE FINANCES – State Revenues, Property Taxes and State Property Tax Revenue Estimates."

Residential Real Estate

Residential real estate is particularly important in terms of State borrowing as State property tax revenue is dedicated to paying off principal and interest on general obligation bonds.

In 2019, the value of all Maryland residential unit permits issued increased by 1.4%, while the total number of residential building permits decreased by 1.0%. In 2019, the average monthly active inventory of units for sale decreased 14.5%, following a rebound in active inventory in 2018. Unit sales for 2019 decreased 3.0%, the first decline since 2011, while the median unit price rose 4.6%. Recent federal tax changes are expected to decrease the portion of taxpayers who itemize deductions, which will result in fewer people receiving the home mortgage interest deduction. Given historically low interest rates however, any impact is expected to be minor.

Another relevant issue concerning real estate values, and thus property tax revenue, is climate change. Climate change is expected to result in higher sea levels, threatening coastal property. The State's Atlantic coastline is rather short relative to other East Coast states. Assateague Island, a protected barrier island, makes up the majority of Maryland's Atlantic coastline, leaving just over nine miles of developed coastline. However, as noted earlier, the State's boundaries encompass 1,726 square miles of the Chesapeake Bay (the "Bay"), the nation's largest estuary. The Bay coastline faces the twin problems of rising sea levels and subsiding land, owing to geological factors relating to the creation of the Bay and the composition of the soil. Contemporary flood risk and past instances of flooding would clearly reduce the relative value of a property. But economic theory holds that market participants are forward looking and price in their expectations of the future. Recent research confirms this tendency for properties that are expected to only be threatened by sea level rise several decades into the future. According to a November 2019 paper in the Journal of Financial Economic, such homes already sell for an average discount of 6.6% compared to observably identical unexposed properties. The pricing in of future expectations means adjustment should be gradual rather than sudden. It is important to note that coastal properties are still more valuable than non-coastal properties on average and are expected to remain so because owners value the access to coastal amenities they provide.

Aggregate Value of and Building Permits Issued
for Residential Construction in Maryland

Year	Value of Construction in Current Dollars ($ in millions)	Change	Number of Permits Issued	Change
2010	$1,951.9	(6.6)%	$11,931	7.3%
2011	2,204.6	12.9	13,481	13.0
2012	2,409.9	9.3	15,217	12.9
2013	2,811.2	16.7	17,918	17.7
2014	2,889.2	2.8	16,331	(8.9)
2015	3,080.6	6.6	17,057	4.4
2016	3,166.8	2.8	17,044	(0.1)
2017	3,257.3	2.9	16,224	(4.8)
2018	3,701.8	13.6	18,647	14.9
2019	3,754.0	1.4	18,469	(1.0)

Source: U.S. Department of Commerce, Bureau of the Census.

Home Sales and Median Home Price

Year	Unit Home Sales	Change	Median Home Price	Change
2010	54,416	9.9%	$246,532	(4.6)%
2011	51,253	(5.8)	229,530	(7.0)
2012	54,148	5.6	246,467	6.9
2013	61,191	13.0	261,369	5.6
2014	62,804	2.6	262,837	1.0
2015	73,014	16.3	261,172	(0.7)
2016	80,045	9.6	270,902	3.8
2017	82,851	3.5	282,433	4.5
2018	83,598	0.9	288,282	2.1
2019	81,129	(3.0)	301,810	4.6

Source: Maryland Association of Realtors.

Taxable Retail Sales

In general, taxable retail sales in Maryland are sales of tangible goods and a few specific services, with notable exemptions for unprepared food and medicines, among others. The structure of the sales tax is increasingly out of step with consumption patterns. Consumption spending is shifting away from goods towards services, the vast majority of which are not taxable. Furthermore, consumers continue to transition to digital goods, which are not tangible and therefore not taxable, a process which has been accelerated by COVID-19. This means the sales tax base is becoming a smaller share of overall consumption spending. As a result, we collect less sales tax per dollar of consumption spending than in the past. The shrinking tax base also increases the volatility of sales tax revenue to the business cycle. In times of economic stress, consumers are typically better able to delay or forego consuming goods than services. The current recession, brought on by COVID-19, is different from previous recessions. In particular, historic trends have been reversed as consumers have shifted a greater share of total consumption away from services, generally not taxed, and towards goods, which generally are taxed.

Recent regulatory and legislative changes have broadened the sales tax base however. Prior to such changes, in fiscal year 2015 Amazon established nexus with the State and began to collect sales tax on its direct sales. The Supreme Court decision, South Dakota v. Wayfair Inc., allowed states to require that remote sellers collect and remit sales tax to the locality in which the customer resides. The Comptroller promulgated regulations to require remote sellers to remit sales tax beginning in November 2018. Legislation from the 2019 session was passed that requires marketplace facilitators to collect and remit sales tax on behalf of sellers who use the online marketplace. Marketplace facilitators began to remit sales tax in November 2019. The Bureau expects combined revenue from remote sellers and marketplace facilitators to total around $331 million in fiscal year 2020 and grow at a faster pace than overall sales tax thereafter. While these actions have broadened the scope of the sales tax, they will not contribute to ongoing growth in general fund revenue. Only the first $100 million of revenue from remote sellers and marketplace facilitators is distributed to the State's general fund, the remainder is distributed to the Blueprint for Maryland's Future Fund.

The following table illustrates the change in taxable sales for fiscal years 2011 through 2020.

Taxable Retail Sales in Maryland
(includes automobile sales)
($ in thousands)

Fiscal Year	Taxable Retail Sales	Change
2011	$74,479,247	4.1%
2012	76,758,835	3.1
2013	78,254,027	1.9
2014	80,415,065	2.8
2015	84,825,062	5.5
2016	87,778,479	3.5
2017	89,627,253	2.1
2018	90,937,146	1.5
2019	94,489,166	3.9
2020	94,452,170	0.0

Source: Comptroller of the Treasury, Bureau of Revenue Estimates. Note: Includes sales and use tax base and motor vehicle excise tax base.

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LEGAL MATTERS

Legality of the Bonds

The legality of the issuance of the Bonds offered by this Official Statement will be passed upon by the Honorable Brian E. Frosh, Attorney General of Maryland, and by Kutak Rock LLP, Washington, DC, Bond Counsel. However, Bond Counsel will rely upon the opinions of the Attorney General addressed to Bond Counsel with respect to the validity of the specified State loans or installments thereof represented by the Bonds and as to compliance with State law. Delivery of the Bonds is conditioned upon delivery by the Attorney General and Bond Counsel of unqualified opinions substantially in the respective forms set forth in APPENDIX D. Deliveries of the opinions of the Attorney General and of Bond Counsel with respect to the Second Series C Bonds and Second Series D Bonds are subject to the satisfaction of certain terms and conditions provided in the Forward Delivery Bond Purchase Agreements. See "FORWARD DELIVERY BOND CONSIDERATIONS FOR SECOND SERIES C BONDS AND SECOND SERIES D BONDS."

Litigation and Other Matters

The State and its units are parties to numerous legal proceedings, many of which normally occur in governmental operations. Except as noted below, the legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse effect on the State's financial position.

Coalition for Equity & Excellence in Md. Higher Educ., et al. v. Ehrlich, et al. In this case, originally filed in state court on October 13, 2006, and subsequently removed to federal court, the plaintiffs assert various claims for injunctive and declaratory relief alleging a failure to desegregate Maryland's historically black colleges and universities ("HBCUs") in violation of the Equal Protection Clause and Title VI of the Civil Rights Act of 1964, as well as noncompliance with an agreement between the State and the Office of Civil Rights of the U.S. Department of Education. The General Assembly session passed legislation to settle this case in its 2021 session. The legislation provides for $577 million to be appropriated over 10 years beginning in fiscal year 2023. Governor Hogan signed the legislation and a settlement was reached in this case.

Kenneth Fitch, et al. v. State of Maryland, et al. As discussed above under "STATE FINANCES -- Other Post-Employment Benefits -- 2011 Employee and Retiree Health Benefits Reforms", this case involves State retirees' challenge to legislation eliminating the retiree prescription drug benefit. The lawsuit alleges violations of the Takings and Contract clauses as well as state contract claims. Legislation was passed after the commencement of the suit, which would replace the elimination of the state prescription drug plans with an alternative benefit, but plaintiffs maintain their challenge alleging the benefit is not equivalent. The State has been enjoined from discontinuing the prescription drug program since October 2018. In December 2019, the State prevailed in preventing an expansion of the injunction. Dispositive motions seeking dismissal of the two complaints were fully briefed and a hearing was held all pending motions on January 26, 2021. A decision is pending from the court. The State is vigorously contesting the case, and it is too early to determine any financial impact on the State.

TAX MATTERS

Forward Delivery Bonds

Deliveries of the opinions of Bond Counsel with respect to the Forward Delivery Bonds are subject to the satisfaction of certain terms and conditions provided in the Forward Delivery Bond Purchase Agreements. See "FORWARD DELIVERY BOND CONSIDERATIONS FOR SECOND SERIES C BONDS AND SECOND SERIES D BONDS." The ability of Bond Counsel to deliver such opinion is subject to the receipt of certain certifications and Bond Counsel's review and analysis at the time of delivery of the Forward Delivery Bonds in light of pertinent provisions of the laws, regulations, rulings and court decisions and interpretations thereof, then in effect or proposed to be in effect. The following discussion describes certain tax consequences as of the date of this Official Statement. There is no assurance that the federal and state tax law will remain unchanged between the date of this Official Statement and the Settlement Dates.

Federal Tax Matters – Second Series A Bonds, Second Series C Bonds and Second Series D Bonds

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Second Series A Bonds, Second Series C Bonds and Second Series D Bonds (collectively, the "Tax-Exempt Bonds") (including original issue discount treated as interest, if any) is excludable from gross income for federal income tax purposes. In addition, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. The opinions described in the preceding sentences assume the accuracy of certain representations and compliance by the Department with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be met subsequent to the issuance of the Tax-Exempt Bonds. Failure to comply with such requirements could cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds. The Department has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Tax-Exempt Bonds.

The accrual or receipt of interest on the Tax-Exempt Bonds may otherwise affect the federal income tax liability of the owners of the Tax-Exempt Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Tax-Exempt Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Tax-Exempt Bonds.

Original Issue Premium. Certain maturities of the Tax-Exempt Bonds may be issued at an initial public offering price which is in excess of the stated redemption price of such Bonds at maturity (collectively, the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax exempt obligations, such as the Tax-Exempt Bonds, is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The new reporting requirement does not in and of itself affect or alter the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Tax Law. From time to time, there are legislative proposals in the Congress and in state legislatures that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Tax-Exempt Bonds or the market value thereof would be impacted thereby. Purchasers of the Tax-Exempt Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Tax-Exempt Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE TAX-EXEMPT BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE TAX-EXEMPT BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE TAX-EXEMPT BONDS.

Federal Tax Matters – Second Series B Bonds

General Matters. Bond Counsel is of the opinion that interest on Second Series B Bonds is includable in gross income for federal income tax purposes.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of Second Series B Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of Second Series B Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of Second Series B Bonds.

In general, interest paid on Second Series B Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of Second Series B Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium. An investor that acquires a Second Series B Bond for a cost greater than its remaining stated redemption price at maturity and holds such bond as a capital asset will be considered to have purchased such bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Second Series B Bond purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

Original Issue Discount. If the Second Series B Bonds are issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified *de minimis* amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. As a general rule, the owner of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days the owner owned the instrument. The legislative history of the original issue discount provisions indicates that the calculation and accrual of original issue discount should be based on the prepayment assumptions used by the parties in pricing the transaction. Owners of the Second Series B Bonds purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income (notwithstanding the general rule described above in this paragraph) and with respect to the state and local tax consequences of owning such Second Series B Bonds.

Market Discount. An investor that acquires a Second Series B Bond for a price less than the adjusted issue price of such bond may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Second Series B Bond originally issued at a discount, the amount by which the issue price of such bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Second Series B Bond not originally issued at a discount, the amount by which the stated redemption price of such bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Second Series B Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Second Series B Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Second Series B Bond that acquired such bond at a market discount also may be required to defer, until the maturity date of such bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Second Series B Bond for the days during the taxable year on which the owner held such bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Second Series B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Recognition of Income Generally. Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to Second Series B Bonds under the Code.

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of Second Series B Bonds should consult their own tax advisors regarding the application of this tax to interest earned on Second Series B Bonds and to gain on the sale of a Second Series B Bond.

Sales or Other Dispositions. If an owner of a Second Series B Bond sells the bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such bond. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Second Series B Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Second Series B Bond should consult its own tax advisor concerning the circumstances in which such bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance. The legal defeasance of Second Series B Bonds may result in a deemed sale or exchange of such bonds under certain circumstances. Owners of such Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding. An owner of a Second Series B Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to Second Series B Bonds, if such owner, upon issuance of Second Series B Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors. An owner of a Second Series B Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Second Series B Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Second Series B Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax will apply to interest paid and original issue discount accruing on Bonds owned by foreign investors. In those instances in which payments of interest on Second Series B Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Second Series B Bond.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. Unrelated business taxable income generally means the gross income derived by an organization from any unrelated trade or business as defined in Section 513 of the Code. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Second Series B Bond incurs acquisition indebtedness with respect to such bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Second Series B Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in Second Series B Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of Second Series B Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Authority or any dealer of Second Series B Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if Second Series B Bonds are acquired by such plans or arrangements with respect to which the Authority or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in Second Series B Bonds. The sale of Second Series B Bonds to a plan is in no respect a representation by the Authority or the Underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in Second Series B Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Tax Exemption - State of Maryland Taxation

In the opinion of the Attorney General and of Bond Counsel, under existing law of the State of Maryland, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized in the sale or exchange thereof, will be exempt from taxation within the State of Maryland by the State or by any of its political subdivisions, municipal corporations, or public agencies; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied or assessed directly on the Bonds, their transfer, or the income therefrom.

General

The opinions expressed by Bond Counsel will be based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

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SALE AT COMPETITIVE BIDDING – SECOND SERIES A BONDS AND SECOND SERIES B BONDS

The Second Series A Bonds and Second Series B Bonds were offered by the State for sale by competitive bidding on Wednesday, August 11, 2021, in accordance with the Official Notices of Sale set forth in APPENDIX E-1 and APPENDIX E-2.

The interest rates shown on the inside cover page of this Official Statement for the Second Series A Bonds and Second Series B Bonds are the interest rates per annum payable by the State resulting from the award of the Second Series A Bonds and Second Series B Bonds at competitive bidding. The yields or prices shown on the inside cover pages of this Official Statement for the Second Series A Bonds and Second Series B Bonds were furnished by the successful bidders for the Second Series A Bonds and Second Series B Bonds. All other information concerning the nature and terms of any reoffering of the Second Series A Bonds and Second Series B Bonds should be obtained from the successful bidders for the Second Series A Bonds and Second Series B Bonds.

UNDERWRITING – SECOND SERIES C BONDS AND SECOND SERIES D BONDS

The Second Series C Bonds and Second Series D Bonds are being purchased by Underwriters named in the Forward Delivery Bond Purchase Agreements. The Underwriters have agreed to purchase the Second Series C Bonds for a purchase price of $135,072,424.06 (which is equal to the aggregate principal amount of the Second Series C Bonds of $113,840,000.00 plus net original issue premium of $21,473,857.70 less underwriters' discount of $241,433.64). The Underwriters have agreed to purchase the Second Series D Bonds for a purchase price of $143,421,338.14 (which is equal to the aggregate principal amount of the Second Series D Bonds of $123,285,000.00 plus net original issue premium of $20,416,603.30 less underwriters' discount of $280,265.16). The Underwriters' obligation to purchase the Second Series C Bonds and Second Series D Bonds, respectively, is subject to certain terms and conditions set forth in the applicable Forward Delivery Bond Purchase Agreement, the approval of certain matters by Bond Counsel, and certain other conditions. See "FORWARD DELIVERY BOND CONSIDERATIONS FOR SECOND SERIES C BONDS AND SECOND SERIES D BONDS." The yields or prices shown on the inside cover page of this Official Statement for the Second Series C Bonds and Second Series D Bonds were furnished by the Underwriters for the Second Series C Bonds and Second Series D Bonds. All other information concerning the nature and terms of any reoffering of the Second Series C Bonds and Second Series D Bonds should be obtained from the Underwriters for the Second Series C Bonds and Second Series D Bonds and not from the State.

Certain legal matters will be passed upon for the Underwriters for the Second Series C Bonds and Second Series D Bonds by their counsel, Ballard Spahr LLP, Baltimore, Maryland.

The Underwriters have provided the following representations for inclusion in this Official Statement:

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the State for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the State.

BofA Securities, Inc. ("BofA Securities"), as an Underwriter of the Second Series C Bonds and Second Series D Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities may compensate MLPF&S as a dealer for their selling efforts with respect to the Second Series C Bonds and Second Series D Bonds of the State.

Citigroup Global Markets Inc., as an Underwriter of the Second Series C Bonds and Second Series D Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

Morgan Stanley & Co. LLC, as an Underwriter of the Second Series C Bonds and Second Series D Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Second Series C Bonds and Second Series D Bonds.

The initial public offering prices of the Second Series C Bonds and Second Series D Bonds set forth on the inside cover page of this Official Statement may be changed without notice by the Underwriters. The Underwriters may offer and sell Second Series C Bonds and Second Series D Bonds to certain dealers (including dealers' depositing Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices lower that the offering prices set forth on the inside cover page.

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OTHER INFORMATION

Report of Independent Public Accountants

The Basic Financial Statements of the State of Maryland for the year ended June 30, 2020, included in the section APPENDIX A – "FINANCIAL STATEMENTS" of this Official Statement have been audited by CliftonLarsonAllen LLP, independent certified public accountants, as stated in their report appearing therein. CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report included therein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this Official Statement.

Financial Advisor

Public Resources Advisory Group of New York, NY, is serving as financial advisor to the State for the sale and delivery of the Bonds. Public Resources Advisory Group is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiable instruments.

Ratings

Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings have given the Bonds ratings of Aaa, AAA, and AAA, respectively. An explanation of the significance of a particular rating may be obtained from the rating agency furnishing it. The State furnished to the rating agencies the information contained in a preliminary form of this Official Statement and other information. Generally, rating agencies base their ratings on such materials and information, as well as their own investigations, studies, and assumptions. It should be noted that the ratings may be changed at any time and that no assurance can be given that the ratings will not be revised downward or withdrawn by any or all rating agencies, if in the judgment of any or all, circumstances should warrant such actions. Any downward revision or withdrawal of any of the ratings could have an adverse effect on market prices for the Bonds.

The complete rating reports for the State of Maryland referenced above are available at:
http://www.treasurer.state.md.us/debtmanagement/rating-agency-reports.aspx

Continuing Disclosure

In order to enable the Underwriters and the successful bidders for the Bonds to comply with the requirements of paragraph (b)(5) of the Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, the Board of Public Works will execute and deliver, on or before the date of issuance and delivery of the Bonds, a Continuing Disclosure Agreement, the form of which is attached as APPENDIX F. Potential purchasers should note that certain of the events listed in Section 4(a) of the Continuing Disclosure Agreement have been included for purposes of compliance with Rule 15c2-12 but are not relevant for the Bonds, specifically those events relating to debt service reserves, credit enhancements and liquidity providers, and property or other collateral. As of July 1, 2009, the State files its secondary market disclosures with service established by the Municipal Securities Rulemaking Board known as the Electronic Municipal Market Access ("EMMA") system.

The State has complied in all material respects with its obligations under its existing Continuing Disclosure Agreements executed pursuant to Rule 15c2-12(b)(5) during the last five years.

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Official Statement

This Official Statement has been approved and authorized by the Board of Public Works of Maryland for use in connection with the sale of the Bonds representing the State and Local Facilities Loan of 2021, Second Series. The Underwriters and the successful bidders will each be furnished without cost with a sufficient quantity as may be reasonably requested of this Official Statement and of any amendment or supplement that may be issued.

The Board of Public Works has been advised by Kutak Rock LLP, Washington, DC, as Bond Counsel in connection with the issuance of the Bonds. See APPENDIX D to this Official Statement for the forms of the opinions of the Attorney General and Kutak Rock LLP, Washington, DC, to be rendered at the time of delivery of the Bonds. The statement under "LEGAL MATTERS – Litigation" has been passed upon by the Honorable Brian E. Frosh, Attorney General of Maryland, and as to legal conclusions, is stated upon the authority of the Attorney General.

The Official Notices of Sale for the Bonds, attached as APPENDIX E to this Official Statement, set forth the terms and conditions of the public sale and delivery of and payment for the Bonds. Reference is particularly made to the Official Notices of Sale for statements of the legal opinions as to the validity of the Bonds, the legal opinions and other certifications relating to the accuracy and completeness, in all material respects, of the Official Statement, and the other signed documents to be delivered to the successful bidders for the Bonds at or prior to closing as a condition to the bidders' obligations to accept delivery of and to pay for the Bonds.

BOARD OF PUBLIC WORKS OF MARYLAND

/s/
LAWRENCE J. HOGAN, JR.
Governor

/s/
PETER FRANCHOT
Comptroller

/s/
NANCY K. KOPP
Treasurer

Annapolis, Maryland
August 11, 2021

APPENDIX A

FINANCIAL AND ACCOUNTING SYSTEM

The financial statements and other financial data contained in this Official Statement have been prepared by the Office of the Comptroller. The financial statements and notes thereto contained on pages A-8 through A-112 have been prepared in accordance with accounting principles generally accepted in the United States and, with respect to the Basic Financial Statements for the year ended June 30, 2020, have been audited by CliftonLarsonAllen LLP, independent certified public accountants, whose report thereon is included in this Official Statement on pages A-8 to A-10. Pagination references within the body of the financial statements in the Comprehensive Annual Financial Report refer to the pages in the Comprehensive Annual Financial Report.

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Maryland for its comprehensive annual financial reports for fiscal years 1980 through 2019. In order to be awarded a Certificate of Achievement, a governmental unit must publish a comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

In accordance with generally accepted accounting principles, these basic financial statements include Management's Discussion and Analysis, which provides a narrative overview and analysis of the State's financial activities. Furthermore, they include government-wide financial statements, (i.e., the statement of net position and the statement of activities), which provide both short-term and long-term information about the State's financial position. The statement of activities demonstrates the degree to which the direct expenses of a given function of the State's activities are offset by its program revenues. These statements provide statewide financial information distinguished between governmental activities, business-type activities and component units. Included with these statements are reconciliations between the entity-wide statements, prepared on the full accrual basis, and the fund level statements prepared on the modified accrual basis. In addition, there are reconciliations between the fund level and budgetary statements. Detailed information on these accounting policies is provided in the Management's Discussion and Analysis section and in Note 1 of the "Notes to the Financial Statements."

State statutes require an audit of every unit of State government, including the Office of the Comptroller, by the Legislative Auditor at least every four years or more as determined by the Legislative Auditor. The Legislative Auditor is required to be, and is, a certified public accountant. The Legislative Auditor conducts fiscal, compliance, and performance audits of the various agencies and departments of the State and issues a separate report covering each of those audits. Although certain of those reports include presentations of detailed financial data and contain expressions of opinion thereon, the audits usually are not made for that purpose. The primary purpose of the reports is to present the Legislative Auditor's findings relative to the fiscal management of those agencies and departments.

The State maintains accounts on a budgetary basis for each program within an agency, and places strong reliance upon the checks, balances, and controls inherent in the constitutional budgetary system. Under constitutional and statutory requirements, a balanced State Budget must be adopted each year, and expenditures may not be made in excess of appropriations. Agencies must report on an object and program basis to the Office of the Comptroller which, in turn, reports to the Department of Budget and Management, which monitors compliance with the Budget. See "STATE FINANCES – Budgetary System." In addition, for year-end reporting purposes, the State converts its financial statements prepared on a budgetary basis to financial statements prepared in accordance with generally accepted accounting principles.

Although the accounts maintained by the State on a budgetary basis conform in many respects to accounting principles generally accepted in the United States, there are certain departures from these principles that are dictated by statutory requirements and historical practices. The principal departures are the classification of the State's principal funds and the timing of recognition of certain revenues, expenditures, and expenses.

The State's accounting system is maintained by the Comptroller in compliance with State law and in accordance with the State's budgetary funds. In addition to the accounting systems maintained by the Comptroller, certain individual agencies that are not subject to the State Budget maintain accounting systems that permit financial reporting on the basis of generally accepted accounting principles.

For the purpose of reporting its financial activities in accordance with generally accepted accounting principles, at the fund level the State records its activities in Governmental, Proprietary, and Fiduciary Fund types. See Note 1 to "Notes to the Financial Statements." On a budgetary basis, the State reports its financial activities in the General, Special, Federal, Annuity Bond (Debt Service), Capital Projects, and Higher Education, Current Unrestricted and Current Restricted Funds.

The *General Fund* is the fund in which all general transactions of the State are recorded unless otherwise directed by law to be included in another fund. The General Fund includes most of the governmental operating assets, liabilities, revenues, and expenditures. To the extent that the Budget enacted by the General Assembly uses an estimated fund balance at the end of the current fiscal year, in establishing the Budget for the next succeeding year, that amount of General Fund balance existing at June 30 of the current fiscal year is recorded as designated to supplement the new year's Budget. See "STATE FINANCES – Budgetary System."

The *Annuity Bond Fund* (Debt Service Fund) is used to account for all payments of debt service on general obligation bonds.

The *Capital Projects Fund is* a group of accounts, each set up for a particular legislated authorization. The proceeds of general obligation bonds, the transfers from the General Fund, and the expenditures of the funds obtained thereby (which are almost entirely for capital projects) are accounted for in each of the accounts.

The *Federal Funds* are used to account for most grants from the federal government.

The *Special Funds* include the transportation activities of the State, including related indebtedness, except for federal transportation grants, which are accounted for in Federal Funds. In addition to the transportation activities, transactions related to dedicated funds, such as fishery and wildlife funds and shared taxes, are recorded in Special Funds.

The *Higher Education, Current Unrestricted and Current Restricted Funds* are used to account for higher education activities. Higher Education, Current Unrestricted and Current Restricted Funds include all revenues used or available for carrying out the current operations of the State's universities and colleges.

Under budgetary reporting, revenues generally are recognized when cash is received except for (i) significant self-assessed taxes, which are recorded in the period to which they apply, and (ii) federal grants, which are recorded when earned. Expenditures generally are recorded when cash is disbursed or upon the approval of encumbrances against appropriations. At the fund level under generally accepted accounting principles, revenues generally are recognized when earned, subject in certain cases to their availability to fund appropriations. Expenditures and expenses are recognized when liabilities are incurred, subject to certain modifications for interest and principal on general long-term debt, retirement costs, other post-employment benefits, compensated absences, pollution remediation, and claims and judgments. See Note 2 of "Notes to the Financial Statements" for further information concerning the significant accounting policies employed by the State in preparing its financial statements in accordance with accounting principles generally accepted in the United States.

A summary of the effects of fund structure and timing difference on the General Fund balances between the budgetary basis and generally accepted accounting principles basis for fiscal years 2019 and 2020 follows.

	($ in thousands)	
	2019	**2020**
Year end fund balance on budgetary basis	$2,182,294	$2,230,114
Fund structure reclassifications	2,233,917	2,421,048
Adjustments to the budgetary accounting system:		
Cash and cash equivalents	16,961	42,228
Investments	(36,620)	20,259
Other accounts receivable	129,719	(1,095,027)
Other assets	34,451	867,999
Accounts payable and accrued liabilities	(1,768,821)	(2,014,535)
Deferred revenue	(98,533)	547,623
Year end fund balance on generally accepted accounting principles basis	$2,693,368	$3,019,709

FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report of the State, including the audited Basic Financial Statements, for the fiscal year ended June 30, 2020, has been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system and is obtainable from them in accordance with their procedures. The 2020 Comprehensive Annual Financial Report is also posted on the Maryland State Treasurer's Office website and can be accessed at http://www.treasurer.state.md.us/media/88527/cafr2020.pdf.

The following reports, each of which are included in the 2020 Comprehensive Annual Financial Report and have been posted online at the web address above, are incorporated herein by reference:

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

- Statement of Net Position
- Statement of Activities

Governmental Funds Financial Statements

- Balance Sheet
- Reconciliation of the Governmental Funds' Fund Balance to the Statement of Net Position, Net Position Balance
- Statement of Revenues, Expenditures, and Changes in Fund Balances
- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Enterprise Funds Financial Statements

- Statement of Fund Net Position
- Statement of Revenues, Expenses and Changes in Fund Net Position
- Statement of Cash Flows

Fiduciary Funds Financial Statements

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position

Component Units Financial Statements

- Combining Statement of Net Position
- Combining Statement of Activities

Index for Notes to the Financial Statements

- Notes to the Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION

- Schedule of Revenues and Expenditures and Changes in Funds Balances (General Fund)
- Schedule of Revenues and Expenditures and Changes in Funds Balances (Special and Federal Funds)
- Reconciliation of the Budgetary General and Special Funds, Fund Balances to the GAAP General and Special Revenue Funds, Fund Balances
- Schedule of Employer Contributions for Maryland State Retirement and Pension System
- Schedule of Employer Net Pension Liability for Maryland State Retirement and Pension System
- Schedule of Employer Contributions for Maryland Transit Administration Pension Plan
- Schedule of Changes in Net Pension Liability and Related Ratios for Maryland Transit Administration Pension Plan
- Schedule of Employers Net Pension Liability for Maryland Transit Administration Pension Plan
- Schedule of Investment Returns for Maryland Transit Administration Pension Plan

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APPENDIX B

SUPPLEMENTARY DEBT SCHEDULES

GENERAL OBLIGATION BONDS

General Obligation Bonds Issued and Outstanding

The following table shows the principal amounts of outstanding general obligation bonds and authorized and unissued amounts at the end of each fiscal year shown.

As of June 30	Issued and Outstanding	Authorized but Unissued
	($ in thousands)	
2014	$8,362,347	$2,538,414
2015	8,677,214	2,559,720
2016	9,465,285	2,017,467
2017	9,334,205	2,406,265
2018	9,479,407	2,399,142
2019	9,606,909	2,507,805
2020	9,772,468	2,482,652
2021	9,912,930	2,572,652
Current Sale	852,125*	(615,000)
Refunded Debt	(275,730)*	-
Pro Forma	$10,489,325*	$1,957,652

***** Assumes the issuance of the Second Series C Bonds on March 1, 2022 and the Second Series D Bonds on May 3, 2022 and the refunding of the Series C Refunded Bonds and the Series D Refunded Bonds.

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Debt Service Requirements on General Obligation Bonds

The following tables show debt service requirements for all general obligation bonds of the State for all current and future fiscal years: (1) as of June 30, 2021; and (2) after giving effect to the issuance of the Bonds. Not included is debt service on general obligation bonds for which United States government obligations sufficient to provide fully for the timely payment of principal, interest, and applicable redemption premium are being held in escrow funds.

Debt Service Requirements on General Obligation Bonds
Actual - General Obligation Bonds Outstanding
($ in thousands)

Fiscal Year	Principal	Gross Interest	Gross Debt Service	Interest Subsidy (a)	Net Debt Service
2022	$950,732	$414,160	$1,364,892	$(8,320)	$1,356,572
2023	987,355	369,929	1,357,285	(7,337)	1,349,948
2024	1,005,999	325,518	1,331,518	(6,174)	1,325,344
2025	1,012,959	283,976	1,296,935	(4,949)	1,291,986
2026	932,846	243,785	1,176,632	(2,565)	1,174,067
2027	849,473	204,255	1,053,729	(874)	1,052,855
2028	783,468	170,687	954,156	(213)	953,943
2029	716,973	138,121	855,095	-	855,095
2030	653,330	106,778	760,108	-	760,108
2031	578,032	79,204	657,235	-	657,235
2032	442,664	54,685	497,348	-	497,348
2033	392,507	36,367	428,873	-	428,873
2034	297,345	21,985	319,330	-	319,330
2035.................................	206,285	11,524	217,809	-	217,809
2036.................................	102,960	3,770	106,730	-	106,730
Total*	$9,912,930	$2,464,745	$12,377,675	$(30,431)	$12,347,244

Debt Service Following Issuance of 2021 Second Series A and Second Series B Bonds
($ in thousands)

Fiscal Year	Principal	Gross Interest	Gross Debt Service	Interest Subsidy (a)	Net Debt Service
2022	$950,732	$425,525	$1,376,257	$(8,320)	$1,367,937
2023	987,355	396,157	1,383,512	(7,337)	1,376,175
2024	1,005,999	351,746	1,357,745	(6,174)	1,351,572
2025	1,050,299	310,118	1,360,417	(4,949)	1,355,468
2026	970,506	269,715	1,240,221	(2,565)	1,237,657
2027	887,418	229,110	1,116,529	(874)	1,115,655
2028	823,363	193,596	1,016,960	(213)	1,016,746
2029	758,913	158,984	917,898	-	917,898
2030	697,420	125,490	822,910	-	822,910
2031	624,382	95,655	720,037	-	720,037
2032	491,394	68,759	560,153	-	560,153
2033	443,732	47,942	491,673	-	491,673
2034	351,200	30,933	382,133	-	382,133
2035.................................	262,610	17,718	280,328	-	280,328
2037.................................	161,585	7,384	168,969	-	168,969
2036.................................	61,020	1,220	62,240	-	62,240
Total*	$10,527,930	$2,730,053	$13,257,983	$(30,431)	$13,227,552

*Totals may not add due to rounding.

(a) Interest Subsidy is the original Federal Subsidy for certain qualified bonds. Due to federal budget sequestration, federal direct pay subsidies to the State for ARRA Bonds have been subject to reductions since March 1, 2013.

Debt Service Following Issuance of 2021 Second Series C Bonds
($ in thousands)

Fiscal Year	Principal	Gross Interest	Gross Debt Service	Interest Subsidy (a)	Net Debt Service
2022	$950,732	$425,525	$1,376,257	$(8,320)	$1,367,937
2023	987,355	396,106	1,383,461	(7,337)	1,376,125
2024	1,005,999	351,695	1,357,695	(6,174)	1,351,521
2025	1,050,299	310,067	1,360,366	(4,949)	1,355,417
2026	963,326	269,664	1,232,991	(2,565)	1,230,426
2027	887,418	228,565	1,115,983	(874)	1,115,110
2028	816,678	193,051	1,009,729	(213)	1,009,516
2029	751,963	158,706	910,670	-	910,670
2030	697,420	125,490	822,910	-	822,910
2031	624,382	95,655	720,037	-	720,037
2032	491,394	68,759	560,153	-	560,153
2033	443,732	47,942	491,673	-	491,673
2034	351,200	30,933	382,133	-	382,133
2035	262,610	17,718	280,328	-	280,328
2036	161,585	7,384	168,969	-	168,969
2037	61,020	1,220	62,240	-	62,240
Total*	$10,507,115	$2,728,481	$13,235,596	$(30,431)	$13,205,165

Debt Service Following Issuance of 2021 Second Series D Bonds
($ in thousands)

Fiscal Year	Principal	Gross Interest	Gross Debt Service	Interest Subsidy (a)	Net Debt Service
2022	$950,732	$425,525	$1,376,257	$(8,320)	$1,367,937
2023	987,355	394,801	1,382,156	(7,337)	1,374,820
2024	1,005,999	351,550	1,357,549	(6,174)	1,351,376
2025	1,050,299	309,922	1,360,221	(4,949)	1,355,272
2026	963,326	269,519	1,232,845	(2,565)	1,230,281
2027	887,418	228,420	1,115,838	(874)	1,114,965
2028	810,803	193,220	1,004,023	(213)	1,003,810
2029	745,883	159,075	904,959	-	904,959
2030	691,585	125,618	817,203	-	817,203
2031	624,382	95,655	720,037	-	720,037
2032	491,394	68,759	560,153	-	560,153
2033	443,732	47,942	491,673	-	491,673
2034	351,200	30,933	382,133	-	382,133
2035	262,610	17,718	280,328	-	280,328
2036	161,585	7,384	168,969	-	168,969
2037	61,020	1,220	62,240	-	62,240
Total*	$10,489,325	$2,727,261	$13,216,586	$(30,431)	$13,186,155

*Totals may not add due to rounding.

(a) Interest Subsidy is the original Federal Subsidy for certain qualified bonds. Due to federal budget sequestration, federal direct pay subsidies to the State for ARRA Bonds have been subject to reductions since March 1, 2013.

MARYLAND STADIUM AUTHORITY

Lease Revenue Debt Outstanding as of June 30, 2021

The following table shows the lease revenue debt of the Maryland Stadium Authority outstanding as June 30, 2021, the uses of the proceeds thereof, and the sources of repayment of the debt. Project descriptions follow.

Use of Proceeds	Source of Repayment	Principal Amount Outstanding as of June 30, 2021 ($ in thousands)
Bonds Outstanding		
Oriole Park at Camden Yards (a)	Lease Payments/ Operating Revenues	$41,400
Ravens Stadium	Lease Payments	43,105
Hippodrome Theater	Lease Payments	1,545
Montgomery County Conference Center	Lease Payments	4,240
Camden Station Renovation	Lease Payments	2,870
Ocean City Convention Center	Lease Payments	20,915
Capital Leases Outstanding		
Oriole Park at Camden Yards (Energy)	Operating Revenues	1,012
Ravens Stadium (Energy)	Operating Revenues	379
Total Debt Outstanding (a)		$115,466

(a) Total includes $7.0 million of lease revenue bonds that are not tax-supported. Therefore, the total tax-supported debt of the Maryland Stadium Authority is $108.5 million as of June 30, 2021. See "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Tax-Supported Debt Outstanding."

Project Descriptions

Oriole Park at Camden Yards. Currently the Maryland Stadium Authority ("Authority") operates Oriole Park at Camden Yards, which opened in 1992. In connection with the construction of that facility, the Authority issued $155.0 million in notes and bonds. In October 1993, the Authority entered into an agreement to implement a synthetic fixed rate refinancing of the sports facility bonds using a combination of variable rate refunding obligations and forward interest rate exchange agreements. As provided under the agreements, savings of $15.5 million was paid to the Authority in 1996. In accordance with this agreement and in consideration for the prior payment of the savings, the Authority issued its $17.9 million Sports Facilities Lease Revenue Refunding Bonds Series 1998A in December 1998 to refund its outstanding Sports Facility Lease Revenue Bonds Series 1989C, and issued its $121.0 million Sports Facilities Lease Revenue Refunding Bonds Series 1999 in December 1999 to refund its Sports Facilities Lease Revenue Bonds Series 1989D.

In December 2011, the Authority terminated the 1998 synthetic fixed rate refinancing with AIG Financial Products ("AIG-FP"), which required payment of a termination fee in the amount of $19.7 million. The variable rate debt associated with the synthetic fixed rate refinancing was called and replaced with the Sports Facilities Lease Revenue Refunding Bonds Series 2011A Bonds in the amount of $31.4 million. The federally taxable proceeds of the Series 2011A Bonds were used to defease the Series 1998A Bonds, and to pay the termination fee due to AIG-FP, underwriter's costs and issuance costs. The Authority also issued the Sports Facilities Lease Revenue Refunding Bonds Series 2011B in the amount of $62.9 million, whose tax-exempt proceeds and premium of $7.7 million were used to defease the Series 1999 Bonds. The Series 2011A Bonds and Series 2011B Bonds matured in December 2019.

The Authority's notes and bonds are lease-backed revenue obligations, the payment of which is secured by, among other things, an assignment of revenues received under a lease of Oriole Park at Camden Yards from the Authority to the State. The rental payments due from the State under that lease are subject to annual appropriation by the General

Assembly. Revenues to fund the lease payments are generated from a variety of sources, including in each year revenues from sports lotteries, the net operating revenues of the Authority, and $1.0 million from the City of Baltimore.

In April 2010, the Authority issued the Sports Facilities Taxable Revenue Bonds, Series 2010 Bonds, in the amount of $10.0 million; the proceeds of which were used for capital repairs to Oriole Park and to fund a debt service reserve account. The Series 2010 Bonds matured in 2013 and were refinanced with the Sports Facilities Taxable Revenue Bonds Series 2013. The amount outstanding for the Series 2013 as of June 30, 2021 totaled $2.8 million.

In August 2011, the Authority issued the Sports Facilities Taxable Revenue Bonds, Series 2011 Bonds, in the amount of $11.1 million. The proceeds were used for capital repairs to the warehouse located at the Camden Yards Complex. The Series 2011 Bonds matured on December 15, 2014 and were refinanced with the Sports Facilities Taxable Revenue Bonds, Series 2014. The amount outstanding as of June 30, 2021 totaled $4.2 million.

In May 2019, the Authority issued the Sports Facilities Lease Revenue Bonds, Series 2019B Bonds, in the amount of $34.4 million. The proceeds will be used for capital repairs to the warehouse located at the Camden Yards Complex and cost of issuance. The Series 2019B Bonds will mature in March 2039. There will only be interest payments for the first 7 years of the bonds and the principal will be amortized over the last 13 years. The annual debt service is approximately $1.2 million for the first seven years and $3.4 million for the final 13 years. The amount outstanding as of June 30, 2021 totaled $34.4 million.

Annual debt service on the Authority's total bond obligations for Oriole Park at Camden Yards is $3.4 million and the amount outstanding as of June 30, 2021 totaled $41.4 million.

In November 2009, the Authority entered into a contract with Pepco Energy Services to provide $6.0 million of energy upgrades and enhancements to Oriole Park at Camden Yards and the adjoining warehouse. The Authority is financing the upgrades and enhancements under the State's Energy Performance Contract Lease-Purchase Program over 12 years. Some of the upgrades and enhancements include the replacement of a chiller and cooling tower, replacement of light fixtures and upgrades to the generator plant. The outstanding balance as of June 30, 2021 was $1.0 million.

Ravens Stadium. The Authority currently operates M&T Stadium, which opened in 1998. In connection with the construction of that facility, the Authority sold $87.6 million in lease-backed revenue bonds in 1996 for Ravens Stadium. The proceeds from the Authority's bonds, along with cash available from State lottery proceeds, investment earnings, contributions from the Ravens and other sources were used to pay project design and construction expenses of approximately $229.0 million. The bonds are solely secured by an assignment of revenues received under a lease of the project from the Authority to the State. In June 1998, the Authority entered into an agreement to implement a synthetic fixed rate refinancing of the football lease-backed revenue bonds using a combination of variable rate refunding obligations and forward interest rate exchange agreements. As provided under the agreements, savings of $2.6 million were paid to the Authority. The Authority issued Authority Sports Facilities Lease Revenue Refunding Bonds Football Stadium Issue Series 2007 in the amount of $73.5 million of which $73.1 million was used to call the outstanding principal balance on the 1996 Series Bonds and the balance of the proceeds was used for closing costs. The 1996 Series Bonds were called on March 1, 2007 in accordance with the swap agreement. The Authority's debt service is $6.5 million annually. The bonds outstanding as of June 30, 2021 totaled $27.3 million.

In November 2009, the Authority entered into a contract with Pepco Energy Services to provide energy upgrades and enhancements to Ravens Stadium. The energy upgrades and enhancements cost approximately $2.5 million. The Authority is financing the upgrades and enhancements under the State's Energy Performance Contract Lease-Purchase Program over 12 years. The outstanding balance as of June 30, 2021 was $0.4 million.

In May 2019, the Authority issued the Sports Facilities Lease Revenue Bonds, Series 2019A Bonds, in the amount of $20.6 million with $2.5 million generated in premium. The proceeds will be used for capital repairs to the Ravens Stadium located at the Camden Yards Complex and cost of issuance. The Series 2019A Bonds will mature in March 2026. The annual debt service is approximately $3.7 million. The outstanding balance as of June 30, 2021 totaled $15.8 million.

Hippodrome Theater. In July 2002, the Authority issued $20.3 million in taxable lease-backed revenue bonds in connection with the renovation and construction of the Hippodrome Theater as part of Baltimore City's West Side Development. The cost of renovating the theater was $63.0 million and was financed by various public and private sources. The Authority does not have any operating risk for the project.

In July 2012, the Authority issued the Taxable Lease Revenue Refunding Bonds, Series 2012 in the amount of

$14.1 million. The Authority used $13.7 million to call the Taxable Lease-Backed Revenue Bonds, Series 2002 and the balance was used for transactional costs. The annual debt service on the Taxable Lease Revenue Refunding Bonds, Series 2012 is approximately $1.6 million annually. The bonds outstanding as of June 30, 2021 totaled $1.5 million.

Montgomery County Conference Center. In January 2003, the Authority issued $23.2 million in lease-backed revenue bonds in connection with the construction of a conference center in Montgomery County. The conference center is adjacent and physically connected to a Marriott Hotel, which was privately financed. The center cost $33.5 million and was financed through a combination of funding from Montgomery County and the Authority. The Authority does not have any operating risk for the project.

In November 2012, the Authority refinanced the final 10 years of maturities on the lease-backed revenue bonds, Series 2003 totaling $15.0 million. The Authority issued the Lease Revenue Refunding Bonds, Series 2012 in the amount of $12.9 million generating $2.9 million in premium with $15.6 million being used to call the Series 2003 Bonds, in June 2013 and the balance was used for transactional costs. The annual debt service on the Series 2012 Bonds is approximately $1.6 million annually. The amount outstanding as of June 30, 2021 totaled $4.2 million.

Camden Station Renovation. In February 2004, the Authority issued $8.7 million in taxable lease-backed revenue bonds in connection with the renovation of the historic Camden Station located at the Camden Yards Complex in Baltimore, Maryland. The cost of the renovation was $8.0 million. To date, lease payments have not been sufficient to cover debt service on the bonds and the shortfall has been subsidized by the Authority. The average annual debt service for these bonds is $0.8 million. Bonds outstanding as of June 30, 2021 totaled $2.9 million.

Ocean City Convention Center. In October 2019, the authority issued $20.9 million in tax-exempt lease-backed revenue bonds in connection with the expansion of the Ocean City Convention Center. The cost of the expansion will be $38.0 million and will be funded with a State grant, bonds from the Town of Ocean City and the Authority's bonds. The State and the Town of Ocean City share in the operating deficiency of the building 50/50. Both the State and the Town of Ocean City will make annual contributions of $100,000 into a capital improvements fund. The average annual debt service will be $1.7 million. The outstanding balance as of June 30, 2021 totaled $20.9 million.

Baltimore City Public Schools. In April 2016, the Authority issued $320.0 million in tax-exempt revenue bonds in connection with the replacement and renovation of 11 Baltimore City Public Schools. This was the inaugural series of bonds with the proceeds going towards the overall cost of approximately $531.2 million. The security pledge for the bonds are three revenue sources, $20.0 million each, from the City of Baltimore, Baltimore City Public Schools and Lottery revenues from the State of Maryland for a total of $60 million annually. The transaction generated approximately $66.0 million in premium that will be used for project costs. The annual debt service is approximately $20.8 million. In July 2020, approximately $183.3 million were refinanced with the Series 2020C. The new debt service on the remaining bonds is $11.6 million. Bonds outstanding as of June 30, 2021 totaled $110.0 million.

In February 2018, the Authority issued the second series of tax-exempt revenues bonds in connection with the replacement and renovation of Baltimore City Public Schools. The par amount of the second series was $426.44 million. The proceeds were used to complete all but one of the first 11 schools with the balance being used for the replacement and renovation of an additional 17 schools. The security pledge for the bonds is the same as the first series. The transaction generated about $70.0 million in premium that will be used for the project costs. The annual debt service is approximately $27.3 million. In July 2020, approximately $45.8 million were refinanced with the Series 2020C. The new debt service on the remaining bonds is $25.0 million. Bonds outstanding as of June 30, 2021 totaled $352.9 million.

In July 2020, the Authority issued the third series of tax-exempt revenues bonds in connection with the replacement and renovation of Baltimore City Public Schools. There were two series of bonds issued. Series A had a par amount of $194.0 million and Series B had a par amount of $34.0 million for a total par value of $228.0. The proceeds will be used to complete all 28 projects. The security pledge for the bonds is the same as the first and second series. The transaction generated about $114.3 million in premium that will be used for the project costs. The annual debt service is approximately $11.5 million. Bonds outstanding as of June 30, 2021 totaled $228.0 million.

In July 2020, the Authority issued a federally taxable refunding bond for certain maturities from the Series 2016 and Series 2018A bonds. Series 2020C had a par amount of $296.3 million. These proceeds will be used to pay-off the Series 2016 and Series 2018A bonds that were refunded under this series. The series 2016 bonds are callable in 2026 and the series 2018A bonds are callable in 2028. The security pledge for the bonds is the same as the other series. Debt service will range from $11.8 to $23.6 million annually. Together with the other series, total debt service is $60.0 million. Bonds outstanding as of June 30, 2021 totaled $287.7 million.

Built to Learn Act of 2020. During the 2021 legislative session, the Built to Learn Act of 2020 (the "Act") was passed. Under this Act, the Maryland Stadium Authority will be authorized to issue up to $2.2 billion in revenue bonds with the proceeds being used to fund the replacement or renovation of public schools throughout the State of Maryland. The Act will use up to $125.0 million from the State's Education Trust Fund. The Stadium Authority expects to sell the first series of bonds before November 30, 2021 with an approximate par value of $520 million.

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State Tax-Supported Lease and Conditional Purchase Financings

Lease and Conditional Purchase Financings Outstanding as of June 30, 2021

The following table shows, by State agency, State tax-supported capital lease and conditional purchase financings, the facilities financed, and the principal amount outstanding at June 30, 2021.

State Agency	Facilities Financed	Principal Amount Outstanding as of June 30, 2021 ($ in thousands)
Department of Transportation	Headquarters office building	$2,675
	MAA Shuttle Buses	21,135
Department of General Services	Prince George's County Justice Center	11,270
Department of Health	Public Health Lab	111,695
Various State Agencies	Energy performance projects	70,090[1]
Various State Agencies	Communications, data processing, and other equipment	9,514
Maryland Transportation Authority	State office parking facility	14,604
Total		$240,984

[1]This includes all Energy Performance Contract ("EPC") lease financings. As of June 30, 2021, $61.4 million of the outstanding EPC lease financings had guaranteed energy savings equal to or greater than corresponding lease debt service. The Capital Debt Affordability Committee ("CDAC") does not include such EPC lease financings in the calculation of total tax-supported debt outstanding.

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REVENUE AND ENTERPRISE FINANCINGS

Revenue and Enterprise Financings Outstanding as of June 30, 2021[(a)]

The following table shows, by issuing agency, certain revenue and enterprise non-tax-supported debt outstanding as of June 30, 2021, the facilities financed, and the sources of repayment of the debt.

Agency	Facilities Financed	Source of Repayment	Principal Amount Outstanding as of June 30, 2021 ($ in thousands)
Higher Education (b)			
University System of Maryland	Academic facilities, Student Housing, parking facilities, and equipment	Tuition and auxiliary enterprise facilities revenues	$1,157,490
	Communication, data processing, and other equipment	Operating revenues	24,068
St. Mary's College of Maryland	Student housing/campus center and athletic facility	Academic fees and auxiliary facilities fees	42,135
Community Development Administration of the Department of Housing and Community Development	Mortgage and construction loans	Mortgage repayments and sales	2,922,893
	Loans to local governments for infrastructure projects	Loan repayments	181,500
Maryland Environmental Service	Landfill projects	Tipping fees	20,785
	Equipment	Operating revenues	1,359
Maryland Transportation Authority	Bridges, tunnels, and highways	Tolls	2,135,975
	Car rental facility	Customer facility charges	73,430
	Improvements at BWI Airport	Passenger facility charges	255,460
Maryland Water Quality Financing Administration	Loans to local governments for water pollution control facilities	Loan repayments	12,400
Maryland Department of Transportation			
Maryland Aviation Administration	BWI renovations, de-icing ramp	Lease revenues	6,160
	BWI Marshall Airport Piers A&B and parking garage (c)	Airport operating revenues	219,880
Maryland Transit Administration	MARC rail station parking garage	Parking revenues	5,230
Maryland Port Administration	Warehouse Facility South Locust Point Terminal (d)	Lease revenues	6,510
Total			$7,065,276

(a) The table does not include (i) debt of certain authorities that, under criteria prescribed by the Governmental Accounting Standards Board, are not considered State entities for financial reporting purposes including debt described in this Appendix B under "Maryland Stadium Authority" or (ii) debt for which United States government obligations sufficient to provide fully for the timely payment of principal, interest, and applicable redemption premium are being held in escrow funds.

(b) As of June 30, 2021, the outstanding capital leases financed by the State Treasurer's Office (including capitalized interest) for University System of Maryland and St. Mary's College of Maryland were $7.6 million and $0.28 million, respectively.

(c) Financings of the BWI Marshall Airport Piers A & B by the Maryland Economic Development Corporation and of a BWI Marshall Airport parking garage by the Maryland Transportation Authority were refunded in February 2021;

(d) The MPA Warehouse Facility financing at the South Locust Point Terminal was refunded in December 2016.

Descriptions of Revenue and Enterprise Financings

Higher Education Institutions. Legislation limits the aggregate principal amount of revenue bonds outstanding and the present value of capital lease payments, less the amount of any reserves established therefore, for academic or auxiliary facilities; effective June 1, 2011 the limits are $1.4 billion for the University System of Maryland, $88.0 million for Morgan State University, $60.0 million for St. Mary's College of Maryland, and $65.0 million for Baltimore City Community College. As of June 30, 2021, outstanding debt and lease purchase financings of the University System of Maryland, Morgan State University, and St. Mary's College of Maryland will be $1.2 billion, $43.7 million, and $42.1 million, respectively. Lease and conditional purchase financings have been used for facilities at various colleges and universities.

Community Development Administration. The Community Development Administration ("CDA"), a unit within the Department of Housing and Community Development, is responsible for housing finance and assistance programs. CDA issues bonds and notes to provide funding for various home ownership and rental housing loan programs. The debt service on CDA's revenue bonds and notes generally is paid from mortgage repayments. As of June 30, 2021, $2.9 billion of these bonds and notes are outstanding. CDA also issues bonds to provide loans to local governments for various infrastructure projects. The bonds are secured by the general obligation pledges of the participating local governments. As of June 30, 2021, $181.5 million of these bonds are outstanding.

Maryland Environmental Service. The Maryland Environmental Service ("MES") was established in 1993 to provide water supply, wastewater treatment, and waste management services to State agencies, local governments, and private entities. MES is authorized to issue revenue bonds secured by the revenue derived from its various facilities and projects. In February 2011 MES issued the Midshore II Regional Landfill Project Revenue Bonds in the amount of $18.3 million. These 2011 Bond Series have been defeased. In April 2011, the MES Water Quality Bond, Series 2011A in the amount of $2.0 million was issued in connection with the closure and capping of the Hobbs Road Landfill. In May 2014, MES issued the Midshore II Revenue Bonds 2014 Series in the amount of $4.5 million for the construction of a new cell. Repayment of the bond is derived from operating revenues of the Midshore II Landfill. MES issued $8.9 million in tax-exempt bonds in July of 2018 for the purpose of financing the cost of Midshore II Regional Landfill Project Cell #3, to improve or increase the disposal capacity of the Midshore II Landfill. MES issued $9.8 million in tax-exempt bonds in September 2020, for the purpose of refunding Midshore's outstanding revenue bond 2011 series. Outstanding debt of MES amounts to $22.1 million as of June 30, 2021.

Maryland Transportation Authority. The Maryland Transportation Authority ("MDTA") of which the Secretary of Transportation is Chairman, is responsible for the administration of the various toll revenue facilities, which consist of bridges over the Susquehanna, Patapsco, and Potomac Rivers and the Chesapeake Bay; two tunnels under the Baltimore Harbor; the John F. Kennedy Memorial Highway (including the I-95 Express Toll Lanes); and the Intercounty Connector ("ICC"). The tolls and other revenues received from these facilities are pledged as security for revenue bonds of the MDTA issued under and secured by a second amended and restated trust agreement dated as of September 1, 2007, as further supplemented, between the MDTA and a corporate trustee. Under separate supplemental trust agreements, the MDTA issued $549.4 million of revenue bonds in December 2009, $326.4 million in July 2010, and $67.6 million in February 2012 to partially refund its 2004 Series bonds. In July 2017, the MDTA issued $169.6 million of revenue refunding bonds to fully redeem the Series 2007 revenue bonds. In June 2019, the MDTA issued $49.7 million of revenue refunding bonds to fully redeem the Series 2009A revenue bonds. In June 2020, the MDTA issued $400 million of revenue bonds. In April 2021, the MDTA issued $746 million of revenue bonds including refunding bonds to fully redeem the Series 2008A TIFIA loan.

In June 2002, the MDTA issued revenue bonds in the amount of $117.3 million for construction of a consolidated rental car facility at BWI Marshall Airport. Customer facility charge revenues on rental cars are pledged for the repayment of the bonds. In December 2003, April 2012, December 2012, December 2014 and June 2019, the MDTA issued revenue bonds in the amount of $69.7 million, $50.9 million, $135.5 million, $40.0 million and $108.7 million, respectively, for the construction of additional projects at BWI Marshall Airport. Passenger facility charge revenues are pledged for the payment of these bonds, except that the Series 2003 bonds matured and are no longer outstanding.

As of June 30, 2021, $2.4 billion of the MDTA's revenue and enterprise financings are outstanding under various trust agreements.

Maryland Water Quality Financing Administration. The Water Quality Financing Administration in the Department of the Environment administers the Water Quality and Drinking Water Revolving Loan Funds (the "Funds"). The Funds may be used to provide loans, subsidies, and other forms of financial assistance to local government units and private entities for wastewater and drinking water projects as provided by the federal Water Pollution Control Act and the federal Safe Drinking Water Act.

The Administration is authorized to issue bonds secured by revenues of the Funds, including loan repayments, fees, federal capitalization grants, and matching State grants. As of June 30, 2021, $12.4 million of the Administration's revenue bonds are outstanding.

Units of the Maryland Department of Transportation

Revenues from the following projects financed for units of the Maryland Department of Transportation ("Department") are pledged to the payment of principal and interest on the respective bonds and certificates; therefore, these financings are also not considered to be tax-supported.

Maryland Aviation Administration ("MAA"). MAA and the Department entered into a conditional purchase agreement to provide financing for capital improvements at BWI Marshall Airport and sold $42.8 million COPs for various MAA projects in May 1999. The MAA Series 1999 was refunded in December 2010 for $19.6 million. As of June 30, 2021, $6.1 million of the COPs are outstanding.

In February 2021, MDOT issued the Special Transportation Project Refunding Revenue 2021A Bonds in the amount of $219.9 million to refund lease revenue bonds previously issued by MEDCO to finance the expansion and renovation of Piers A and B and the Terminal building at BWI Marshall Airport and parking revenue bonds previously issued by MDTA to construct a parking garage at BWI Marshall Airport. As of June 30, 2021, $219.9 million are outstanding.

Maryland Transit Administration ("MTA"). MTA and the Department entered into a conditional purchase agreement in fiscal year 2001 to provide financing to expand parking in the vicinity of BWI Marshall Airport at the Maryland Rail Commuter BWI Marshall Airport rail station and sold $33.0 million COPs in October 2000. The MTA Series 2000 was refunded in December 2010 for $13.1 million. As of June 30, 2021, $5.2 million of the COPs are outstanding.

Maryland Port Administration ("MPA"). The Department entered into a conditional purchase agreement in fiscal year 2006 to provide financing to construct a warehouse at the South Locust Point Terminal, and the Department sold $26.5 million Project COPs in June 2006. The MPA Series 2006 financing was refunded in December 2016 for $15.0 million. As of June 30, 2021, $6.5 million of the COPs are outstanding.

APPENDIX C

Supplementary Revenue Schedules

STATE OF MARYLAND

Comparison of Combined General, Special, Federal, and Higher Education Funds Revenue Estimates and Collections

The following table shows, on a net budgetary basis, a comparison between the original revenue estimate (made 19 months before the end of the fiscal year), the revised revenue estimate (made seven months before the end of the fiscal year and reviewed four months before the end of the fiscal year), and the actual revenue collections for the combined General, Special, Federal, and Higher Education Funds for the four fiscal years ended June 30.

	Fiscal Year 2017			Fiscal Year 2018			Fiscal Year 2019			Fiscal Year 2020		
	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections
					($ in millions)							
Income Taxes	$10,376.7	$9,930.5	$10,021.2	$10,434.9	$10,312.5	$10,541.0	$10,898.8	$11,409.1	$11,573.4	$11,742.4	$11,860.9	$12,023.5
Sales and Use Taxes	4,734.4	4,656.3	4,609.5	4,810.9	4,611.7	4,716.2	4,807.4	4,934.9	4,888.7	5,099.7	5,076.9	4,936.7
Motor Vehicle User Taxes, Fees	2,807.0	2,695.9	2,752.5	2,726.4	2,702.1	2,724.9	2,786.1	2,813.4	2,853.7	2,887.6	2,905.0	2,637.6
Property, Franchise, Excise Taxes	2,226.2	2,199.2	2,225.9	2,240.5	2,369.0	2,279.7	2,355.2	2,508.1	2,192.0	2,461.8	2,468.7	2,276.4
Sundry Fees, Licenses, Charges	10,022.8	10,728.0	9,909.0	10,406.3	10,344.6	10,946.2	10,373.6	10,057.1	10,215.4	10,343.4	11,061.8	10,291.4
Federal	12,100.0	12,877.1	12,018.4	12,970.2	13,124.1	13,091.5	13,062.9	13,088.5	12,397.8	13,177.1	13,126.4	14,959.6
Total*	42,267.0	43,087.0	41,536.5	43,589.3	43,463.9	44,299.3	44,284.0	44,811.2	44,121.0	45,711.9	46,502.6	47,125.0

*Totals may not add due to rounding.

Notes: The estimates and actuals exclude transfers and other actions appearing on page C-3 as extraordinary transfers. Federal revenues are generally recognized to the extent related expenditures chargeable to the federal grant have been recognized.

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STATE OF MARYLAND

Comparison of General Fund Revenue Estimates and Collections

The following table shows, on a budgetary basis, a comparison between the original revenue estimate (made 19 months before the end of the fiscal year), the revised revenue estimate (made seven months before the end of the fiscal year and revised four months before the end of the fiscal year), and the actual revenue collections for the four years ended June 30.

	Fiscal Year 2017			Fiscal Year 2018			Fiscal Year 2019			Fiscal Year 2020		
	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections
					($ in millions)							
Income Taxes	$10,149.4	$9,727.0	$9,814.9	$10,219.7	$10,104.2	$10,328.2	$10,668.9	$11,022.7	$11,305.5	$11,492.1	$11,598.6	$11,750.7
Sales and Use Taxes	4,662.3	4,587.3	4,539.3	4,741.2	4,611.7	4,645.8	4,735.1	4,863.1	4,812.1	5,026.4	4,951.9	4,634.9
Motor Vehicle User Taxes, Fees	-	-	-	-	-	-	-	-	-			
Property, Franchise, Excise Taxes	1,247.8	1,214.6	1,267.4	1,188.1	1,236.2	1,297.6	1,181.5	1,202.2	1,149.9	1,166.1	1,176.2	1,197.4
Sundry Fees, Licenses, Charges	968.7	1,026.7	1,019.8	975.8	1,017.4	1,034.6	980.3	840.2	871.3	882.9	953.7	993.8
Federal	53.6	52.9	57.3	55.6	63.8	66.4	59.1	54.3	60.3	54.8	56.0	57.3
Total *	$17,081.9	$16,608.4	$16,698.7	$17,180.3	$17,033.2	$17,372.5	$17,624.9	$17,982.4	$18,199.0	18,622.3	18,736.3	18,634.1

*Totals may not add due to rounding.

Notes: The estimates and actuals exclude transfers and other actions appearing on page C-3 as extraordinary transfers. Federal revenues are generally recognized to the extent related expenditures chargeable to the federal grant have been recognized.

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STATE OF MARYLAND

Summary of Revenues by Source (a)

The following table shows, on a net budgetary basis, the trend of the operating revenues of the principal sources of funds of the State for the last four fiscal years ended June 30, and the most recent estimate for the fiscal year ending June 30, 2021. See the footnotes to the summary table of revenues in "STATE REVENUES" for certain information essential to the evaluation of the following data.

	Fiscal Year ($ in millions)				
	2017	2018	2019	2020	Estimated 2021 (a)
Income Taxes					
Individuals (b)	$9,019.3	$9,507.8	$10,272.4	$10,698.9	$11,075.8
Corporations	1,001.9	1,033.2	1,301.1	1,324.6	1,198.8
Total	10,021.2	10,541.0	11,573.4	12,023.5	12,214.5
Sales and Use Taxes	4,609.5	4,716.2	4,888.7	4,936.7	5,237.2
Motor Vehicle User Taxes, Fees					
Motor Vehicle Fuel Taxes	1,072.0	1,077.8	1,133.1	1,070.1	1,040.1
Motor Vehicle Registration, Fees	794.5	777.7	804.1	720.7	781.4
Motor Vehicle Titling Tax	886.0	869.3	916.5	846.8	805.0
Total	2,752.5	2,724.9	2,853.7	2,637.6	2,626.5
Property, Franchise, Excise Taxes					
Real Property Tax	775.2	806.0	830.3	860.2	884.3
Property Transfer Tax	210.1	217.9	207.6	215.5	208.1
Business Franchise Taxes	228.4	245.9	245.1	211.3	208.5
State Tobacco Tax	387.0	372.7	356.7	362.9	340.3
Tax on Insurance Companies	360.9	386.4	335.2	395.9	405.9
Tax on Distilled Spirits, Wine, Beer	32.5	32.0	32.5	30.2	30.5
Tax on Horse Racing	3.9	4.2	4.2	3.3	4.1
Death Taxes	227.9	214.4	180.4	197.2	177.7
Total	2,225.9	2,279.7	2,192.0	2,276.4	2,259.5
Sundry Fees, Licenses, Service Charges					
University and College Receipts	4,218.6	4,656.2	4,614.2	4,501.1	4,720.2
Mass Transit, Port, Aviation Income	441.4	459.9	453.3	394.3	277.2
Miscellaneous Taxes, and Other Receipts	3,096.7	3,408.4	2,236.0	4,103.9	4,004.3
Interest on Invested Funds	22.5	32.0	50.2	46.8	8.8
District Courts Fines and Fees	69.3	63.0	59.9	47.7	30.5
State Lottery Receipts	590.4	645.0	672.2	666.4	751.1
Casino Receipts (c)	1,422.6	1,681.7	1,763.6	531.2	703.5
Total	9,861.6	10,946.2	10,215.4	10,291.4	10,522.8
Federal Receipts	12,018.4	13,091.5	12,397.8	14,959.6	17,033.0
Extraordinary Transfers & Revenues (d)	47.4	-	-	-	-
Grand Total *	$41,489.0	$44,299.3	$44,121.0	$47,125.0	$49,866.4

*Totals may not add due to rounding.

(a) The estimated revenues include the General Fund estimate by the Board of Revenue Estimates in December 2019 and the general, federal and special funds authorized in the State budget as set forth in the fiscal year 2021 budget books.

(b) The State has recorded revenues from individual income taxes on a modified accrual basis.

(c) Inclusive of all State funds that benefit from casino operations, as well as facility license owner revenue.

(d) In fiscal year 2017, a $47.4 million GAAP surplus in the local income tax reserve was transferred to the General Fund.

STATE OF MARYLAND

Comparison of General Fund Revenues Collected
for the First Nine Months of Fiscal Year 2021

The following table compares actual cash collections for the period from July 1 to March 31 during fiscal year 2021 with collections during that same period in the previous four fiscal years. The table does not reflect current year accruals.

	Fiscal Years ($ in millions)				
	2017	**2018**	**2019**	**2020**	**2021**
Individual Income Tax (a)	$5,923.7	$6,232.7	$6,383.0	$6,850.1	$7,283.0
Corporate Income Tax (b)	390.0	423.6	513.4	544.3	693.0
Sales and Use Tax	2,992.9	3,036.4	3,140.5	3,334.6	2,955.2
State Lottery	357.3	393.3	399.1	395.4	474.2
Business Franchise Taxes	107.8	116.3	110.0	95.1	152.5
Tobacco Tax	264.1	256.8	248.2	243.6	231.0
Insurance Taxes and Fees	216.5	215.5	217.4	308.1	266.8
Alcoholic Beverage Taxes	20.8	20.5	20.9	21.1	23.9
Death Taxes	173.4	162.0	141.7	153.4	158.9
Clerks of Court	31.1	26.4	27.3	32.4	38.0
Motor Fuel Taxes	0.0	0.0	0.0	0.0	0.0
Transfer Tax (c)	62.8	46.0	0.0	0.0	0.0
Hospital Patient Recoveries	11.2	8.2	7.9	7.1	7.0
Interest on Investments	(6.8)	21.6	15.0	32.2	4.5
District Court Fees	55.3	50.9	48.6	46.9	26.9
Miscellaneous	117.7	107.6	105.0	99.8	78.0
Total*	$10,717.7	$11,117.7	$11,378.0	$12,164.1	$12,392.8

*Totals may not add due to rounding.
(a) The State has recorded revenues from individual income taxes on a modified accrual basis.
(b) The Transportation Trust Fund receives a distribution from the corporate income tax. The distribution percentage varies from year to year.
(c) These revenues include existing transfer tax revenue whose distribution was amended to provide various disbursement amounts to the General Fund across several years; see The Tax Property Article §13-209.

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STATE OF MARYLAND

General Fund Revenues
Needed to Meet Estimates During the Remainder of Fiscal Year 2021

The following table compares: (1) the revenues needed during the period from April 1 to June 30, 2020 (including appropriate accruals), in order to meet the most recent official estimate of revenues for the 2021 fiscal year with (2) actual collections for that same period during the previous four fiscal years (including appropriate accruals).

Fiscal Years
($ in millions)

	2017	**2018**	**2019**	**2020**	**2021**
Individual Income Tax (a)	3,095.5	3,275.0	3,889.4	3,848.8	3,792.8
Corporate Income Tax (b)	405.6	396.8	519.7	507.5	445.8
Sales and Use Tax	1,546.4	1,609.4	1,671.6	1,300.3	1,820.1
State Lottery	127.0	141.3	153.3	153.1	156.5
Business Franchise Taxes	120.7	129.7	135.0	116.1	56.0
Tobacco Tax	122.9	116.0	108.5	119.4	109.3
Insurance Taxes and Fees	112.2	170.9	117.7	87.7	139.2
Alcoholic Beverage Taxes	11.6	11.5	11.6	9.1	6.6
Death Taxes	54.6	52.4	38.7	43.7	18.8
Clerks of Court	5.1	5.4	2.9	-3.1	-5.7
Motor Fuel Taxes	0.0	0.0	0.0	0.0	0.0
Transfer Tax Revenues (c)	0.0	0.0	0.0	0.0	0.0
Hospital Patient Recoveries	51.0	61.6	56.4	53.5	35.4
Interest on Investments	29.3	10.5	35.2	14.6	4.3
District Court Fees	14.0	12.1	11.2	0.8	3.6
Miscellaneous	237.6	246.9	269.6	218.5	222.2
Total *	5,933.5	6,239.4	7,021.0	6,470.0	6,804.8

*Totals may not add due to rounding.
(a) The State has recorded revenues from individual income taxes on a modified accrual basis.
(b) The Transportation Trust Fund receives a distribution from the corporate income tax. The distribution percentage varies from year to year.
(c) These revenues include existing transfer tax revenue whose distribution was amended to provide various disbursement amounts to the General Fund across several years; see The Tax Property Article §13-209.

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FORMS OF OPINIONS OF THE ATTORNEY GENERAL OF MARYLAND AND BOND COUNSEL

Form of Opinion of the Attorney General

Second Series A Bonds and Second Series B Bonds

[August 25, 2021]

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $615,000,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2021, consisting of Second Series A Tax-Exempt Bonds (the "Second Series A Bonds") and Second Series B Taxable Bonds (the "Second Series B Bonds" and together with the Second Series A Bonds, the "Bonds"). The Bonds consolidate various State loans or installments thereof authorized by their enabling acts and amendments thereto (the "Enabling Acts"), and are issued pursuant to §8-117 through 8-124, inclusive, of the State Finance and Procurement Article of the Annotated Code of the State of Maryland (2015 Replacement Volume, as amended) (the "Act" and together with the Enabling Acts, the "Acts"). The Bonds are being issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, dated the date of their issuance and delivery, and bear interest and mature as set forth in the Bonds. The Second Series A Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the respective Bonds. The Second Series B Bonds are not subject to redemption prior to maturity.

The Bonds are being issued in accordance with the resolutions of the Board of Public Works of the State of Maryland (the "Board") adopted on July 28, 2021 and August 11, 2021 (collectively, the "Resolutions").

This Office has reviewed the Acts, the Resolutions and such other legal opinions and the originals or certified copies of such resolutions, documents, records and other proofs as we deemed pertinent.

As to questions of fact material to this opinion, without undertaking to verify the same by independent investigation, this Office has relied upon the certified proceedings of the Board and certifications by public officials. This examination has been limited to the foregoing as they exist or are in effect as of the date hereof. This opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

No opinion is expressed as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds, and no opinion is expressed regarding the federal income taxation of the interest payable on the Bonds.

Based on the foregoing, we are of the opinion as of the date hereof and under existing law that:

(a) The Bonds have been duly authorized for issuance by the Board for the valid public purposes stated in the Acts.

(b) The Bonds have been lawfully issued and constitute valid and binding general obligations of the State of Maryland to the payment of which, as to both principal and interest, the full faith and credit and taxing power of the State are unconditionally pledged.

(c) By the terms of the Act, the Bonds, the transfer of the Bonds, the interest payable on the Bonds, and any income derived from the Bonds, including profit realized in the sale or exchange of the Bonds, are exempt from State or local taxes; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer, or the income therefrom.

(d) The Continuing Disclosure Agreement dated August 25, 2021 executed by the Board has been duly authorized, executed and delivered by the Board and is a legal, valid and binding agreement of the State, enforceable against it in accordance with the terms thereof.

In rendering this opinion, we wish to advise you that the rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

Very truly yours,

Brian E. Frosh
Attorney General

Catherine M. Allen
Assistant Attorney General

Second Series C Bonds

[March 1, 2022]

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $113,840,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series C Tax-Exempt Bonds (Negotiated) (2022 Forward Delivery) (the "Bonds"). The Bonds consolidate various State loans or installments thereof authorized by their enabling acts and amendments thereto (the "Enabling Acts"), and are issued pursuant to §8-117 through 8-124, inclusive, and §8-131 of the State Finance and Procurement Article of the Annotated Code of the State of Maryland (2015 Replacement Volume, as amended) (the "Act" and together with the Enabling Acts, the "Acts"). The Bonds are being issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, dated the date of their issuance and delivery, and bear interest and mature as set forth in the Bonds. The Bonds are not subject to redemption prior to maturity.

The Bonds are being issued in accordance with the resolutions of the Board of Public Works of the State of Maryland (the "Board") adopted on July 28, 2021 and August 11, 2021 (collectively, the "Resolutions").

This Office has reviewed the Acts, the Resolutions and such other legal opinions and the originals or certified copies of such resolutions, documents, records and other proofs as we deemed pertinent.

As to questions of fact material to this opinion, without undertaking to verify the same by independent investigation, this Office has relied upon the certified proceedings of the Board and certifications by public officials. This examination has been limited to the foregoing as they exist or are in effect as of the date hereof. This opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

No opinion is expressed as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds, and no opinion is expressed regarding the federal income taxation of the interest payable on the Bonds.

Based on the foregoing, we are of the opinion as of the date hereof and under existing law that:

(a) The Bonds have been duly authorized for issuance by the Board for the valid public purposes stated in the Acts.

(b) The Bonds have been lawfully issued and constitute valid and binding general obligations of the State of Maryland to the payment of which, as to both principal and interest, the full faith and credit and taxing power of the State are unconditionally pledged.

(c) By the terms of the Act, the Bonds, the transfer of the Bonds, the interest payable on the Bonds, and any income derived from the Bonds, including profit realized in the sale or exchange of the Bonds, are exempt from State or local taxes; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer, or the income therefrom.

(d) The Continuing Disclosure Agreement dated August 25, 2021 executed by the Board has been duly authorized, executed and delivered by the Board and is a legal, valid and binding agreement of the State, enforceable against it in accordance with the terms thereof.

In rendering this opinion, we wish to advise you that the rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

Very truly yours,

Brian E. Frosh
Attorney General

Catherine M. Allen
Assistant Attorney General

Second Series D Bonds

[May 3, 2022]

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $123,285,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series C Tax-Exempt Bonds (Negotiated)(2022 Forward Delivery) (the "Bonds"). The Bonds consolidate various State loans or installments thereof authorized by their enabling acts and amendments thereto (the "Enabling Acts"), and are issued pursuant to §8-117 through 8-124, inclusive, and §8-131 of the State Finance and Procurement Article of the Annotated Code of the State of Maryland (2015 Replacement Volume, as amended) (the "Act" and together with the Enabling Acts, the "Acts"). The Bonds are being issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, dated the date of their issuance and delivery, and bear interest and mature as set forth in the Bonds. The Bonds are not subject to redemption prior to maturity.

The Bonds are being issued in accordance with the resolutions of the Board of Public Works of the State of Maryland (the "Board") adopted on July 28, 2021 and August 11, 2021 (collectively, the "Resolutions").

This Office has reviewed the Acts, the Resolutions and such other legal opinions and the originals or certified copies of such resolutions, documents, records and other proofs as we deemed pertinent.

As to questions of fact material to this opinion, without undertaking to verify the same by independent investigation, this Office has relied upon the certified proceedings of the Board and certifications by public officials. This examination has been limited to the foregoing as they exist or are in effect as of the date hereof. This opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

No opinion is expressed as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds, and no opinion is expressed regarding the federal income taxation of the interest payable on the Bonds.

Based on the foregoing, we are of the opinion as of the date hereof and under existing law that:

(a) The Bonds have been duly authorized for issuance by the Board for the valid public purposes stated in the Acts.

(b) The Bonds have been lawfully issued and constitute valid and binding general obligations of the State of Maryland to the payment of which, as to both principal and interest, the full faith and credit and taxing power of the State are unconditionally pledged.

(c) By the terms of the Act, the Bonds, the transfer of the Bonds, the interest payable on the Bonds, and any income derived from the Bonds, including profit realized in the sale or exchange of the Bonds, are exempt from State or local taxes; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer, or the income therefrom.

(d) The Continuing Disclosure Agreement dated August 25, 2021 executed by the Board has been duly authorized, executed and delivered by the Board and is a legal, valid and binding agreement of the State, enforceable against it in accordance with the terms thereof.

In rendering this opinion, we wish to advise you that the rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

Very truly yours,

Brian E. Frosh
Attorney General

Catherine M. Allen
Assistant Attorney General

Form of Opinion of Bond Counsel

Second Series A Bonds

[August 25, 2021]

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $540,000,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series A Tax-Exempt Bonds (the "Bonds"). The Bonds consolidate various State loans or installments thereof authorized by their enabling acts and amendments thereto, and are issued pursuant to §§8-117 through 8-124, inclusive, of the State Finance and Procurement Article of the Annotated Code of the State of Maryland (2015 Replacement Volume, as amended) (the "Act"). The Bonds are being issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, dated the date of their issuance and delivery, and bear interest and mature as set forth in the Bonds. The Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the Bonds.

The Bonds are being issued in accordance with the resolutions of the Board of Public Works of the State of Maryland (the "Board") adopted on July 28, 2021 and August 11, 2021 (the "Resolutions").

The Board, on behalf of the State of Maryland, has covenanted in a Tax Compliance Certificate executed in connection with the issuance of the Bonds that it will comply with the requirements of §148 of the Internal Revenue Code of 1986, as amended (the "Code") pertaining to arbitrage bonds and stating the reasonable expectations of the Board with respect to the proceeds on the date of issue of the Bonds. The Board will cause to be filed with the Internal Revenue Service reports of the issuance of the Bonds as required by §149(e) of the Code.

We have reviewed the Act, the Resolutions and such other legal opinions and the originals or certified copies of such resolutions, documents, records and other proofs as we deemed pertinent.

As to questions of fact material to our opinion, without undertaking to verify the same by independent investigation, we have relied upon the certified proceedings of the Board and certifications by public officials. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination of the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

(a) The Bonds have been duly authorized for issuance by the Board for the valid public purposes stated in the Act.

(b) The Bonds have been lawfully issued and constitute valid and binding general obligations of the State of Maryland to the payment of which, as to both principal and interest, the full faith and credit and taxing power of the State are unconditionally pledged.

(c) By the terms of the Act, the Bonds, their transfer, the interest payable thereon and any income derived therefrom, including any profit realized in the sale or exchange thereof, will be exempt from taxation within the State of Maryland by the State or by any of its political subdivisions, municipal corporations, or public agencies; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer, or the income therefrom.

(d) Interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Board and the continuing compliance by the Board with its covenants relating to the requirements of the Code. Interest on the Bonds is not an item of tax preference for purposes of federal alternative minimum tax.

We express no opinion regarding other federal tax consequences relating to the ownership or disposition of, or the accrual of receipt of interest on, the Bonds.

In rendering our opinion, we advise you that:

1. The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

2. We express no opinion herein as to the accuracy, adequacy or completeness of any offering material relating to the Bonds.

3. Except as set forth above, we express no opinion regarding any other tax consequences relating to the ownership or disposition of the Bonds.

4. In rendering the opinions herein (excluding the opinion set forth in paragraph (d) for which the Attorney General expresses no opinion), we have relied, with permission, on the legal opinions of the Attorney General.

This opinion is addressed to, and is solely for the benefit of, the Board and may not be relied upon by any other person without our express written consent.

Very truly yours,

[to be signed by "Kutak Rock LLP"]

Form of Opinion of Bond Counsel

Second Series B Bonds

[August 25, 2021]

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $75,000,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series B Taxable Bonds (the "Bonds"). The Bonds consolidate various State loans or installments thereof authorized by their enabling acts and amendments thereto, and are issued pursuant to §§8-117 through 8-124, inclusive, of the State Finance and Procurement Article of the Annotated Code of the State of Maryland (2015 Replacement Volume, as amended) (the "Act"). The Bonds are being issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, dated the date of their issuance and delivery, and bear interest and mature as set forth in the Bonds.

The Bonds are being issued in accordance with the resolutions of the Board of Public Works of the State of Maryland (the "Board") adopted on July 28, 2021 and August 11, 2021 (the "Resolutions").

We have reviewed the Act, the Resolutions and such other legal opinions and the originals or certified copies of such resolutions, documents, records and other proofs as we deemed pertinent.

As to questions of fact material to our opinion, without undertaking to verify the same by independent investigation, we have relied upon the certified proceedings of the Board and certifications by public officials. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination of the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

(a) The Bonds have been duly authorized for issuance by the Board for the valid public purposes stated in the Act.

(b) The Bonds have been lawfully issued and constitute valid and binding general obligations of the State of Maryland to the payment of which, as to both principal and interest, the full faith and credit and taxing power of the State are unconditionally pledged.

(c) By the terms of the Act, the Bonds, their transfer, the interest payable thereon and any income derived therefrom, including any profit realized in the sale or exchange thereof, will be exempt from taxation within the State of Maryland by the State or by any of its political subdivisions, municipal corporations, or public agencies; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer, or the income therefrom.

(d) Interest on the Bonds is not excludable from gross income for purposes of federal income tax.

We express no opinion regarding other federal tax consequences relating to the ownership or disposition of, or the accrual of receipt of interest on, the Bonds.

In rendering our opinion, we advise you that:

1. The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

2. We express no opinion herein as to the accuracy, adequacy or completeness of any offering material relating to the Bonds.

3. Except as set forth above, we express no opinion regarding any other tax consequences relating to the ownership or disposition of the Bonds.

4. In rendering the opinions herein (excluding the opinion set forth in paragraph (d) for which the Attorney General expresses no opinion), we have relied, with permission, on the legal opinions of the Attorney General.

This opinion is addressed to, and is solely for the benefit of, the Board and may not be relied upon by any other person without our express written consent.

Very truly yours,

[to be signed by "Kutak Rock LLP"]

Form of Opinion of Bond Counsel

Second Series C Bonds

[March 1, 2022]

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $113,840,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series C Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery) (the "Bonds"). The Bonds consolidate various State loans or installments thereof authorized by their enabling acts and amendments thereto, and are issued pursuant to §§8-117 through 8-124, inclusive, of the State Finance and Procurement Article of the Annotated Code of the State of Maryland (2015 Replacement Volume, as amended) (the "Act"). The Bonds are being issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, dated the date of their issuance and delivery, and bear interest and mature as set forth in the Bonds.

The Bonds are being issued in accordance with the resolutions of the Board of Public Works of the State of Maryland (the "Board") adopted on July 28, 2021 and August 11, 2021 (the "Resolutions").

The Board, on behalf of the State of Maryland, has covenanted in a Tax Compliance Certificate executed in connection with the issuance of the Bonds that it will comply with the requirements of §148 of the Internal Revenue Code of 1986, as amended (the "Code") pertaining to arbitrage bonds and stating the reasonable expectations of the Board with respect to the proceeds on the date of issue of the Bonds. The Board will cause to be filed with the Internal Revenue Service reports of the issuance of the Bonds as required by §149(e) of the Code.

We have reviewed the Act, the Resolutions and such other legal opinions and the originals or certified copies of such resolutions, documents, records and other proofs as we deemed pertinent.

As to questions of fact material to our opinion, without undertaking to verify the same by independent investigation, we have relied upon the certified proceedings of the Board and certifications by public officials. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination of the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

(a) The Bonds have been duly authorized for issuance by the Board for the valid public purposes stated in the Act.

(b) The Bonds have been lawfully issued and constitute valid and binding general obligations of the State of Maryland to the payment of which, as to both principal and interest, the full faith and credit and taxing power of the State are unconditionally pledged.

(c) By the terms of the Act, the Bonds, their transfer, the interest payable thereon and any income derived therefrom, including any profit realized in the sale or exchange thereof, will be exempt from taxation within the State of Maryland by the State or by any of its political subdivisions, municipal corporations, or public agencies; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer, or the income therefrom.

(d) Interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Board and the continuing compliance by the Board with its covenants relating to the requirements of the Code. Interest on the Bonds is not an item of tax preference for purposes of federal alternative minimum tax.

We express no opinion regarding other federal tax consequences relating to the ownership or disposition of, or the accrual of receipt of interest on, the Bonds.

In rendering our opinion, we advise you that:

1. The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

2. We express no opinion herein as to the accuracy, adequacy or completeness of any offering material relating to the Bonds.

3. Except as set forth above, we express no opinion regarding any other tax consequences relating to the ownership or disposition of the Bonds.

4. In rendering the opinions herein (excluding the opinion set forth in paragraph (d) for which the Attorney General expresses no opinion), we have relied, with permission, on the legal opinions of the Attorney General.

This opinion is addressed to, and is solely for the benefit of, the Board and may not be relied upon by any other person without our express written consent.

Very truly yours,

[to be signed by "Kutak Rock LLP"]

Form of Opinion of Bond Counsel

Second Series D Bonds

[May 3, 2022]

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $ 123,285,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series D Tax-Exempt Refunding Bonds (Negotiated) (2022 Forward Delivery) (the "Bonds"). The Bonds consolidate various State loans or installments thereof authorized by their enabling acts and amendments thereto, and are issued pursuant to §§8-117 through 8-124, inclusive, of the State Finance and Procurement Article of the Annotated Code of the State of Maryland (2015 Replacement Volume, as amended) (the "Act"). The Bonds are being issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, dated the date of their issuance and delivery, and bear interest and mature as set forth in the Bonds.

The Bonds are being issued in accordance with the resolutions of the Board of Public Works of the State of Maryland (the "Board") adopted on July 28, 2021 and August 11, 2021 (the "Resolutions").

The Board, on behalf of the State of Maryland, has covenanted in a Tax Compliance Certificate executed in connection with the issuance of the Bonds that it will comply with the requirements of §148 of the Internal Revenue Code of 1986, as amended (the "Code") pertaining to arbitrage bonds and stating the reasonable expectations of the Board with respect to the proceeds on the date of issue of the Bonds. The Board will cause to be filed with the Internal Revenue Service reports of the issuance of the Bonds as required by §149(e) of the Code.

We have reviewed the Act, the Resolutions and such other legal opinions and the originals or certified copies of such resolutions, documents, records and other proofs as we deemed pertinent.

As to questions of fact material to our opinion, without undertaking to verify the same by independent investigation, we have relied upon the certified proceedings of the Board and certifications by public officials. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination of the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

(a) The Bonds have been duly authorized for issuance by the Board for the valid public purposes stated in the Act.

(b) The Bonds have been lawfully issued and constitute valid and binding general obligations of the State of Maryland to the payment of which, as to both principal and interest, the full faith and credit and taxing power of the State are unconditionally pledged.

(c) By the terms of the Act, the Bonds, their transfer, the interest payable thereon and any income derived therefrom, including any profit realized in the sale or exchange thereof, will be exempt from taxation within the State of Maryland by the State or by any of its political subdivisions, municipal corporations, or public agencies; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer, or the income therefrom.

(d) Interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Board and the continuing compliance by the Board with its covenants relating to the requirements of the Code. Interest on the Bonds is not an item of tax preference for purposes of federal alternative minimum tax.

We express no opinion regarding other federal tax consequences relating to the ownership or disposition of, or the accrual of receipt of interest on, the Bonds.

In rendering our opinion, we advise you that:

1. The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

2. We express no opinion herein as to the accuracy, adequacy or completeness of any offering material relating to the Bonds.

3. Except as set forth above, we express no opinion regarding any other tax consequences relating to the ownership or disposition of the Bonds.

4. In rendering the opinions herein (excluding the opinion set forth in paragraph (d) for which the Attorney General expresses no opinion), we have relied, with permission, on the legal opinions of the Attorney General.

This opinion is addressed to, and is solely for the benefit of, the Board and may not be relied upon by any other person without our express written consent.

Very truly yours,

[to be signed by "Kutak Rock LLP"]

OFFICIAL NOTICE OF SALE

$540,000,000*
STATE OF MARYLAND
General Obligation Bonds

State and Local Facilities Loan of 2021,
Second Series A Tax-Exempt Bonds

NOTICE IS HEREBY GIVEN that two separate electronic bids will be received in the manner described below, by the State of Maryland (the "State") for the purchase of two separate groups of bonds that together comprise all of the $540,000,000* State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series A Tax-Exempt Bonds (the "Second Series A Bonds"), pursuant to resolutions of the Board of Public Works of Maryland (the "Board"). Each such group of the Second Series A Bonds will include different non-overlapping maturities as set forth below (respectively, "Second Series A Bidding Group 1 Bonds" and "Second Series A Bidding Group 2 Bonds" and collectively, the "Bidding Groups"). Bids for each Bidding Group will be received on:

Wednesday, August 11, 2021 (the "Sale Date")

Until 10:00 a.m. Local Annapolis, Maryland Time -- $258,950,000* Second Series A Bidding Group 1 Bonds

Until 10:30 a.m. Local Annapolis, Maryland Time -- $281,050,000* Second Series A Bidding Group 2 Bonds

(In each case, subject to postponement or cancellation in accordance with this Notice of Sale)
Electronic bids must be submitted through ***PARITY*** as described below.
No other form of bid or provider of electronic bidding services will be accepted.

The Second Series A Bonds are more particularly described in the Preliminary Official Statement dated August 3, 2021 relating to the Second Series A Bonds, (the "Preliminary Official Statement") available at the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA"), www.emma.msrb.org, Ipreo's database at www.i-dealprospectus.com, and the State's website, www.treasurer.state.md.us.

Consideration of the bids and the awards will be made by the Board on the Sale Date as set forth herein. The Board also reserves the right to make certain adjustments to the aggregate principal amount and the principal amounts of each maturity of the Second Series A Bonds being offered, to eliminate maturities, to change the terms of the Second Series A Bonds, to postpone the sale of the Second Series A Bonds to a later date, to offer the Second Series A Bonds in one or more series, or to cancel the sale of the Second Series A Bonds as further described herein. See "Adjustment of Amounts and Maturities" and "Change or Cancellation of Sale Date and/or Date of Delivery and/or Other Terms."

THE SALE AND DELIVERY OF EACH BIDDING GROUP IS CONTINGENT UPON THE SALE AND DELIVERY OF THE OTHER BIDDING GROUP.

Contact Information

STATE OF MARYLAND (ISSUER)
Christian Lund, *Director of Debt Management*
State Treasury Office
Louis L. Goldstein Treasury Building
80 Calvert St.
Annapolis, MD 21401
Phone: (410) 260-7920 / Fax: (410) 974-3530
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PUBLIC RESOURCES ADVISORY GROUP (FINANCIAL ADVISOR)
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KUTAK ROCK LLP (BOND COUNSEL)
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I-DEAL/PARITY® (ELECTRONIC BIDDING PLATFORM)
Client Services
Phone: (212) 849-5024
Email: parity@i-deal.com

* Preliminary, subject to change.

Bidding Parameters Table*

INTEREST	
Dated Date:	Date of Delivery
Anticipated Date of Delivery:	August 25, 2021
Interest Payment Dates:	August 1 and February 1
First Interest Payment Date:	February 1, 2022
Coupon Multiples:	1/8 or 1/20 of 1%
Maximum Coupon:	5%
Minimum Coupon:	8/1/2026 to 8/1/2034, inclusive: 5% 8/1/2035 and 8/1/2036: 4%
Maximum TIC:	N/A
Maximum Difference Between Coupons:	N/A
No Zero Coupon may be specified	

PRICING	
Max. Aggregate Bid Price for each Bidding Group:	Unlimited
Min. Aggregate Bid Price for each Bidding Group:	100%
Max. Reoffering Price (each maturity):	Unlimited
Min. Reoffering Price (each maturity):	N/A

PRINCIPAL	
Optional Redemption:	Second Series A Bonds maturing on or before August 1, 2031 are not subject to redemption. Bonds maturing on or after August 1, 2032 are subject to redemption at par at any time on or after August 1, 2031 as a whole or in part.
Post-bid Principal Increases Each Maturity:	N/A
Aggregate for Each Bidding Group:	10%
Post-bid Principal Reductions Each Maturity:	N/A
Aggregate for Each Bidding Group:	10%
Term Bonds:	Two or more consecutive annual principal maturities in each Bidding Group may be designated as a term bond that matures on the maturity date of the last annual principal payment of the sequence.

PROCEDURAL	
Sale Date:	August 11, 2021
Bidding Group 1 Sale Time:	10:00 a.m., Local Annapolis, Maryland Time
Bidding Group 2 Sale Time:	10:30 a.m., Local Annapolis, Maryland Time
Bid Submission:	Electronic bids through PARITY only
All or None for each Bidding Group?	Yes
Bid Award Method:	Lowest True Interest Cost (as defined herein)
Bid Confirmation:	Notification from State Treasurer
Awarding of Bid:	On the Sale Date by the Board
Good Faith Deposit Bidding Group 1:	$2,589,500
Good Faith Deposit Bidding Group 2:	$2,810,500

SPECIAL COMMENTS

The sale and delivery of each Bidding Group is contingent upon the sale and delivery of the other Bidding Group.

A Nonqualified Competitive Bid may require the winning bidder of the respective Bidding Group of the Second Series A Bonds to hold the initial offering prices for certain maturities of the respective Bidding Group of the Second Series A Bonds for up to five business days after the Sale Date, as further specified in the form of the Issue Price certification.

*If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the Bidding Parameters Table of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.
Preliminary; subject to change.

Bond Amortization Schedule

As set forth below, the Second Series A Bidding Group 1 Bonds maturing in years 2026 through 2031, inclusive, will be issued in serial or term bond form as designated by the successful bidder in its proposal, as described below. The principal of the Second Series A Bidding Group 1 Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$258,950,000* State and Local Facilities Loan of 2021, Second Series A Bidding Group 1 Bonds

Maturing August 1	Principal Amount*
2026	$37,945,000
2027	39,895,000
2028	41,940,000
2029	44,090,000
2030	46,350,000
2031	48,730,000

As set forth below, the Second Series A Bidding Group 2 Bonds maturing in years 2032 through 2036, inclusive, will be issued in serial or term bond form as designated by the successful bidder in its proposal, as described below. The principal of the Second Series A Bidding Group 2 Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$281,050,000* State and Local Facilities Loan of 2021, Second Series A Bidding Group 2 Bonds

Maturing August 1	Principal Amount*
2032	$51,225,000
2033	53,855,000
2034	56,325,000
2035	58,625,000
2036	61,020,000

The Second Series A Bonds

Security

The Second Series A Bonds are general obligations of the State, and its full faith and credit and taxing power are unconditionally pledged to the punctual payment of principal and interest on such Bonds when due and payable.

Use of Proceeds

The proceeds of the Second Series A Bonds will be applied for a variety of public purposes, including the acquisition and construction of State facilities; capital grants to local governments for public schools, community colleges, and jails and correctional facilities; and grants to local governments, nonprofit institutions, and other entities for hospitals, cultural projects and other projects.

* Preliminary, subject to change.

Description of the Bonds

General. The Second Series A Bonds will be dated as of the Date of Delivery ("Dated Date"), expected to be on or about August 25, 2021, and will be in fully registered form in denominations of $5,000 each or any integral multiple thereof.

Interest on the Second Series A Bonds will accrue from the Dated Date, and will be payable on February 1, 2022 and semiannually thereafter on each August 1 and February 1 until maturity or earlier redemption. The Second Series A Bonds will mature on August 1 of each year as specified in the Bond Amortization Schedule above.

Term Bond Option. For each Bidding Group of the Second Series A Bonds, bidders may designate in their proposal two or more consecutive annual principal maturities as a term bond that matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal maturity designated for inclusion in such term bond. There is no limitation on the number of term bonds in each Bidding Group of the Second Series A Bonds.

Form of Bonds. The Second Series A Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of the Second Series A Bonds in principal amount equal to the aggregate principal amount of such maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Second Series A Bonds, and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Second Series A Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the bonds purchased. The winning bidder, as a condition to delivery of the Second Series A Bonds, must consent that bond certificates will be deposited with DTC.

So long as the Second Series A Bonds are maintained under a book-entry only system, the Bond Registrar and Paying Agent for the Second Series A Bonds will be the Maryland State Treasurer (the "Treasurer") or any other Bond Registrar and Paying Agent designated by the Treasurer. All payments of the principal of and interest on the Second Series A Bonds shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Optional Redemption

The Second Series A Bonds maturing on or after August 1, 2032 are subject to redemption prior to maturity at par at any time on or after August 1, 2031 at the option of the State, as a whole or in part at any time on at least 20 days' notice and, if in part, in any order of maturity at the option of the State, at the redemption price of par, plus accrued interest, if any, to the redemption date.

Selection of Bonds for Redemption. If less than all of the redeemable Second Series A Bonds shall be called for redemption, the particular Second Series A Bonds to be redeemed shall be selected by the Paying Agent in such manner as, in its discretion, it shall determine, except that so long as DTC or its nominee is the sole registered owner of the Second Series A Bonds, the particular Second Series A Bond or portion to be redeemed shall be selected by DTC, in such manner as DTC shall determine.

Adjustment of Amounts and Maturities

Prior to Sale Date

Prior to the Sale Date, the Board may adjust the preliminary aggregate principal amount of the Second Series A Bonds and of each Bidding Group and the preliminary principal amount and maturity of each serial installment of the Second Series A Bonds and of each Bidding Group as set forth in this Official Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Principal Amounts", and collectively the "Preliminary Amounts"). In addition, if the Treasurer determines it to be in the best interests of the State, the Second Series A Bonds may be issued in one or more series in amounts and maturities determined by the Treasurer. **ANY SUCH REVISIONS MADE PRIOR TO THE OPENING OF THE BIDS WILL BE PUBLISHED ON THOMSON MUNICIPAL MARKET MONITOR ("TM3") (www.tm3.com) NOT LATER THAN 4:00 P.M., LOCAL ANNAPOLIS, MARYLAND TIME, ON THE BUSINESS DAY IMMEDIATELY PRIOR TO THE SALE DATE FOR THE BONDS.**

In the event that no such revisions are made prior to the opening of the bids, the Preliminary Amounts for each Bidding Group will constitute the Amounts. Bidders shall submit bids based on the Amounts, and the Amounts will be used to compare bids and select a winning bidder for each Bidding Group.

On Sale Date

After the opening of the bids for each Bidding Group, the Board may further adjust the Amounts of the Second Series A Bonds (the "Final Amounts"). In determining the Final Amounts, the Board reserves the right to reduce or increase the Aggregate Principal Amount of the Second Series A Bidding Group 1 Bonds up to ten percent (10%) and to reduce or increase the Aggregate Principal Amount of the Second Series A Bidding Group 2 Bonds up to ten percent (10%). THE SUCCESSFUL BIDDER FOR EACH BIDDING GROUP MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THE LIMITS STATED ABOVE.

The dollar amount bid by the successful bidder for each Bidding Group will be adjusted to reflect any adjustments in the aggregate principal amount of the bonds for each Bidding Group. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of the Second Series A Bidding Group 1 Bonds and the Second Series A Bidding Group 2 Bonds from the selling compensation that would have been received based on the purchase price of the winning bid for each Bidding Group and the Initial Reoffering Prices (as defined below). The interest rate specified by the successful bidder for each Bidding Group using the price at which it will re-offer the Second Series A Bonds of each maturity to the public (the "Initial Reoffering Prices") will not change. The Final Amounts and the adjusted purchase price for each Bidding Group of the Second Series A Bonds will be communicated to the successful bidder as soon as possible, but no later than 5:00 p.m. (local Annapolis, Maryland time) on the day of the sale.

Change or Cancellation of Sale Date and/or Date of Delivery and/or Other Terms

The Board may cancel or postpone the sale of the Second Series A Bonds prior to the Sale Date. Notice of a cancellation or postponement will be announced via the TM3 wire at *www.tm3.com*. Notice of any new date and time of sale will be announced at least 24 hours prior to the time bids are to be submitted and will specify changes in the principal amount or other features, if any.

The Board may change the scheduled delivery date, the dates of the semiannual interest payments and annual principal payments, the optional redemption date, the number of series offered or revise any other terms for the Second Series A Bonds by notice given in the same manner as that set forth above.

Preliminary Official Statement; Continuing Disclosure

The State has deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of certain information permitted to be omitted by said Rule. As soon as practicable after the Sale Date, the State will publish a complete final Official Statement (the "Official Statement") that will contain this information. The State agrees to deliver to each successful bidder for its receipt no later than seven business days after the Sale Date such quantities of the Official Statement as the successful bidder shall request, provided, that the State shall deliver up to 10 copies of such Official Statement without charge to each successful bidder.

The State has made certain covenants for the benefit of the holders from time to time of the Second Series A Bonds to provide certain continuing disclosure, in order to assist bidders for the Second Series A Bonds in complying with Rule 15c2-12(b)(5). Such covenants are described in the Preliminary Official Statement.

The State has complied in all material respects with its obligations under its existing Continuing Disclosure Agreements executed pursuant to Rule 15c2-12(b)(5) during the last five years.

Electronic Bidding

Bidders may only submit bids via PARITY

A prospective bidder may only bid electronically for each Bidding Group of the Second Series A Bonds via PARITY pursuant to this Official Notice of Sale. By submitting its bid for each Bidding Group of the Second Series A Bonds, a prospective bidder represents and warrants to the State that such bidder's bid for the purchase of such Bidding Group of the Second Series A Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of such Bidding Group of the Second Series A Bonds.

Additional information concerning bidding through the system may be directed to the PARITY Help Desk at (212) 849-5021.

Disclaimer. Each prospective electronic bidder shall be solely responsible to register to bid via PARITY. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purpose of submitting its bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the State nor PARITY shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the State nor PARITY shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The State is using PARITY as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Second Series A Bonds. The State is not bound by any advice and determination of PARITY to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Bid Submissions" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY are the sole responsibility of the bidders, and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Second Series A Bonds, such bidder should telephone PARITY New Issues Desk at (212) 849-5021 and notify the State's Treasurer's Office by facsimile at (410) 260-6057.

Electronic Bidding Procedures. Electronic bids must be submitted for the purchase of the Second Series A Bonds (all or none) via PARITY. Bids will be communicated electronically to the State at 10:00 a.m. local Annapolis, Maryland time, on Wednesday, August 11, 2021, for the Second Series A Bidding Group 1 Bonds and at 10:30 a.m. local Annapolis, Maryland time, on Wednesday, August 11, 2021, for the Second Series A Bidding Group 2 Bonds. Prior to the respective times for the bids, an eligible prospective bidder may (1) input the proposed terms of its bid via PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the respective Bidding Group of the Second Series A Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY to the State each bid will constitute an irrevocable offer to purchase the respective Bidding Group of the Second Series A Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the State, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Bid Submissions

Each bid must be in conformity with this Official Notice of Sale.

All bids must be delivered to the Board via PARITY, before **10:00 a.m.**, local Annapolis, Maryland time, on Wednesday, August 11, 2021, for the Second Series A Bidding Group 1 Bonds, and before **10:30 a.m.**, local Annapolis, Maryland time, on Wednesday, August 11, 2021, for the Second Series A Bidding Group 2 Bonds at which times they will be received by the Board. As described above, the Board reserves the right to postpone the date for receipt of bids.

By submitting a bid for a Bidding Group of the Second Series A Bonds, a bidder represents and warrants to the State that it has an established industry reputation for underwriting new issuances of municipal bonds.

All bids shall be for cash on delivery and shall be based on an offering to pay not less than 100% of the par value of the Second Series A Bidding Group 1 Bonds and no less than 100% of the par value of the Second Series A Bidding Group 2 Bonds. Each bidder shall indicate in its bid the rate of interest to be paid on each maturity. All Second Series A Bonds maturing on any one date shall bear the same rate of interest and all interest rates must be in multiples of 1/8 or 1/20 of one percent (1%). Second Series A Bonds maturing on August 1 in years 2026 through 2034, inclusive, shall have a coupon of five percent (5.00%) per annum. No Second Series A Bonds maturing on August 1 in years 2035 and 2036, shall have a coupon of less than four percent (4.00%) per annum or greater than five percent (5.00%) per annum.

Minority Business Enterprise Participation

THE STATE STRONGLY ENCOURAGES EACH BIDDER FOR EACH BIDDING GROUP OF THE SECOND SERIES A BONDS TO MAKE A GOOD FAITH EFFORT TO INCLUDE MINORITY BUSINESS ENTERPRISES IN THE SYNDICATE PURCHASING THE RESPECTIVE BIDDING GROUP OF THE SECOND SERIES A BONDS. THE SUCCESSFUL BIDDERS WILL BE REQUESTED TO PROVIDE A LIST OF SYNDICATE MEMBERS WHICH IDENTIFIES THE MINORITY BUSINESS ENTERPRISE MEMBERS AND INDICATES THEIR PERCENTAGES OF PARTICIPATION.

Right of Rejection

For each Bidding Group of the Second Series A Bonds, the Board expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Second Series A Bonds or otherwise provide for the public sale of the Second Series A Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of each Bidding Group of the Second Series A Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

Basis of Award

The sale and delivery of each Bidding Group is contingent upon the sale and delivery of the other Bidding Group.

Each Bidding Group of the Second Series A Bonds will be awarded by the Board on the Sale Date to the bidder for each respective Bidding Group whose bid complies with this Official Notice of Sale and results in the lowest true interest cost ("TIC") to the State.

The lowest TIC for each Bidding Group will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the Date of Delivery of the Second Series A Bonds and to the aggregate amount bid for the respective Bidding Group of the Second Series A Bonds. If two or more responsible bidders have made bids resulting in the same lowest TIC to the State for the respective Bidding Group of the Second Series A Bonds, the respective Bidding Group Bonds shall be awarded to one of such bidders based upon which bid was received first.

Preliminary Award; Reoffering Prices; Final Award

As promptly as reasonably practicable after the bids are received and reviewed, but not later than **12:30 p.m.** local Annapolis, Maryland time on the Sale Date (unless bids have been postponed or the sale has been cancelled), the Treasurer will notify the apparently successful bidder for each Bidding Group of the Preliminary Award of the respective Bidding Group of the Second Series A Bonds. The successful bidder of each Bidding Group of the Second Series A Bonds shall make a bona fide public offering of all of the respective Bidding Group and shall represent to the State that such offering is in compliance with all applicable securities laws of the jurisdictions in which such Bidding Group of the Second Series A Bonds are offered. Within 30 minutes after being notified of the Preliminary Award of each Bidding Group of the Second Series A Bonds, the successful bidder of each Bidding Group shall advise the State in writing (via facsimile or e-mail transmission) to Christian Lund, Monika Conley, and Daniel Forman at clund@treasurer.state.md.us, mconley@pragadvisors.com and dforman@pragadvisors.com, respectively, of such Initial Reoffering Prices of such Bidding Group of the Second Series A Bonds. The State will review the Initial Reoffering Prices for compliance with applicable securities laws prior to final confirmation of the award expected on the Sale Date.

The decision by the Board as to the award of each Bidding Group of the Second Series A Bonds will be final. Bids may not be withdrawn prior to the award.

The apparent successful bidder of each Bidding Group Bonds will also be required to wire to the State a Good Faith Deposit as further described herein. Timely notification of the Final Award of each Bidding Group Bonds is subject to the State's receipt of the Good Faith Deposit.

Issue Price Determination

The State expects and intends that the bid for each Bidding Group of the Second Series A Bonds will satisfy the competitive sale requirements under provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Second Series A Bonds), including, among other things, receipt of bids for each Bidding Group of the Second Series A Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The State will advise the successful bidder of each Bidding Group of the Second Series A Bonds as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "Nonqualified Competitive Bid"). **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder of the respective Bidding Group of the Second Series A Bonds and, if applicable, other underwriters of the respective Bidding Group of the Second Series A Bonds, to hold the initial offering prices for certain maturities of the respective Bidding Group of the Second Series A Bonds for up to five business days after the sale date, as further specified in the form of such certification.**

Reoffering Price Certification

The successful bidder of each Bidding Group must deliver to the Board at closing an "issue price" or similar certificate setting forth the reasonably expected initial reoffering price to the public of the respective Bidding Group of the Second Series A Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, if the bid constitutes a Qualified Competitive Bid or as Exhibit B, if the bid constitutes a Nonqualified Competitive Bid, with such modifications as may be appropriate or necessary, in the reasonable judgement of the respective successful bidder, the Board and Bond Counsel.

Good Faith Deposits

A Good Faith Deposit in the amount of $2,589,500 is required only of the winning bidder for the Second Series A Bidding Group 1 Bonds; and a Good Faith Deposit in the amount of $2,810,500 is required only of the winning bidder for the Second Series A Bidding Group 2 Bonds.

The winning bidder for each Bidding Group of the Second Series A Bonds is required to submit a Good Faith Deposit as indicated above, payable to the order of the State in the form of a wire transfer in federal funds as instructed by the State's Financial Advisor, Public Resources Advisory Group. The winning bidder for each Bidding Group of the Second Series A Bonds shall submit the Good Faith Deposit not later than 2:00 p.m. (local Annapolis, Maryland time) on the Sale Date. The winning bidder for each Bidding Group of the Second Series A Bonds should provide as quickly as it is available, evidence of wire transfer by providing the State the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the respective winning bidder may be rejected and the State may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Second Series A Bidding Group 1 Bonds or the sale of the Second Series A Bidding Group 2 Bonds to the same, respectively. If the winning bidder of the respective Bidding Group fails to comply with the Good Faith Deposit requirements as described herein, that bidder is nonetheless obligated to pay to the State the sum of $2,589,500 (for Bidding Group 1 Bonds) or $2,810,500 (for Bidding Group 2 Bonds) as liquidated damages due to the failure of the winning bidder to timely deposit the Good Faith Deposit for the respective Bidding Group of the Second Series A Bonds.

Submission of a bid to purchase each Bidding Group of the Second Series A Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement for each Bidding Group of the Second Series A Bonds.

The Good Faith Deposits so wired will be retained by the State until the delivery of the Second Series A Bonds, at which time the Good Faith Deposits will be applied against the purchase price of the Second Series A Bonds or the Good Faith Deposits will be retained by the State as partial liquidated damages in the event of the failure of the successful bidder of each Bidding Group to take up and pay for such Bidding Group of the Second Series A Bonds in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposits will be paid by the State. The balance of the purchase price for each Bidding Group of the Second Series A Bonds must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Second Series A Bonds.

Delivery and Payment

Delivery of the Second Series A Bonds will be made by the State to DTC in book-entry only form, in New York, New York on or about the anticipated Date of Delivery, or on or about such other date as may be agreed on by the Treasurer and the successful bidder.

At the time of delivery of the Second Series A Bonds, payment of the amount due for each Bidding Group of the Second Series A Bonds must be made by the successful bidder of such Bidding Group to the order of the State in immediately available federal funds or other funds immediately available to the State, or by such other means as may be acceptable to the Treasurer. Any expense incurred in providing immediately available funds, whether by transfer of federal funds or otherwise, shall be borne by the successful bidder for each Bidding Group of the Second Series A Bonds.

CUSIP Numbers; Expenses of the Bidder

It is anticipated that CUSIP numbers will be assigned to each of the Second Series A Bonds, but neither the failure to type or print such numbers on any of the Second Series A Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser(s) thereof to accept delivery of and pay for the Second Series A Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Second Series A Bonds. Public Resources Advisory Group as Financial Advisor will timely apply for CUSIP numbers with respect to the Second Series A Bonds as required by MSRB Rule G-34. Each purchaser shall be responsible for the cost of assignment of such CUSIP numbers.

All charges of DTC and all other expenses of the successful bidder(s) will be the responsibility of the successful bidder(s) for the Second Series A Bonds.

Tax Status, Legal Opinions, Closing Documents and No Litigation

It shall be a condition to the obligation of the successful bidder(s) to accept delivery of and pay for the Second Series A Bonds that, simultaneously with or before delivery and payment for the Second Series A Bonds, the bidder(s) without cost shall be furnished with (1) the approving opinions of the Attorney General of the State of Maryland ("Attorney General") and of Kutak Rock LLP, Washington, DC, Bond Counsel, dated as of the Date of Delivery of the Second Series A Bonds, substantially in the respective forms included as Appendix D to the Preliminary Official Statement; (2) a certificate of the Attorney General dated as of the Date of Delivery of the Second Series A Bonds to the effect that there is no litigation pending or, to the best of his knowledge, threatened, that in any manner will affect the validity of the Acts under which the Second Series A Bonds will be issued; (3) a copy of the Official Statement relating to the Second Series A Bonds dated as of the Sale Date of the Second Series A Bonds; (4) a certificate or certificates of the members of the Board to the effect that, to the best of their knowledge and belief (except for the reoffering information provided by the bidder and information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed): (a) the Official Statement as of the Sale Date did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (b) between the Sale Date and the Date of Delivery of the Second Series A Bonds, there has been no material adverse change in the financial condition or financial affairs of the State except as may have been disclosed in or contemplated by the Official Statement as of the Sale Date; and (5) the Continuing Disclosure Agreement substantially in the form included as Appendix F to the Preliminary Official Statement.

The opinions of the Attorney General and Bond Counsel will be delivered, upon request, to the purchaser(s) of the Second Series A Bonds, without charge. A bidder may make the legality and validity of the Second Series A Bonds one of the terms of the bid by making the bid "subject to legality," or using any equivalent form of expression, which shall be deemed to refer to the opinions of the Attorney General and Bond Counsel referred to above, but no bid should purport to leave this question to the decision of the bidder or its counsel. All bids conditioned upon the approval of the bidder or its counsel, whether named or unnamed, will be treated as conditional bids and will be rejected unless the condition is waived by the bidder to the satisfaction of the Board before the award has been made.

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Additional Information

This Official Notice of Sale is not a summary of the terms of the Second Series A Bonds. Reference is made to the Preliminary Official Statement for a further description of the Second Series A Bonds and the State. Prospective investors or bidders for the Second Series A Bonds must read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision. The Preliminary Official Statement is deemed final by the State as of its date for purposes of the Rule but is subject to revision, amendment and completion in a final Official Statement. Additional information concerning the matters discussed in this Official Notice of Sale and copies of the Preliminary Official Statement may be obtained online or by request from Christian Lund, the State's Director of Debt Management, at clund@treasurer.state.md.us or (410) 260-7920 or from Monika Conley or Daniel Forman, at, respectively, mconley@pragadvisors.com or (917) 749-2426 and dforman@pragadvisors.com or (781) 799–2718.

LAWRENCE J. HOGAN, JR.
Governor

PETER FRANCHOT
Comptroller

NANCY K. KOPP
Treasurer

Constituting the Board of Public Works of
the State of Maryland

Annapolis, Maryland
August 3, 2021

Exhibit A to Notice of Sale

FORM OF ISSUE PRICE CERTIFICATE
FOR QUALIFIED COMPETITIVE BID

$--------
STATE OF MARYLAND
General Obligation Bonds

State and Local Facilities Loan of 2021,
Second Series A Tax-Exempt Bonds
Bidding Group --

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER], as the winning bidder (the "Purchaser"), in connection with the sale by the State of Maryland (the "Issuer") of its $------- aggregate principal amount of the State and Local Facilities Loan of 2021, Second Series A Tax Exempt Bonds maturing August 1 --- to August 1, ---- constituting Bidding Group – (the "Bonds"), hereby certifies as set forth below with respect to the sale of the Bonds to be issued by the Issuer.

1. Reasonably Expected Initial Offering Price.

As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public (defined below) by the Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities (defined below) of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August --, 2021.

Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Exhibit A to Notice of Sale

[UNDERWRITER]

By:____

Name:______________________________________

Dated: August --, 2021

Exhibit A to Notice of Sale

SCHEDULE A

EXPECTED OFFERING PRICES

(*To be Attached*)

Exhibit A to Notice of Sale

SCHEDULE B

COPY OF PURCHASER'S BID

(*To be Attached*)

Exhibit B to Notice of Sale

FORM OF ISSUE PRICE CERTIFICATE
FOR NONQUALIFIED COMPETITIVE BID

$--------
STATE OF MARYLAND
General Obligation Bonds

State and Local Facilities Loan of 2021,
Second Series A Tax-Exempt Bonds
Bidding Group --

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER], as the winning bidder (the "Purchaser"), in connection with the sale by the State of Maryland (the “Issuer”) of its $------- aggregate principal amount of the State and Local Facilities Loan of 2021, Second Series A Tax Exempt Bonds maturing August 1 --- to August 1, ---- constituting Bidding Group – (the “Bonds”), hereby certifies as set forth below with respect to the sale of the Bonds to be issued by the Issuer.

1. Sale of the General Rule Maturities. As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by [NAME OF UNDERWRITER] to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) [NAME OF UNDERWRITER] offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the [NAME OF UNDERWRITER] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) General Rule Maturities means those Maturities of the Bonds shown in Schedule A hereto as the “General Rule Maturities.”

(b) Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [NAME OF UNDERWRITER] has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) Issuer means the State of Maryland.

(e) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August --, 2021.

(h) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:____

Name:____

Dated: August --, 2021

Exhibit B to Notice of Sale

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

(*To be Attached*)

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(*To be Attached*)

Exhibit B to Notice of Sale

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*To be Attached*)

OFFICIAL NOTICE OF SALE

$75,000,000*
STATE OF MARYLAND
General Obligation Bonds

State and Local Facilities Loan of 2021,
Second Series B Taxable Bonds

NOTICE IS HEREBY GIVEN that electronic bids will be received on the date and up to the time specified below:

SALE DATE: **Wednesday, August 11, 2021**

SALE TIME: **11:00 a.m. Local Annapolis, Maryland Time**

ELECTRONIC BIDS: Must be submitted through ***PARITY*** as described below.

No other form of bid or provider of electronic bidding services will be accepted.

Pursuant to resolutions of the Board of Public Works of Maryland (the "Board"), bids will be received for the purchase of all, but not less than all, of the State and Local Facilities Loan of 2021, Second Series B Taxable Bonds (the "Second Series B Bonds") to be issued by the State of Maryland (the "State"). The Second Series B Bonds are more particularly described in the Preliminary Official Statement dated August 3, 2021 relating to the Second Series B Bonds, (the "Preliminary Official Statement") available at the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA"), www.emma.msrb.org, Ipreo's database at www.i-dealprospectus.com, and the State's website, www.treasurer.state.md.us.

Consideration of the bids and the award will be made by the Board on the Sale Date as set forth herein. The Board also reserves the right to make certain adjustments to the aggregate principal amount and the principal amounts of each maturity of the Second Series B Bonds being offered, to eliminate maturities, to change the terms of the Second Series B Bonds, to postpone the sale of the Second Series B Bonds to a later date, to offer the Second Series B Bonds in one or more series, or to cancel the sale of the Second Series B Bonds as further described herein. See "Adjustment of Amounts and Maturities" and "Change or Cancellation of Sale Date and/or Date of Delivery and/or Other Terms."

Contact Information

STATE OF MARYLAND (ISSUER)
Christian Lund, *Director of Debt Management*
State Treasury Office
Louis L. Goldstein Treasury Building
80 Calvert St.
Annapolis, MD 21401
Phone: (410) 260-7920 / Fax: (410) 974-3530
Email: clund@treasurer.state.md.us

PUBLIC RESOURCES ADVISORY GROUP (FINANCIAL ADVISOR)
Monika Conley, *Senior Managing Director*
39 Broadway, Suite 1210
New York, NY 10006
Phone: (917) 749-2426
Email: mconley@pragadvisors.com

KUTAK ROCK LLP (BOND COUNSEL)
David S. Lu, *Partner*
1625 Eye Street, N.W., Suite 800
Washington, DC 20006-4061
Phone: (202) 828-2468
Email: david.lu@kutakrock.com

I-DEAL/PARITY® (ELECTRONIC BIDDING PLATFORM)
Client Services
Phone: (212) 849-5024
Email: parity@i-deal.com

* Preliminary, subject to change.

*Bidding Parameters Table**

INTEREST		PRICING	
Dated Date:	Date of Delivery	Max. Aggregate Bid Price:	Unlimited
Anticipated Date of Delivery:	August 25, 2021	Min. Aggregate Bid Price:	99.5%
Interest Payment Dates:	August 1 and February 1		
First Interest Payment Date:	February 1, 2022	Max. Reoffering Price (each maturity):	Unlimited
Coupon Multiples:	1/8 or 1/100 of 1%	Min. Reoffering Price (each maturity):	N/A
Maximum Coupon:	N/A		
Minimum Coupon:	N/A		
Maximum TIC:	N/A		
Maximum Difference Between Coupons:	N/A		
No Zero Coupon may be specified			
PRINCIPAL		**PROCEDURAL**	
Optional Redemption:	Second Series B Bonds are not subject to redemption prior to their maturity	Sale Date: Sale Time:	August 11, 2021 11:00 a.m., Local Annapolis, Maryland Time
Post-bid Principal Increases Each Maturity: Aggregate:	 N/A 15%	Bid Submission:	Electronic bids through PARITY only
Post-bid Principal Reductions Each Maturity: Aggregate:	 N/A 15%	All or None?	Yes
Term Bonds:	Two or more consecutive annual principal maturities may be designated as a term bond that matures on the maturity date of the last annual principal payment of the sequence.	Bid Award Method:	Lowest True Interest Cost (as defined herein)
		Bid Confirmation:	Notification from State Treasurer
		Awarding of Bid:	On the Sale Date by the Board
		Good Faith Deposit:	$750,000
SPECIAL COMMENTS			

*If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the Bidding Parameters Table of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items. Preliminary, subject to change.

Bond Amortization Schedule

The Second Series B Bonds will be issued in serial or term bond form as designated by the successful bidder in its proposal, as described below. The principal of the Second Series B Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$75,000,000* State and Local Facilities Loan of 2021, Second Series B Bonds

Maturing August 1	Principal Amount*	Maturing August 1	Principal Amount*
2024	$37,340,000	2025	$37,660,000

The Second Series B Bonds

Security

The Second Series B Bonds are general obligations of the State, and its full faith and credit and taxing power are unconditionally pledged to the punctual payment of principal and interest on such Bonds when due and payable.

Description of the Bonds

General. The Second Series B Bonds will be dated as of the Date of Delivery ("Dated Date"), expected to be on or about August 25, 2021, and will be in fully registered form in denominations of $5,000 each or any integral multiple thereof.

Interest on the Second Series B Bonds will accrue from the Dated Date, and will be payable February 1, 2022 and semiannually thereafter on each August 1 and February 1 until maturity. The Second Series B Bonds will mature on August 1 of each year as specified in the Bond Amortization Schedule above.

Term Bond Option. Bidders may designate in their proposal two consecutive annual principal maturities as a term bond that matures on the maturity date of the last annual principal payment of the sequence. A term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal maturity designated for inclusion in such term bond.

Form of Bonds. The Second Series B Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of the Second Series B Bonds in principal amount equal to the aggregate principal amount of such maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Second Series B Bonds, and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Second Series B Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the bonds purchased. The winning bidder, as a condition to delivery of the Second Series B Bonds, must consent that bond certificates will be deposited with DTC.

So long as the Second Series B Bonds are maintained under a book-entry only system, the Bond Registrar and Paying Agent for the Second Series B Bonds will be the Maryland State Treasurer (the "Treasurer") or any other Bond Registrar and Paying Agent designated by the Treasurer. All payments of the principal of and interest on the Second Series B Bonds shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

* Preliminary, subject to change.

Optional Redemption

The Second Series B Bonds are not subject to redemption prior to their maturities.

Adjustment of Amounts and Maturities

Prior to Sale Date

Prior to the Sale Date, the Board may adjust the preliminary aggregate principal amount of the Second Series B Bonds and the preliminary principal amount and maturity of each serial installment of the Second Series B Bonds as set forth in this Official Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Principal Amounts", and collectively the "Preliminary Amounts"). In addition, if the Treasurer determines it to be in the best interests of the State, the Second Series B Bonds may be issued in one or more series in amounts and maturities determined by the Treasurer. **ANY SUCH REVISIONS MADE PRIOR TO THE OPENING OF THE BIDS WILL BE PUBLISHED ON THOMSON MUNICIPAL MARKET MONITOR ("TM3") (www.tm3.com) NOT LATER THAN 4:00 P.M., LOCAL ANNAPOLIS, MARYLAND TIME, ON THE BUSINESS DAY IMMEDIATELY PRIOR TO THE SALE DATE FOR THE BONDS.**

In the event that no such revisions are made prior to the opening of the bids, the Preliminary Amounts will constitute the Amounts. Bidders shall submit bids based on the Amounts, and the Amounts will be used to compare bids and select a winning bidder.

On Sale Date

After the opening of the bids, the Board may further adjust the Amounts of the Second Series B Bonds (the "Final Amounts"). In determining the Final Amounts, the Board reserves the right to reduce or increase the Aggregate Principal Amount of the Second Series B Bonds up to fifteen percent (15%). THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THE LIMITS STATED ABOVE.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Second Series B Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of the Second Series B Bonds from the selling compensation that would have been received based on the purchase price of the winning bid and the Initial Reoffering Prices (as defined below). The interest rate specified by the successful bidder using the price at which it will re-offer the Second Series B Bonds of each maturity to the public (the "Initial Reoffering Prices") will not change. The Final Amounts and the adjusted purchase price for the Second Series B Bonds will be communicated to the successful bidder as soon as possible, but no later than 5:00 p.m. (local Annapolis, Maryland time) on the day of the sale.

Change or Cancellation of Sale Date and/or Date of Delivery and/or Other Terms

The Board may cancel or postpone the sale of the Second Series B Bonds prior to the Sale Date. Notice of a cancellation or postponement will be announced via the TM3 wire at *www.tm3.com.* Notice of any new date and time of sale will be announced at least 24 hours prior to the time bids are to be submitted and will specify changes in the principal amount or other features, if any.

The Board may change the scheduled delivery date, the dates of the semiannual interest payments and annual principal payments, the optional redemption date, the number of series offered or revise any other terms for the Second Series B Bonds by notice given in the same manner as that set forth above.

Preliminary Official Statement; Continuing Disclosure

The State has deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of certain information permitted to be omitted by said Rule. As soon as practicable after the Sale Date, the State will publish a complete final Official Statement (the "Official Statement") that will contain this information. The State agrees to deliver to the successful bidder for its receipt no later than seven business days after the Sale Date such quantities of the Official Statement as the successful bidder shall request, provided, that the State shall deliver up to 10 copies of such Official Statement without charge to the successful bidder.

The State has made certain covenants for the benefit of the holders from time to time of the Second Series B Bonds to provide certain continuing disclosure, in order to assist bidders for the Second Series B Bonds in complying with Rule 15c2-12(b)(5). Such covenants are described in the Preliminary Official Statement.

The State has complied in all material respects with its obligations under its existing Continuing Disclosure Agreements executed pursuant to Rule 15c2-12(b)(5) during the last five years.

Electronic Bidding

Bidders may only submit bids via PARITY

A prospective bidder may only bid electronically for the Second Series B Bonds via PARITY pursuant to this Official Notice of Sale. By submitting its bid for the Second Series B Bonds, a prospective bidder represents and warrants to the State that such bidder's bid for the purchase of the Second Series B Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Second Series B Bonds.

Additional information concerning bidding through the system may be directed to the PARITY Help Desk at (212) 849-5021.

Disclaimer. Each prospective electronic bidder shall be solely responsible to register to bid via PARITY. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purpose of submitting its bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the State nor PARITY shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the State nor PARITY shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The State is using PARITY as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Second Series B Bonds. The State is not bound by any advice and determination of PARITY to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Bid Submissions" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY are the sole responsibility of the bidders, and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Second Series B Bonds, such bidder should telephone PARITY New Issues Desk at (212) 849-5021 and notify the State's Treasurer's Office by facsimile at (410) 260-6057.

Electronic Bidding Procedures. Electronic bids must be submitted for the purchase of the Second Series B Bonds (all or none) via PARITY. Bids will be communicated electronically to the State at **11:00 a.m.** local Annapolis, Maryland time, on Wednesday, August 11, 2021. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid via PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Second Series B Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY to the State each bid will constitute an irrevocable offer to purchase the Second Series B Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the State, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Bid Submissions

Each bid must be in conformity with this Official Notice of Sale.

All bids must be delivered to the Board via PARITY, before **11:00 a.m.**, local Annapolis, Maryland time, on Wednesday, August 11, 2021, at which time they will be received by the Board. As described above, the Board reserves the right to postpone the date for receipt of bids.

All bids shall be for cash on delivery and shall be based on an offering to pay not less than 99.5% of the par value of the Second Series B Bonds. Each bidder shall indicate in its bid the rate of interest to be paid on each maturity. Each rate of interest shall be a multiple of 1/8 or 1/100 of one percent, but all Second Series B Bonds of any one maturity must bear interest at the same rate. Any rate named may be repeated.

Minority Business Enterprise Participation

THE STATE STRONGLY ENCOURAGES EACH BIDDER FOR THE SECOND SERIES B BONDS TO MAKE A GOOD FAITH EFFORT TO INCLUDE MINORITY BUSINESS ENTERPRISES IN THE SYNDICATE PURCHASING THE SECOND SERIES B BONDS. THE SUCCESSFUL BIDDER WILL BE REQUESTED TO PROVIDE A LIST OF SYNDICATE MEMBERS WHICH IDENTIFIES THE MINORITY BUSINESS ENTERPRISE MEMBERS AND INDICATES THEIR PERCENTAGES OF PARTICIPATION.

Right of Rejection

The Board expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Second Series B Bonds or otherwise provide for the public sale of the Second Series B Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the Second Series B Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

Basis of Award

The Second Series B Bonds will be awarded by the Board on the Sale Date to the bidder whose bid complies with this Official Notice of Sale and results in the lowest true interest cost ("TIC") to the State.

The lowest TIC will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the Date of Delivery of the Second Series B Bonds and to the aggregate amount bid for the Second Series B Bonds. If two or more responsible bidders have made bids resulting in the same lowest TIC to the State, the Second Series B Bonds shall be awarded to one of such bidders based upon which bid was received first.

Preliminary Award; Reoffering Prices; Final Award

As promptly as reasonably practicable after the bids are received and reviewed, but not later than **1:00 p.m.** local Annapolis, Maryland time on the Sale Date (unless bids have been postponed or the sale has been cancelled), the Treasurer will notify the apparently successful bidder of the Preliminary Award of the Second Series B Bonds. The successful bidder shall make a bona fide public offering of all of the Second Series B Bonds and shall represent to the State that such offering is in compliance with all applicable securities laws of the jurisdictions in which such Second Series B Bonds are offered. **Within 30 minutes after being notified of the Preliminary Award of the Second Series B Bonds, the successful bidder shall advise the State in writing (via facsimile or e-mail transmission) to Christian Lund, Monika Conley, and Daniel Forman at clund@treasurer.state.md.us, mconley@pragadvisors.com and dforman@pragadvisors.com, respectively, of such Initial Reoffering Prices of the Second Series B Bonds. The State will review the Initial Reoffering Prices for compliance with applicable securities laws prior to final confirmation of the award expected on the Sale Date.**

The decision by the Board as to the award of the Second Series B Bonds will be final. Bids may not be withdrawn prior to the award.

The apparent successful bidder will also be required to wire to the State a Good Faith Deposit as further described herein. Timely notification of the Final Award is subject to the State's receipt of the Good Faith Deposit.

Good Faith Deposit

A Good Faith Deposit in the amount of $750,000 is required only of the winning bidder for the Second Series B Bonds. The winning bidder for the Second Series B Bonds is required to submit such Good Faith Deposit payable to the order of the State in the form of a wire transfer in federal funds as instructed by the State's Financial Advisor, Public Resources

Advisory Group. The winning bidder shall submit the Good Faith Deposit not later than 2:00 p.m. (local Annapolis, Maryland time) on the Sale Date. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the State the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the State may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Second Series B Bonds to the same. If the winning bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the State the sum of $750,000 as liquidated damages due to the failure of the winning bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Second Series B Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the State until the delivery of the Second Series B Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Second Series B Bonds or the Good Faith Deposit will be retained by the State as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Second Series B Bonds in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the State. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Second Series B Bonds.

Delivery and Payment

Delivery of the Second Series B Bonds will be made by the State to DTC in book-entry only form, in New York, New York on or about the anticipated Date of Delivery, or on or about such other date as may be agreed on by the Treasurer and the successful bidder.

At the time of delivery of the Second Series B Bonds, payment of the amount due for the Second Series B Bonds must be made by the successful bidder to the order of the State in immediately available federal funds or other funds immediately available to the State, or by such other means as may be acceptable to the Treasurer. Any expense incurred in providing immediately available funds, whether by transfer of federal funds or otherwise, shall be borne by the successful bidder.

CUSIP Numbers; Expenses of the Bidder

It is anticipated that CUSIP numbers will be assigned to each of the Second Series B Bonds, but neither the failure to type or print such numbers on any of the Second Series B Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Second Series B Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Second Series B Bonds. Public Resources Advisory Group as the State's Financial Advisor will timely apply for CUSIP numbers with respect to the Second Series B Bonds as required by MSRB Rule G-34. The purchaser shall be responsible for the cost of assignment of such CUSIP numbers.

All charges of DTC and all other expenses of the successful bidder will be the responsibility of the successful bidder for the Second Series B Bonds.

Tax Status, Legal Opinions, Closing Documents and No Litigation

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Second Series B Bonds that, simultaneously with or before delivery and payment for the Second Series B Bonds, the bidder without cost shall be furnished with (1) the approving opinions of the Attorney General of the State of Maryland ("Attorney General") and of Kutak Rock LLP, Washington, DC, Bond Counsel, dated as of the Date of Delivery of the Second Series B Bonds, substantially in the respective forms included as Appendix D to the Preliminary Official Statement; (2) a certificate of the Attorney General dated as of the Dated Date of the Second Series B Bonds to the effect that there is no litigation pending or, to the best of his knowledge, threatened, that in any manner will affect the validity of the Acts under which the Second Series B Bonds will be issued; (3) a copy of the Official Statement relating to the Second Series B Bonds dated as of the Sale Date of the Second Series B Bonds; (4) a certificate or certificates of the members of the Board to the effect that, to the best of their knowledge and belief (except for the reoffering information provided by the bidder and information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed):

(a) the Official Statement as of the Sale Date did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (b) between the Sale Date and the Date of Delivery of the Second Series B Bonds, there has been no material adverse change in the financial condition or financial affairs of the State except as may have been disclosed in or contemplated by the Official Statement as of the Sale Date; and (5) the Continuing Disclosure Agreement substantially in the form included as Appendix F to the Preliminary Official Statement.

The opinions of the Attorney General and Bond Counsel will be delivered, upon request, to the purchaser of the Second Series B Bonds, without charge. A bidder may make the legality and validity of the Second Series B Bonds one of the terms of the bid by making the bid "subject to legality," or using any equivalent form of expression, which shall be deemed to refer to the opinions of the Attorney General and Bond Counsel referred to above, but no bid should purport to leave this question to the decision of the bidder or its counsel. All bids conditioned upon the approval of the bidder or its counsel, whether named or unnamed, will be treated as conditional bids and will be rejected unless the condition is waived by the bidder to the satisfaction of the Board before the award has been made.

Additional Information

This Official Notice of Sale is not a summary of the terms of the Second Series B Bonds. Reference is made to the Preliminary Official Statement for a further description of the Second Series B Bonds and the State. Prospective investors or bidders for the Second Series B Bonds must read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision. The Preliminary Official Statement is deemed final by the State as of its date for purposes of the Rule but is subject to revision, amendment and completion in a final Official Statement. Additional information concerning the matters discussed in this Official Notice of Sale and copies of the Preliminary Official Statement may be obtained online or by request from Christian Lund, the State's Director of Debt Management, at clund@treasurer.state.md.us or (410) 260-7920 or from Monika Conley or Daniel Forman, at, respectively, mconley@pragadvisors.com or (917) 749-2426 and dforman@pragadvisors.com or (781) 799-2718.

LAWRENCE J. HOGAN, JR.
Governor

PETER FRANCHOT
Comptroller

NANCY K. KOPP
Treasurer

Constituting the Board of Public Works of
the State of Maryland

Annapolis, Maryland
August 3, 2021

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") dated as of August 25, 2021 is executed and delivered by the State of Maryland (the "State") in connection with the issuance of its $852,125,000 General Obligation Bonds, State and Local Facilities Loan of 2021, Second Series, consisting of Second Series A Tax-Exempt Bonds (the "Second Series A Bonds"), Second Series B Taxable Bonds (the "Second Series B Bonds", Second Series C Tax-Exempt Refunding Bonds (the "Second Series C Bonds") and Second Series D Tax-Exempt Refunding Bonds (the "Second Series D Bonds"). The Second Series A Bonds, Second Series B Bonds, Second Series C Bonds and Second Series D Bonds are sometimes collectively referred to herein as the "Bonds." The Bonds are being issued pursuant to resolutions passed by the Board of Public Works (the "Board") on July 28, 2021 and August 11, 2021. The State, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the State for the benefit of the owners and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The State's obligations hereunder shall be limited to those required by written undertaking pursuant to Rule 15c2-12.

Section 2. Definitions.

In addition to the definitions set forth above, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"**Continuing Disclosure Service**" shall mean the continuing disclosure service established by the Municipal Securities Rulemaking Board known as the Electronic Municipal Market Access ("EMMA") system.

"**Listed Events**" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"**Participating Underwriter**" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"**Rule15c2-12**" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, any successor provisions of similar import promulgated by the Securities and Exchange Commission in the future, and any applicable no-action and other authoritative interpretations of Rule 15c2-12 released by the Securities and Exchange Commission.

Section 3. Provision of Annual Financial Information, Operating Data and Audited Information.

(a) The State shall provide to the Continuing Disclosure Service, annual financial information and operating data as set forth in Schedule A to this Disclosure Agreement, such information and data to be updated as of the end of the preceding fiscal year and made available within 275 days after the end of the fiscal year, commencing with the fiscal year ending June 30, 2021.

(b) The State shall provide to the Continuing Disclosure Service, annual audited financial statements for the State, such information to be made available within 275 days after the end of the State's fiscal year, commencing with the fiscal year ending June 30, 2021, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the State's fiscal year (commencing with the fiscal year ending June 30, 2021), the State will provide unaudited financial statements within said time period.

(c) Except as otherwise set forth in this paragraph (c), the presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds.

(1) The State may make changes to the presentation of the financial information required in paragraph (a) and paragraph (b) necessitated by changes in Generally Accepted Accounting Principles;

(2) The State may otherwise modify the presentation of the financial information required herein, provided that this Disclosure Agreement is amended in accordance with Section 6 hereof.

(d) If the State is unable to provide the annual financial information and operating data within the applicable time periods specified in (a) and (b) above, the State shall send in a timely manner a notice of such failure to the Continuing Disclosure Service.

Section 4. Reporting of Significant Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of security holders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material;

(xv) incurrence of a financial obligation (as defined below) of the State, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the State, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the State, any of which reflect financial difficulties.

The term "financial obligation" for purposes of the foregoing paragraph means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(b) The State shall promptly, not in excess of 10 business days after the occurrence of a Listed Event, file a notice of such occurrence with the Continuing Disclosure Service.

Section 5. Termination of Reporting Obligation.

The State's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Bonds either at their maturity or by early redemption. In addition, the State may terminate its obligations under this Disclosure Agreement if and when the State no longer remains an obligated person with respect to the Bonds within the meaning of Rule 15c2-12.

Section 6. Amendment.

The State may provide further or additional assurances that will become part of the State's obligations under this Disclosure Agreement. In addition, this Disclosure Agreement may be amended by the State in its discretion provided that: (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the State as the obligated person with respect to the Bonds, or type of business conducted; (ii) the Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of holders of the Bonds, as determined by counsel selected by the State that is expert in federal securities law matters. The reasons for the State agreeing to provide any further or additional assurances or for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing the additional or amended operating data or financial information.

Section 7. Additional Information.

Nothing in this Disclosure Agreement shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the State chooses to include any information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the State shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event.

Section 8. Law of Maryland.

This Disclosure Agreement, and any claim made with respect to the performance by the State of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland or the federal law.

Section 9. Limitation of Forum.

Any suit or other proceeding seeking redress with regard to any claimed failure by the State to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Anne Arundel County, Maryland.

Section 10. Limitation on Remedies.

The State shall be given written notice at the address set forth below of any claimed failure by the State to perform its obligations under the Disclosure Agreement, and the State shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the State shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the State shall be given to the State Treasurer, Louis L. Goldstein Treasury Building, 80 Calvert Street, Annapolis, Maryland 21401, or at such alternate address as shall be specified by the State with disclosures made pursuant to Section 4(a) or 4(b) hereof or a notice of occurrence of a Listed Event.

Section 11. Relationship to Bonds.

The Disclosure Agreement constitutes an undertaking by the State that is independent of the State's obligations with respect to the Bonds; any breach or default by the State under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Bonds.

Section 12. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF this Continuing Disclosure Agreement is being executed by the Board of Public Works on behalf of the State of Maryland as of this ___ day of August, 2021.

STATE OF MARYLAND

By: ___________________________________
Lawrence J. Hogan, Jr., Governor

By: ___________________________________
Peter Franchot, Comptroller

By: ___________________________________
Nancy K. Kopp, Treasurer

as Members of the Board of Public
Works of the State of Maryland

SCHEDULE A

(1) Summary of Outstanding Tax-Supported Debt.

(2) Summary of State Revenues and Expenditures.

(3) Summary of General Fund Balances.

(4) Summary of State Reserve Fund.

(5) Budget for Current Fiscal Year.

(6) Description of material litigation based on the accountant's report contained in the Comprehensive Annual Financial Report.

APPENDIX G

Book-Entry Only System

Book-Entry Only System — General. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Bonds in principal amount equal to the aggregate principal amount of the Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of §17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, DTC's nominee, the Paying Agent or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and any premium to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or its Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Book-Entry Only System — Miscellaneous. The information in the Section "Book-Entry Only System — General" has been obtained from DTC. The State takes no responsibility for the accuracy or completeness thereof. The State will have no responsibility or obligations to DTC Participants or the persons for whom they act as nominees with respect to the payments to or the providing of notice to the DTC Participants, or the Indirect Participants, or Beneficial Owners. The State cannot and does not give any assurance that DTC Participants or others will distribute principal and interest payments paid to DTC or its nominees, as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Discontinuation of Book-Entry Only System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered. The State may also decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

In the event that the Book-Entry Only System is discontinued, the Bonds in fully certificated form will be issued as fully registered bonds without coupons in the denomination of $5,000 each or any integral multiple thereof. Such Bonds will be transferable only upon the registration books kept at the principal office of the Bond Registrar, by the registered owner thereof in person, or by an attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar, and duly executed by the registered owner or a duly authorized attorney. Within a reasonable time of such surrender, the State shall cause to be issued in the name of the transferee a new registered bond or bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond surrendered and maturing on the same date and bearing interest at the same rate. The new bond or bonds shall be delivered to the transferee only after due authentication by an authorized officer of the Bond Registrar. The State may deem and treat the person in whose name a bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes.

In the event that the Book-Entry Only System is discontinued, the Bonds may be transferred or exchanged at the principal office of the Bond Registrar. Upon any such transfer or exchange, the State shall execute and the Bond Registrar shall authenticate and deliver a new registered bond or bonds without coupons of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the bond exchanged or transferred, and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by any holder of Bonds requesting exchange or transfer of Bonds of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the holder of Bonds for such exchange or transfer.

The Bond Registrar shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption as previously described; provided, however, that the foregoing limitation shall not apply to that portion of a Bond in excess of $5,000 which is not being called for redemption.

APPENDIX H

DELAYED DELIVERY CONTRACT

BofA Securities, Inc.,
as Representative of the Underwriters named herein

August __, 2021

Re: [ISSUER] [BOND DESCRIPTION] (the "Bonds")

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase when, as, and if issued and delivered by the [ISSUER] (the "Issuer") to BofA Securities, Inc. (the "Representative"), as representative of itself and ___________ (together with the Representative, the "Underwriters"), certain of the above-referenced Bonds (together with any additional Bonds purchased prior to the Settlement Date, the "Purchased Bonds") offered by the Issuer under the Preliminary Official Statement dated _______ (the "Preliminary Official Statement") which will be accessible on the MSRB's Electronic Municipal Market Access system ("EMMA") at www.emma.msrb.org. Within seven business days after the pricing of the Bonds, the Preliminary Official Statement will be deemed final and replaced by a final official statement, which will be dated on or about ________ (the "Official Statement" and, together with the Preliminary Official Statement, the "Offering Document"). The Purchased Bonds will be issued at a purchase price or prices (plus accrued interest, if any, from the date of the initial delivery of the Bonds), at the interest rates, principal amounts, and maturity dates referenced in one or more written confirmations of a purchase order or orders (each, a "Confirm") from an Underwriter to the Purchaser, and on the further terms and conditions set forth in this Delayed Delivery Contract. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Offering Document or in the Forward Delivery Bond Purchase Agreement (defined below).

The Purchaser hereby confirms that it has reviewed the Offering Document (including without limitation the information under the heading "[FORWARD DELIVERY BOND CONSIDERATIONS FOR SECOND SERIES C BONDS AND SECOND SERIES D BONDS]" therein) and has considered the risks associated with purchasing the Bonds. The Purchaser further acknowledges and agrees that the Bonds are being sold on a "forward" basis, and the Purchaser hereby purchases and agrees to accept delivery of such Purchased Bonds from the Representative on or about ______ (the "Settlement Date") as they may be issued pursuant to the Forward Delivery Bond Purchase Agreement among the Issuer and the Underwriter (the "Forward Delivery Bond Purchase Agreement") expected to be dated ________. Under the Forward Delivery Bond Purchase Agreement, the Issuer must deliver a copy of the Official Statement within seven business days of the date of the Forward Delivery Bond Purchase Agreement.

During the Forward Delivery Period, certain information in the Official Statement could change in a material respect. The Purchaser acknowledges and agrees that the Issuer has agreed in the Forward Delivery Bond Purchase Agreement to deliver one updated Official Statement (the "Updated Official Statement"), which shall be delivered prior to Settlement Date in the timeframe set forth in the Offering Document and that, other than the Updated Official Statement, the Issuer and the Underwriters have not agreed, nor are they obligated, to provide updates to the information contained in the Offering Document during the Forward Delivery Period. For purposes of this Delayed Delivery Contract, the Purchaser should assume that there will not be any disclosure until the Updated Official Statement is published on EMMA near the Settlement Date.

Upon the Settlement Date, the Purchaser acknowledges and agrees that its obligation to take up and pay for the Purchased Bonds hereunder shall be unconditional unless the Underwriters terminate the Forward Delivery Bond Purchase Agreement pursuant to the terms and conditions referenced in the Offering Document, which termination shall be in their sole and absolute discretion, or the Purchaser terminates its obligation to purchase the Purchased Bonds between the Initial Close and the Settlement as described herein. The Purchaser shall have the same rights, at the same times, as the Underwriters to terminate its obligation to purchase the Purchased Bonds, as detailed in the Offering Document. To effect a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of its obligation to purchase the Bonds to the Representative before the Settlement Date. The

Purchaser understands and agrees that no termination of the obligation the Purchaser may occur on or after the Settlement Date. The Purchaser is not a third party beneficiary under the Forward Delivery Bond Purchase Agreement and has no rights to enforce, or cause the Underwriters to enforce, any of the terms thereof.

The Purchaser acknowledges generally that the market value of the Purchased Bonds as of the Settlement Date may be affected by a variety of factors during the Forward Delivery Period, including, without limitation, changes in general market conditions or the financial condition of the issuer or modifications to laws that may diminish the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes, interest payable on “state or local bonds,” that will not prevent an issuer from satisfying all material conditions precedent for the delivery of the Bonds. Furthermore, no assurances can be given that the ratings assigned to the Bonds on the Settlement Date will not be different from those initially assigned to the Bonds.

The Purchaser further acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds, in accordance with the terms hereof, unless (i) the Purchased Bonds are sold to another institution and (ii) such institution provides a written acknowledgement of confirmation of a purchase order and a forward delayed delivery contract in the same respective forms as executed by the Purchaser.

The Underwriters are not obligated to establish a secondary market in the Bonds and no assurances can be given that a secondary market will exist for the Purchased Bonds during the period prior to the Settlement Date. Prospective purchasers of the Bonds should assume that the Purchased Bonds will not be a liquid investment throughout the period prior to the Settlement Date.

The Purchaser confirms that it is duly authorized to purchase the Purchased Bonds and is not prohibited from purchasing the Purchased Bonds agreed to be purchased by it under the laws of the jurisdiction to which it is subject.

Payment for the Purchased Bonds on the Settlement Date shall be made to the Representative or upon its order upon the delivery to the Purchaser of the Purchased Bonds through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriters be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the issuer does not for any reason issue and deliver the Bonds.

This Delayed Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party hereto without the prior written consent of the other.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall constitute one and the same instrument and will, upon full execution, become a binding contract between the Representative and the Purchaser; provided, however, that the acceptance by the Representative of this Delayed Delivery Contract from the Purchaser is in its sole discretion.

This Delayed Delivery Contract does not constitute a Confirm.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of New York.

____
Purchaser

____
Address

____
Telephone

By:______________________________________
Name:____________________________________
Title: ____________________________________

Accepted: BofA Securities, Inc. as Representative of the Underwriters

By:______________________________________
Name:____________________________________
Title: ____________________________________