NEW ISSUE—BOOK-ENTRY ONLY

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

$1,200,000,000
STATE OF MARYLAND
General Obligation Bonds
State and Local Facilities Loan of 2024, First Series

$1,000,000,000[1]	$200,000,000[2]
First Series A	**First Series B**
Tax-Exempt Bonds	**Taxable Bonds**
(Competitive)	**(Competitive)**

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

The First Series A Bonds and First Series B Bonds collectively are 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 Bonds will accrue from the date of their issuance and delivery and will be payable on December 1, 2024, and semiannually thereafter on June 1 and December 1 of each year until maturity or redemptions prior to maturity. 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.

FOR MATURITY SCHEDULES SEE INSIDE COVER

The First Series A Bonds maturing on or after June 1, 2035 are subject to optional redemption commencing on June 1, 2034 at a redemption price equal to 100% of the principal amount thereof. The First Series B Bonds are not subject to redemption prior to their maturities. See "THE BONDS – Redemption Provisions" herein.

In the opinion of the Honorable Anthony G. Brown, 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 First Series A 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 imposed on individuals, assuming continuing compliance with the requirements of the federal tax laws. In the opinion of Bond Counsel, interest on the First 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.

The interest rates and yields shown on the inside cover are based on the successful bids for the competitive sale of the Bonds on Wednesday, June 5, 2024, by groups of banks and investment banking firms. The prices or yields shown on the maturity schedule were furnished by the successful bidders. Any other information concerning the terms of the reoffering of any of the Bonds should be obtained from the successful bidders and not from the State of Maryland.

The 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 Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about June 18, 2024.

June 5, 2024

[1]The First 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 First Series A Bonds attached hereto as APPENDIX C "OFFICIAL NOTICE OF SALE."
[2]The First 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 First Series B Bonds attached hereto as APPENDIX D "OFFICAL NOTICE OF SALE

MATURITY SCHEDULES

$1,000,000,000 First Series A Tax-Exempt Bonds (Competitive)

$351,630,000 First Series A Bidding Group 1 Bonds
Awarded to BofA Securities, Inc.

Maturing June 1	Principal	Interest Rate	Yield	CUSIP
2029	$13,620,000	5.00%	3.00%	574193WH7
2030	78,420,000	5.00	2.98	574193WJ3
2031	82,345,000	5.00	2.97	574193WK0
2032	86,460,000	5.00	2.96	574193WL8
2033	90,785,000	5.00	2.95	574193WM6

$300,505,000 First Series A Bidding Group 2 Bonds
Awarded to Morgan Stanley & Co. LLC.

Maturing June 1	Principal	Interest Rate	Yield	CUSIP
2034	$95,320,000	5.00%	2.97%	574193WN4
2035	100,090,000	5.00	2.97*	574193WP9
2036	105,095,000	5.00	3.00*	574193WQ7

$347,865,000 First Series A Bidding Group 3 Bonds
Awarded to J.P. Morgan Securities LLC.

Maturing June 1	Principal	Interest Rate	Yield	CUSIP
2037	$110,345,000	5.00%	3.09%*	574193WR5
2038	115,865,000	5.00	3.14*	574193WS3
2039	121,655,000	5.00	3.20*	574193WT1

$200,000,000 First Series B Taxable Bonds (Competitive)
Awarded to Wells Fargo Bank, National Association.

Maturing June 1	Principal	Interest Rate	Price	CUSIP
2027	$67,755,000	4.61%	100%	574193WU8
2028	71,170,000	4.49	100	574193WV6
2029	61,075,000	4.44	100	574193WW4

* Priced to the first call date of June 1, 2034.

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.

STATE OF MARYLAND SELECTED STATE OFFICIALS

EXECUTIVE

Wes Moore
Governor

Aruna Miller
Lieutenant Governor

Brooke E. Lierman
Comptroller

Anthony G. Brown
Attorney General

Dereck E. Davis
Treasurer

JUDICIAL

Matthew J. Fader
Chief Judge
Supreme Court 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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INTRODUCTION

ISSUER	The State of Maryland
SECURITIES	General Obligation Bonds, State and Local Facilities Loan of 2024, First Series A $1,000,000,000 Tax-Exempt Bonds (Competitive) First Series B $200,000,000 Taxable Bonds (Competitive)
AGGREGATE PRINCIPAL AMOUNT OF ISSUE	$1,200,000,000
INTEREST PAYMENT DATES	December 1, 2024, and semiannually thereafter on June 1 and December 1, calculated based on a 360-day year comprised of twelve 30-day months.
STATE ECONOMIC FACTORS	The State of Maryland has a population of approximately 6.2 million, with employment based largely in services, trade, and government. Those sectors, along with finance, are the largest contributors to the gross state product, according to the U.S. Bureau of Economic Analysis. Population is concentrated around the Baltimore and Washington, D.C. Metropolitan Statistical Areas, and proximity to Washington, D.C. results in an 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 2023 for Maryland and the nation were 2.1% and 3.6%, respectively. More recently, the unemployment rate in March 2024 was 2.5% in Maryland and 3.8% nationwide. The State's per capita personal income was the tenth highest in the country in 2023, according to the Bureau of Economic Analysis, at 107.8% of the national average. See APPENDIX A - "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, 2023 closed below revised estimates by $39 million, or 0.2%. The State ended fiscal year 2023 with a $2.6 billion General Fund balance on a budgetary basis. This balance reflects a $2.4 billion increase compared to the balance projected at the time the 2023 Budget was enacted. In addition, there was a balance in the State's Revenue Stabilization Account of almost $3.0 billion. For fiscal year 2024, including proposed deficiencies and reversions, the total budget is $64.2 billion, a $1.1 million increase over fiscal year 2023 actual expenditures. Following enactment of the fiscal year 2025 budget, the State expects to end fiscal year 2024 with a General Fund balance of $696 million. The General Fund accounts for approximately $27.4 billion of expenditures for fiscal year 2024, of which the largest expenditures are for education and health, which together represent 67.5% of total General Fund expenditures. For fiscal year 2025 the proposed budget is $63.1 billion, a $1.1 billion decrease from fiscal year 2024. The State expects to end the fiscal year 2025 with a General Fund balance of $110 million. The General Fund accounts for approximately $25.9 billion of expenditures for fiscal year 2025, of which the largest are for education and health, which together represent 72.3% of total General Fund expenditures. The percentage of General Fund expenditures are sourced from the budget as introduced, while the raw numbers are from the enacted budget. General Fund expenditures generally exclude transportation,

which is funded with special fund revenues from the Transportation Trust Fund. See APPENDIX A - "STATE FINANCES – State Expenditures and Services."

Using generally accepted accounting procedures ("GAAP"), the non-spendable General Fund balance was $661.6 million, while the total restricted, committed, and unassigned fund balance was $10.6 billion at the end of fiscal year 2023. By comparison, the non-spendable General Fund balance was $1.2 billion and the total restricted, committed, and unassigned fund balances was $9.6 billion at the end of fiscal year 2022. The total GAAP fund balance for fiscal year 2023 was $11.2 billion compared with a total GAAP fund balance of $10.8 billion for fiscal year 2022. See APPENDIX A - "STATE FINANCES."

The State Reserve Fund consists of the Revenue Stabilization Account and other reserve funds, which totaled $3.5 billion at the end of fiscal year 2023. 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 $2.5 billion for the close of fiscal year 2024 and $2.3 billion for the close of fiscal year 2025, almost all of which is projected to be in the Revenue Stabilization Account. The Governor is authorized to transfer up to $474 million from the balance in the Revenue Stabilization Account to address entitlement underfunding ($199 million) and respond to the impact of the slowdown of activity at the Port of Baltimore ($275 million) as a result of the Francis Scott Key Bridge. See APPENDIX A - "IMPACT OF FRANCIS SCOTT KEY BRIDGE COLLAPSE." The Revenue Stabilization Account closing balance as a percentage of General Fund revenues is estimated to equal 10.1% for fiscal year 2024 and 9.4% for fiscal year 2025.

STATE DEBT

Maryland had $12.4 billion of net State tax-supported debt outstanding as of March 31, 2024. General obligation bonds accounted for $9.1 billion of that amount. In fiscal year 2024, debt service on general obligation bonds is paid primarily from State property tax receipts. The Department of Transportation bonds outstanding account for another $3.1 billion of State tax-supported debt as of March 31, 2024; 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 $132.9 million of State tax-supported debt outstanding as of March 31, 2024. Rental payments under the leases are subject to annual appropriation by the General Assembly. The Maryland Water Infrastructure Financing Administration of the Maryland Department of Environment had Bay Restoration Revenue Bonds outstanding in the amount of $140.4 million as of March 31, 2024. Revenues from users of sewerage and septic systems are pledged, to the extent necessary to the payment of 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 $155.3 million as of March 31, 2024.

The State had $3.2 billion in authorized but unissued debt as of March 31, 2024. The current offering is the first and only general obligation bond sale of fiscal year 2024. See APPENDIX A - "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Tax-Supported Debt Outstanding and Debt Data.

APPLICATION OF PROCEEDS	The proceeds of the First 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 First Series B Bonds will be applied for a variety of public purposes, including various loan programs for environmental and housing purposes.
CONTINUING DISCLOSURE	The State will provide annual financial and other information, including notices of certain events, to assist the successful bidders 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 "FORM OF CONTINUING DISCLOSURE AGREEMENT" herein.

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

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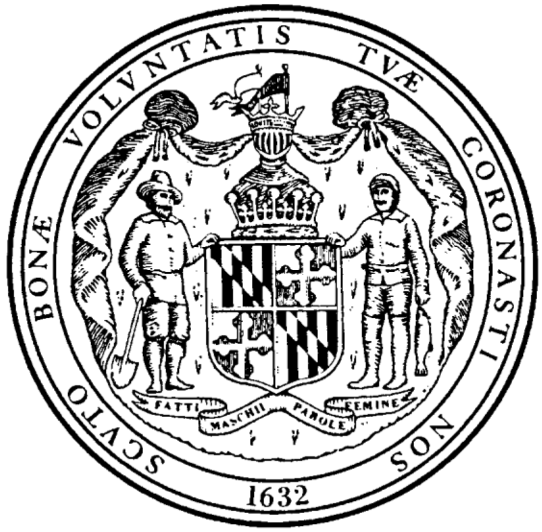

STATE OF MARYLAND
Official Statement

$1,200,000,000
General Obligation Bonds
State and Local Facilities Loan of 2024, First Series

consisting of

$1,000,000,000 First Series A Tax-Exempt Bonds (Competitive)	$200,000,000 First Series B Taxable Bonds (Competitive)

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 population is estimated to have been 6,180,253 on July 1, 2023. Maryland ranks 42nd among the states in land area with 9,844 square miles. The largest city in the State is Baltimore with a 2023 population estimate of 565,239 (2,834,316 for the primary metropolitan statistical area).

THE BONDS

General

The $1,200,000,000 aggregate principal amount of general obligation bonds offered by this Official Statement constitutes the State and Local Facilities Loan of 2024, First Series. The Bonds consist of $1,000,000,000 First Series A Tax-Exempt Bonds (the "First Series A Bonds") and $200,000,000 First Series B Taxable Bonds (the "First Series B Bonds"). The First Series A Bonds and First Series B Bonds are sometimes collectively referred to herein as the "Bonds." The Bonds are expected to be issued on or about June 18, 2024.

Interest on the Bonds will accrue from the date of issuance and delivery and will be payable on each December 1, and June 1, commencing December 1, 2024, until maturity unless, in the case of the First Series A Bonds only, redeemed prior to maturity as provided herein under "Redemption Provisions." 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 "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 the 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 APPENDIX A - "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.

First Series A Tax-Exempt Bonds (Competitive)

The State determined to issue the First 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 - Series A for the First Series A Bonds, included in APPENDIX C hereto.

First Series B Taxable Bonds (Competitive)

The State determined to issue the First 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 - Series B for the First Series B Bonds, included in APPENDIX D hereto.

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 March 31, 2024, was $3.2 billion. In addition, the General Assembly authorized $1.2 billion of general obligation bonds in the 2023 session. See APPENDIX A - "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Capital Programs" and "SUPPLEMENTARY DEBT SCHEDULES."

Based upon the State's anticipated capital needs, the Board adopted a resolution on May 1, 2024 authorizing the sale and issuance of up to $1,000,000,000 of tax-exempt general obligation bonds and up to $200,000,000 of taxable general obligations bonds to fund capital improvements.

It is anticipated that the proceeds of the sale of the First Series A Bonds and the First Series B Bonds will be expended for authorized projects in the categories shown in "THE BONDS – Estimated Sources and Uses of Funds."

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 First Series A Bonds. The First Series A Bonds maturing on or after June 1, 2035 are subject to redemption prior to their respective maturities on or after June 1, 2034, 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 First Series B Bonds. The First Series B Bonds are not subject to redemption prior to their respective maturities.

Redemption Procedures. If less than all of the First Series A Bonds of any maturity shall be called for redemption, the particular First 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 First Series A Bonds, the particular First 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 First 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 First 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 First 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 First Series A Bonds to be redeemed; (2)

the redemption date and the redemption price or prices; (3) that the First 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 First 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 First Series A Bonds called for redemption are available on such date, the First 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 First Series A Bonds shall cease to accrue, and the registered owners of the First 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 First Series A Bonds called for redemption in compliance with the redemption notice, the Paying Agent shall pay the redemption price of the First Series A Bonds. If the First 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

	First Series A Bonds	**First Series B Bonds**
Sources:		
Par Amount	$1,000,000,000	$200,000,000
Original Issue Premium**	153,915,236	-
Total Sources	$1,153,915,236	$200,000,000
Uses:		
Deposit to State and Local Facilities Loan Fund	$1,000,000,000	$199,786,827
Deposit to the Annuity Bond Fund	152,605,081	-
Costs of Issuance	536,937	93,063
Underwriter's Discount	773,219	120,110
Total Uses*	$1,153,915,236	$200,000,000

*Totals may not add due to rounding.
**The premium earned on the sale of the First Series A Bonds will be applied first to pay the underwriter's discount and costs of issuance. The remaining premium will be deposited to the Annuity Bond Fund with a portion then transferred into the State and Local Facilities Loan Fund and used to finance capital improvements.

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

	First Series A Bonds	**First Series B Bonds**
	($ in thousands)	
Education	$599,434	$119,887
Health and Hospital	57,382	11,477
Public Safety	53,718	10,744
Environment	72,302	14,460
Housing	75,141	15,028
Utilities	5,642	1,128
Transportation	444	89
Other	135,937	26,974
Total	$1,000,000	$199,787

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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 Anthony G. Brown, 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 B - "FORMS OF OPINION OF THE ATTORNEY GENERAL AND BOND COUNSEL."

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.

Child Victims Act Cases. In 2023, the General Assembly passed the Child Victims Act which, among other things, provided that an action for damages arising out of certain alleged incidents of sexual abuse that occurred while the victim was a minor may be filed at any time notwithstanding any time limitation under law. The Child Victims Act further provided that if the liability of the State or the State's units arises under a claim of sexual abuse, the liability may not exceed $890,000 to a single claimant for injuries arising from an incident or occurrence. The effective date of the Child Victims Act was October 1, 2023. The constitutionality of the Child Victims Act has been challenged in various state courts. To date, Harford County, Prince George's County and the Montgomery County circuit courts have ruled on these challenges and come to different conclusions regarding the constitutionality of the Child Victims Act. In addition, a federal district court judge in a case not involving the State has certified a question regarding the constitutionality of the Child Victims Act to the Maryland Supreme Court. The question asked of the Court is if the Child Victims Act constitutes "an impermissible abrogation of a vested right in violation of Article 24 of the Maryland Declaration of Rights." The Maryland Supreme Court has not yet ruled on this question. Between October 1, 2023, and May 17, 2024, the State has been named as a defendant in 18 lawsuits with 267 named plaintiffs in which the plaintiffs allege sexual abuse occurred while they were minors. Two of these lawsuits have since been voluntarily dismissed. Most of these cases involve plaintiffs who allege abuse while in the custody of juvenile detention facilities. The State expects that additional lawsuits will be filed and is aware of at least 1,800 additional potential claimants at this time. The State cannot be certain how many plaintiffs may ultimately sue the State and it is too early to estimate the financial impact of cases brought against the State as a result of the Child Victims Act, but that impact could be material.

Francis Scott Key Bridge Collapse Actions. On March 26, 2024, the M/V DALI struck the Francis Scott Key ("FSK") Bridge causing its immediate collapse into the Patapsco River. As a result of the collision, the Maryland Transportation Authority and other State agencies suffered damages. The ship owner and the ship operator filed a Limitation of Liability action seeking to limit their liability to the value of the vessel and cargo (an estimated $44 million). The State has until September 24, 2024 to file a claim to participate in that action. The Maryland Transportation Authority suffered the loss of the Key Bridge and its toll revenues and is incurring related salvage/debris clean-up costs and reconstruction costs. Other agencies of the State are also incurring costs. It is anticipated that the State may make an affirmative claim in this action or another separately filed action. Estimated damages for the Maryland Transportation Authority exceed $1 billion. The Office of the Attorney General has engaged assistant counsel specializing in admiralty and maritime law and experts have been engaged to assist in the investigation of this collision and to assist the State in its future claims. In addition, there may be claims filed against the State in connection with this collision, although it is too early to determine the impact of any such claims on the State's finances. See APPENDIX A - "IMPACT OF FRANCIS SCOTT KEY BRIDGE COLLAPSE" for more information about the collapse of the FSK Bridge.

Tax Challenges. Chapter 37 of the Acts of 2021 (HB732 of the 2020 Regular Session) imposed a tax on the gross revenues of specified digital advertising. There are several ongoing court cases challenging the constitutionality of the tax. The Comptroller's Office began collecting the tax beginning in fiscal year 2022 and through March of fiscal year 2024 has collected a total of approximately $186.0 million. This revenue is being deposited into the Blueprint Fund, but these revenues are not included in the State revenue forecast and the State budget does not include these revenues in its projections.

The State is also in litigation related to a sales and use tax exemption with respect to equipment purchased for use in transmitting and delivering electricity.

Kenneth Fitch, et al. v. State of Maryland, et al. As discussed under APPENDIX A - "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. On December 30, 2021, the court issued a decision denying the State's motion to dismiss with respect to retirees who had retired prior to 2019 but granting it with respect to current employees and retirees who had retired in 2019 or later. The American Federation of State, County and Municipal Employees, which represents post-January 2019 retirees and current employees, has filed an appeal to the United States Court of Appeals for the Fourth Circuit. Oral arguments were held on January 25, 2023. On February 21, 2023, the Fourth Circuit entered an opinion in favor of the State which the judge applied in the directly-related case before the United States District Court for the District of Maryland. On July 19, 2023, the district court issued a decision granting the defendants' motion for dissolution of the preliminary injunction and denying plaintiffs' motion for leave to file a third motion for class certification, and deferred the defendants' motion for summary judgment pending consideration of whether plaintiffs can state claims for fraud or restitution against the defendants. On September 29, 2023, the court issued a decision granting the State's motion for summary judgment. On October 24, plaintiffs appealed to the Fourth Circuit. The State filed its brief on February 9, 2024. The case has not been scheduled for argument.

TAX MATTERS

Federal Tax Matters - First Series A Bonds

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the First Series A 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 First Series A Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the First Series A Bonds may affect the federal alternative minimum tax imposed on certain corporations. The opinions described in the preceding sentences assume the accuracy of certain representations and compliance by the State 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 First Series A Bonds. Failure to comply with such requirements could cause interest on the First Series A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the First Series A Bonds. The State has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the First Series A Bonds.

The accrual or receipt of interest on the First Series A Bonds may otherwise affect the federal income tax liability of the owners of the First Series A 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 First Series A 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 First Series A Bonds.

Original Issue Premium. Certain maturities of the First Series A 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 First Series A 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 First Series A 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 First Series A 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 First Series A 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 First Series A Bonds or the market value thereof would be impacted thereby. Purchasers of the First Series A 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 First Series A 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 FIRST SERIES A BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE FIRST SERIES A BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE FIRST SERIES A BONDS.

Federal Tax Matters - First Series B Bonds

General Matters. Bond Counsel is of the opinion that interest on First 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 First 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 First 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 First Series B Bonds.

In general, interest paid on First Series B Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of First 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 First 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 First 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.

Market Discount. An investor that acquires a First 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 First 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 First 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 First 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 First Series B Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a First 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 First 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 First 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 First 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 First Series B Bonds should consult their own tax advisors regarding the application of this tax to interest earned on First Series B Bonds and to gain on the sale of a First Series B Bond.

Sales or Other Dispositions. If an owner of a First 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 First 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 First 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 First 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 First Series B Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to First Series B Bonds, if such owner, upon issuance of First 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 First 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 First Series B Bond will generally not be subject to United States income or withholding tax in respect of a payment on a First 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 First 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 First 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 First 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 First 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 First 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 First 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 State or any dealer of First 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 First Series B Bonds are acquired by such plans or arrangements with respect to which the State 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 First Series B Bonds. The sale of First Series B Bonds to a plan is in no respect a representation by the State or any dealer 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 First 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.

SALE AT COMPETITIVE BIDDING

The First Series A Bonds and First Series B Bonds were be offered by the State for sale by competitive bidding on Wednesday, June 5, 2024, in accordance with the Official Notices of Sale set forth in APPENDIX C and APPENDIX D.

The Official Notices of Sale for the First Series A Bonds and First Series B Bonds provided that the First Series A Bonds were being offered for sale in three separate bidding groups (each a “Bidding Group”) pursuant to three separate electronic bids, as provided in the Official Notice of Sale for the First Series A Bonds and as each such Bidding Group may be changed in accordance with such Official Notice of Sale. The Official Notice of Sale further provided that the initial purchaser of the First Series A Bonds in a Bidding Group will purchase all First Series A Bonds in such Bidding Group, if any such First Series A Bonds were purchased, such purchase obligation being subject to certain conditions set forth in the Official Notice of Sale, the approval of certain legal matters by counsel and certain other conditions. One such condition was that the obligation of the State to sell and deliver the First Series A Bonds comprising one Bidding Group shall be contingent upon the sale and delivery of the First Series A Bonds comprising the other Bidding Groups.

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

Morgan Stanley & Co. LLC., the underwriter of the First Series A Bidding Group 2 Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors 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 First Series A Bidding Group 2 Bonds.

OTHER INFORMATION

Report of Independent Public Accountants

The Basic Financial Statements of the State of Maryland for the year ended June 30, 2023, which is included in the Annual Comprehensive Financial Report ("ACFR") of the State and described in APPENDIX A - Exhibit 1 - "FINANCIAL AND ACCOUNTING SYSTEM AND 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, ("PRAG") is serving as financial advisor to the State for the sale and delivery of the Bonds. PRAG 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. PRAG has not independently verified the information contained in this Official Statement and does not assume responsibility for accuracy, completeness or fairness of such information.

Ratings

S&P Global Ratings, Fitch Ratings, and Moody's Investors Service, Inc. have given the Bonds ratings of AAA (stable outlook), AAA (stable outlook), and Aaa (negative outlook), 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: https://treasurer.state.md.us/debt-management/general-obligation-bonds/rating-agency-reports/

Continuing Disclosure

In order to enable 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 the date of issuance and delivery of the Bonds, a Continuing Disclosure Agreement, the form of which is attached as APPENDIX E. 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. The State files its continuing disclosures with the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board.

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. The State notes that its Annual Comprehensive Financial Report filing for the fiscal year ending June 30, 2021 (the "State 2021 ACFR") was not linked on EMMA to the CUSIPs for the 2009 and 2011 bond issues of the Baltimore City Board of School Commissioners for which the State signed continuing disclosure agreements. The State's 2021 ACFR is now linked to those CUSIPs on EMMA.

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. The successful bidders will each be furnished, without cost, with electronic copies of this Official Statement and any amendment or supplement that may be issued.

The Official Notices of Sale for the Bonds, attached as APPENDIX C and APPENDIX D 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/
ARUNA K. MILLER
Lieutenant Governor

/s/
BROOKE E. LIERMAN
Comptroller

/s/
DERECK E. DAVIS
Treasurer

Annapolis, Maryland
June 5, 2024

APPENDIX A

STATE OF MARYLAND

IMFORMATION STATEMENT

$1,200,000,000
General Obligation Bonds
State and Local Facilities Loan of 2024, First Series

consisting of

$1,000,000,000	$200,000,000
First Series A	First Series B
Tax-Exempt	Taxable
Bonds	Bonds
(Competitive)	(Competitive)

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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. Leadership of State government also includes the Treasurer, 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 22 major departments, 21 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 Emergency Management is charged with ensuring the State is prepared to deal with emergencies beyond the capabilities of local authorities, providing for the common defense, protecting the public peace, health and safety, and preserving the lives and property of Marylanders.

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 is also 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 Service and Civic Innovation is responsible for providing service opportunities to Marylanders through the Service Year Option, AmeriCorps State Commission, and other service and volunteerism programs.

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 APPENDIX A - "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 Supreme Court of Maryland (formerly known as 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 Appellate Court 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.

STATE FINANCES

Budgetary System

Maryland has historically had 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. The Maryland General Assembly may increase, decrease, or add items to the State budget as long as any such actions do not exceed the total proposed budget submitted by the Governor.

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 APPENDIX A - "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 considering 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 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 323 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 Spending Affordability 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 2024 budget, including approved deficiencies and other actions in the proposed fiscal year 2025 budget, is expected to close with a General Fund balance of $696.0 million and a Revenue Stabilization Account balance of $2.5 billion; fiscal year 2025 is projected to close with a General Fund balance of $110.0 million and a Revenue Stabilization Account balance of $2.3 billion. The fiscal year 2025 budget bill includes language authorizing the transfer of up to $65.0 million in fiscal year 2024 and $134.0 million in fiscal year 2025 out of the Revenue Stabilization Account to cover potential funding shortfalls in entitlement programs. The Governor is authorized to transfer up to $474.0 million from the balance in the Revenue Stabilization Account to address entitlement underfunding and respond to the impact of the slowdown of activity at the Port of Baltimore ($275 million) as a result of the collapse of the Francis Scott Key

Bridge. See APPENDIX A - "IMPACT OF FRANCIS SCOTT KEY BRIDGE COLLAPSE." To date, $72.0 million has been transferred. If the Governor transfers the full amount authorized over fiscal 2024 and 2025 and no reimbursement from federal funds or other sources is available, the fund balance will fall to less than $2.0 billion or 7.5% of general fund revenues in fiscal 2025. These transfers are not incorporated into the projected fund balances as it is not yet clear whether they will be necessary. See APPENDIX A - "STATE FINANCES – Budgetary System," "–State Revenues," "– General Fund 2024 Budget," "– General Fund 2025 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 of individuals, subject to certain positive and negative adjustments 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 2.25% 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 2.25%). 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 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 https://dbm.maryland.gov/budget/Documents/operbudget/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 in 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. Beginning in tax year 2022, all corporations subject to the corporate income tax, with an exception for specified industries and worldwide headquartered companies, now 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 U.S. 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, legislation 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. On March 14, 2021 a bill became effective which expands the sales and use tax, described above, to apply to the sale, subscription or license of digital entertainment products such as streaming services and news publication and general software applications.

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, except for utilities, 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, APPENDIX A - "STATE DEMOGRAPHIC AND ECONOMIC DATA –Residential Real Estate."

Lottery Revenues. The State currently operates 12 major lottery games: FastPlay instant games, three- and four-digit games drawn twice daily, and five-digit game drawn 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 drawn twice (Mega Millions and Cash4Life) or three times (Powerball) per 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 2023, the allocation of gross sales was 62.6% to prizes, 11.6% to administrative costs and agents' commissions, and 25.8% to State revenues. Except for administrative costs and specified distributions, the State revenues are credited to the General Fund.

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 2023, 38.3% 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.

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

Total Revenue Generated by Video Lottery Terminals
Fiscal Years 2023-2025
($ in millions)

	2023 Actual	2024 Estimate[(a)]	2025 Estimate[(a)]
Revenue Distribution[(b)]			
Education Trust Fund	$515.8	$495.2	$500.9
Facility License Owners	633.2	619.6	627.2
Racing Purses/Bred Funds	79.2	78.7	79.6
Local Impact Grants	73.3	72.1	73.0
Racetrack Renewal	13.0	13.1	13.3
Lottery Operations	13.5	13.1	13.3
Small, Minority, and Women-owned Businesses	19.9	19.7	19.9
Total[(c)]	$1,347.9	$1,311.5	$1,327.2

(a) The 2024 and 2025 Estimates are based on March 7, 2024 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 2023-2025
($ in millions)

	2023 Actual	2024 Estimate[(a)]	2025 Estimate[(a)]
Revenue Distribution[(b)]			
Education Trust Fund	$106.9	$94.6	$95.8
Facility License Owners	570.0	504.6	510.8
Local Impact Grants	35.6	31.5	31.9
Total[(c)]	$712.5	$630.7	$638.5

(a) The 2024 and 2025 Estimates are based on March 7, 2024 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.

Small, Minority, and Women-owned Businesses: To provide loans to small, minority, and women-owned businesses located in targeted areas surrounding casinos.

Sports Wagering. Chapter 356 of the Acts of 2021 established and implemented sports wagering and provided for the taxation and distribution of wagering proceeds and licenses. Distributions to the Blueprint Fund (as described in "Blueprint Initiatives" herein) totaled $14 million in fiscal year 2022, $38 million in fiscal year 2023, and are projected to total $45 million in fiscal year 2024 and $50 million in fiscal year 2025.

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, 2023, are 47.00 cents, 47.75 cents, and 7.00 cents for gasoline, special fuels, and aviation 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. Legislation passed during the 2024 session increases transportation funding including an increase in certain registration fees.

Tobacco Taxes. The State currently imposes a tax at the rate of $3.75 per pack of 20 cigarettes, 70% of the wholesale price for cigars other than premium cigars, 30% of the wholesale price for pipe tobacco, and 15% of the wholesale price for premium cigars. During the 2024 legislative session, the General Assembly passed a bill increasing the tax on packs of 20 cigarettes to $5.00; the sales tax on e-cigarettes was increased to 20% from 12%; and the tax on other non-cigar tobacco products was increased to 60% of wholesale price from 53%. Once enacted a portion of tobacco tax revenue will be allocated going forward to the Blueprint Fund.

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. Additionally, Chapter 713 of 2023 altered the time within which a surviving spouse of a decedent could file a Maryland estate tax return for the sole purpose of electing portability from two years after the date of the predeceased spouse's death to five years after the date of death. This change was applied retroactively to decedents dying on or after January 1, 2019.

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 Infrastructure Financing Administration, the proceeds of which are applied primarily to provide grant funds to upgrade wastewater treatment plants with enhanced nutrient removal technology.

Cannabis Taxes. Following a November 2022 referendum wherein Maryland voters approved to legalize cannabis for adult use, Chapter 254 of the 2023 legislative session imposed a 9% sales and use tax rate on cannabis sales in the State. After administrative costs, 35% of cannabis revenue is distributed to the Community Reinvestment and Repair Fund; 5% of revenue is distributed to Maryland counties; 5% of revenue is distributed to the Cannabis Public Health Fund; 5% of revenue is distributed to the Cannabis Business Assistance Fund; and the remaining 50% is distributed to the General Fund.

Other Revenues. Exclusive of the proceeds of bond issues, approximately 51.0% of State revenues in fiscal year 2023 were received from sources other than taxes and lottery receipts. The largest component (34.0% 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 2019 through 2023:

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)]
2019	$18,199.0	$17,624.9	103.3%	$17,982.4	101.2%
2020	18,634.1	18,622.3	100.1	18,736.3	99.5
2021	20,831.0	19,172.9	108.6	19,119.8	108.9
2022	24,044.5	21,096.4	114.0	22,474.3	107.0
2023	23,672.7	22,789.0	103.9	23,711.9	99.8

(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 are expected to provide approximately 68.6% of revenues available for general obligation bond debt service payment in fiscal year 2024 (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 2019 through 2023. 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)]
2019	11.2	$828.5	$834.1	99.33%	$836.0	99.0%
2020	11.2	860.6	860.5	100.0	862.7	99.7
2021	11.2	892.2	883.2	101.0	884.3	100.9
2022	11.2	919.2	899.9	102.1	914.0	100.6
2023	11.2	943.5	946.7	99.7	947.3	99.6

(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. The following figures include the enacted fiscal year 2024 budget along with deficiencies and other actions included in the proposed fiscal year 2025 budget.

Public Education. The agencies administering public education spend the largest portion of State revenue. In the fiscal year 2024 budget, public education accounts for 39.5% of General Fund appropriations and 30.2% of all appropriations. In the proposed fiscal year 2025 budget, public education accounts for 42.7% of General Fund appropriations and 31.9% 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, Morgan State University, St. Mary's College of Maryland, Baltimore City Community College and 15 community colleges, each governed by its own board.

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 2024 expenditures for all funds is 13.0% and higher education represents 13.9% of the proposed fiscal year 2025 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
2019	141,337	89,990	231,327
2020	138,810	84,662	223,472
2021	138,915	76,480	215,395
2022	134,881	71,365	206,246
2023	135,887	73,871	209,758
2024 estimate…………...	136,042	73,605	209,647
2025 estimate …………...	138,406	73,051	211,457

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 2024, $19.6 billion is budgeted for the Department of Health, including $11.5 billion in federal funds, $6.4 billion in State general funds and $1.3 billion in State special funds. For the proposed fiscal year 2025 budget, $19.6 billion is budgeted for the Department of Health, including $10.5 billion in federal funds, $7.6 billion in State general funds, and $1.4 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 2024, the budget provides for nearly $1.7 million Medical Assistance and the Maryland Children's Health Program (MCHP) enrollees and funding of more than $15.3 billion. The majority of these expenditures are for services for which the State will recover approximately a 51.0% match from the federal government. For fiscal year 2025, the proposed budget provides for nearly $1.6 million Medical Assistance and MCHP enrollees and funding of more than $14.7 billion. The proposed fiscal year 2025 budget assumes that the State match on most Medicaid spending will be 50.0%.

The hospitals operated by the Department of Health provide care for individuals with behavioral health conditions, developmental disabilities, and chronic illnesses. 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 2024 budget, the transportation budget totals $6.0 billion including deficiencies; for the proposed fiscal year 2025 budget, the transportation budget totals $6.2 billion. See "STATE FINANCES – Transportation Trust Fund" with respect to the principal revenues and expenditures related to the Department of Transportation.

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. See APPENDIX A - "IMPACT OF FRANCIS SCOTT KEY BRIDGE COLLAPSE."

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 2024 after taking deficiencies into account, $4.1 billion is budgeted for the Department of Human Services, including $905.1 million in State general funds. For fiscal year 2025, approximately $4.1 billion is in the proposed budget, including $910.7 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, and Policy. 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 and Policy administers federal and State grant programs focusing on crime control and prevention. For fiscal year 2024, approximately $2.9 billion is budgeted for these departments, of which $2.5 billion is from State general funds. For fiscal year 2025, approximately $2.9 billion is in the proposed budget for these departments, of which $2.5 billion is from State general funds.

Capital Funding. For fiscal year 2024, over $2.4 billion is budgeted for capital projects, of which $1.2 billion is funded with general funds. This accounts for approximately 2.9% of the general fund budget. For fiscal year 2025, $953.0 million is budgeted for capital projects, of which $52 million is general funds representing approximately 0.2%

of the proposed general fund budget. See APPENDIX A - "STATE TAX-SUPPORTED DEBT AND CAPITAL PROGRAM – Capital Programs" for more information on budgeted capital expenditures.

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; housing and community development; commerce; environment; and others, all of which account for approximately 8.8% of fiscal year 2024 total expenditures (10.9% of the fiscal year 2024 General Fund Budget) and approximately 9.2% of fiscal year 2025 total expenditures (12.0% of the 2025 proposed General Fund Budget.) In addition, general obligation bond debt service accounts for approximately 2.3% of the fiscal year 2024 total expenditures and 1.6% of the fiscal year 2024 General Fund Budget. For fiscal year 2025, general obligation bond debt service accounts for 2.4% of the proposed total expenditures and 1.5% of the proposed General Fund Budget.

State Reserve Fund

The State Reserve Fund is currently composed of four accounts: the Revenue Stabilization Account, 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.

By law, one-quarter of the unappropriated General Fund surplus above $10.0 million is required to be appropriated to the Postretirement Health Benefits Trust Fund and another quarter is required to 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.

The State has enacted legislation 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 the Revenue Stabilization Account receive a share of nonwithholding General Fund revenues above the 10-year average of 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 pay-as-you-go ("PAYGO") appropriations for public school, community college, and four-year higher education projects. If the Revenue Stabilization Account balance exceeds 10% of estimated general fund revenues, all excess funds are credited to the Fiscal Responsibility Fund. Fiscal year 2022 was the first year in which revenues were diverted in this way. A total of $500 million was credited to the Revenue Stabilization Account and $310 million was added to the Fiscal Responsibility Fund for new education capital projects. Based on actual revenue experience in fiscal year 2023, no revenues were diverted at the end of the year.

Withdrawals that do not result in the Revenue Stabilization Account balance falling below 5% of estimated General Fund revenues may be authorized in the State budget. Withdrawals that result in a Revenue Stabilization

Account balance below 5% of estimated General Fund revenues must be authorized by an act of the General Assembly other than the State budget.

On November 4, 2020, $250 million was withdrawn from the Revenue Stabilization Account 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 of 2021, additional fiscal year 2022 spending related to the pandemic was originally funded with transfers of $306 million from the State Reserve Fund. With the passage of the American Rescue Plan and the availability of $3.7 billion in funding for the State Fiscal Recovery Fund, the $306 million in Recovery Now spending was shifted to federal dollars. This action reflected an agreement that was reached by the Maryland General Assembly and the Governor regarding use of the State Fiscal Recovery Funds. American Rescue Plan Act funds were brought into the fiscal year 2022 budget via amendment in December 2021. The original $306.0 million appropriated was reverted to the General Fund at the close of fiscal year 2021.

The Maryland General Assembly authorized two uses of the Revenue Stabilization Account during the 2024 Legislative Session. First, the fiscal year 2025 budget bill includes language authorizing the transfer of up to $90 million in fiscal year 2024 and $134 million in fiscal year 2025 out of the Revenue Stabilization Account to cover potential funding shortfalls in entitlement programs, but with a not to exceed amount of $199 million across both fiscal years. Second, as part of the State’s response to the collapse of the Francis Scott Key Bridge and closure of the Port of Baltimore, Chapter 3 of 2024 (the Maryland Protecting Opportunities and Regional Trade (PORT) Act) authorizes transfers of increments of $25 million from the Account to support certain response and recovery efforts, up to $275 million.

The following table presents the balances of the State Reserve Fund for the fiscal years ended June 30, 2021 through June 30, 2023, and the estimates for the fiscal years ending on June 30, 2024, and June 30, 2025.

State Reserve Fund
Fiscal Years 2021–2025
($ in millions)

Balance at Fiscal Year End

Fiscal Year	Revenue Stabilization Account	Other Accounts	Total State Reserve Fund	Revenue Stabilization Account as a % of General Fund Revenue
2021	$631.2	$15.5	$646.7	3.0%[(a)]
2022	1,662.3	120.0	1,782.3	6.9
2023	2,957.6	556.6	3,472.3	12.5
2024 (estimate)	2,486.6	30.2	2,516.8	10.1[(b)]
2025 (estimate)	2,316.9	10.0	2,326.9	9.4[(b)]

Totals may not add due to rounding.

(a) 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%.

(b) Assumes $25 million will be transferred from the Revenue Stabilization Account in fiscal year 2024 related to Chapter 3 of 2024 (Maryland Protecting Opportunities and Regional Trade (PORT) Act). The fiscal year 2025 budget bill also includes language authorizing the transfer of up to $90 million in fiscal year 2024 and $134 million in fiscal year 2025 out of the Revenue Stabilization Account to cover potential funding shortfalls in entitlement programs, with a not to exceed amount of $199 million across both fiscal years. These transfers are not incorporated into the projected fund balances as it is not yet clear whether they will be necessary.

Fiscal Year 2019-2023 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, 2019 through 2023.

GAAP General Fund Comparative Statement of Revenues,
Expenditures, and Changes in Fund Balance
Fiscal Years 2019-2023
($ in thousands)

	2019	2020	2021	2022	2023
Revenues (a):					
Income taxes	$11,475,949	$12,309,248	$13,481,354	$16,909,762	$15,202,834
Sales and use taxes	4,888,811	4,937,256	5,458,775	6,639,153	6,790,832
Other taxes	1,763,155	1,838,627	1,917,364	2,183,202	2,096,500
Other licenses and fees	870,084	733,714	610,146	880,413	854,077
Charges for services	1,537,854	1,515,764	2,424,495	2,494,072	1,330,444
Interest and other investment income	250,729	133,563	16,798	(275,992)	361,663
Federal revenue	11,362,229	12,936,897	17,203,693	21,334,631	19,127,044
Other	691,186	586,103	1,488,299	749,793	1,137,812
Total revenues	32,839,998	34,991,171	42,600,925	50,540,136	46,901,207
Expenditures (a):					
General government	1,016,992	1,015,719	2,116,706	1,955,728	2,635,649
Health	14,295,022	15,565,135	17,412,157	18,887,299	20,094,418
Education	10,131,819	10,810,646	11,083,985	13,076,315	14,182,357
Human Services	2,325,457	2,770,891	4,015,730	4,523,669	3,855,235
Public Safety	2,075,392	2,249,138	2,568,167	2,170,739	2,414,929
Judicial	760,493	801,765	916,262	893,343	977,999
Labor, licensing and regulation	366,086	362,992	517,926	1,80,476	545,680
Natural resources and recreation	406,571	390,665	400,215	427,397	542,913
Housing and community development	360,319	377,920	1,058,392	1,541,236	89,673
Environment	109,268	109,987	99,859	124,807	160,985
Agriculture	94,104	109,899	118,016	130,257	119,884
Commerce	92,348	107,355	173,232	76,076	291,990
Intergovernmental	394,715	375,832	302,296	303,339	434,930
Capital outlays	-	-	31,000	153,415	124,162
Total expenditures	32,428,586	35,047,944	40,813,944	45,744,096	46,470,804
Excess (deficiency) of revenues over expenditures	411,411	(56,773)	1,786,981	4,796,040	430,403
Other sources (uses) of financial resources:					
Capital leases	14,416	4,463	-	4,843	6,096
Advanced lease payments					124,162
Transfers in	1,359,062	1,150,190	1,442,348	1,549,708	1,694,072
Transfers out	(824,481)	(771,539)	(718,584)	(1,096,802)	(1,767,621)
Net other sources (uses) of financial resources	548,997	383,114	723,764	457,749	56,709
Net change in fund balances	960,408	326,341	2,510,745	5,253,790	487,112
Fund balances at the beginning of the year	1,732,960	2,693,368	3,019,766	5,530,511	10,773,717
Fund balances, June 30	$2,693,368	$3,019,709	$5,530,511	$10,784,301	$11,260,828
Fund balance as % of revenues	8.2%	8.6%	13.0%	21.0%	24.0%

(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 – "FINANCIAL AND ACCOUNTING SYSTEM – Financial Statements."

General Fund 2024 Budget

2024 Budget. The General Assembly enacted the fiscal year 2024 budget (the "2024 Budget") on April 3, 2023. The 2024 Budget includes $27.1 billion in General Fund spending. The four largest categories of expenditures are: (1) public education, including K-12 and higher education; (2) support for public health programs, including medical assistance; (3) public safety and correctional services; and (4) the State Reserve Fund.

The enacted budget contained numerous modifications and changes to the budget originally submitted by Governor Moore. Those changes included the submission of two supplemental budgets that added $432.1 million in spending, including about $194.0 million in General Fund spending as follows:

- $54 million to update local aid Disparity Grants to reflect the latest income reports;
- $32 million in PAYGO for nonprofit organizations with capital needs;

- Nearly $35 million for negotiated salary increases for State employees;
- $25 million in additional PAYGO capital for the Rental Housing Works program within the Department of Housing and Community Development;
- $11 million for the Maryland Coordination and Analysis Center (MCAC) within Maryland State Police; and
- $30 million in other miscellaneous spending.

With the proposed fiscal year 2025 budget, Governor Moore submitted $359.7 million in deficiencies for fiscal year 2024. These deficiencies are partially offset by anticipated vacancy savings in the Executive branch.

On December 15, 2022, the Board of Revenue Estimates forecasted fiscal year 2024 General Fund revenues to be $25.1 billion. The Board of Revenue Estimates decreased the estimated fiscal year 2024 General Fund revenues by an additional $400.3 million on March 9, 2023, and $14.1 million on September 28, 2023. On December 14, 2023, the Board increased estimated revenues by $78.0 million. On March 7, 2024, the Board of Revenues Estimates decreased its estimate for fiscal year 2024 General Fund revenues by $120.3 million, to a total of $24.5 billion.

As a result of all of the actions detailed above, the State is now projected to close fiscal year 2024 with a General Fund balance of $696.0 million and a Revenue Stabilization Account balance of $2.5 billion, which is about 10.1% of General Fund revenues.

General Fund 2025 Budget

2025 Budget. The General Assembly enacted the fiscal year 2025 budget (the "2025 Budget") on April 5, 2024. The 2025 Budget includes $25.9 billion in general fund spending. The three largest categories of expenditures are: (1) public education, including K-12 and higher education; (2) support for public health programs, including medical assistance; and (3) public safety and correctional services.

The enacted budget contains numerous modifications and changes to the budget originally submitted by Governor Moore. Those changes included the submission of two supplemental budgets that add $247 million in spending, including $31.6 million in General Fund spending as follows:

- $5 million to support the Governor's Office for Children pending new legislative requirements;
- $3 million to support various grants for victim services and the Criminal Intelligence Network;
- $4 million for tax fraud detection and compliance efforts within the Comptroller;
- $6.7 million for various programs in the Department of Health;
- $3.4 million for various programs in the Department of Human Services;
- $1.5 million for a settlement payment within the Department of Public Safety and Correctional Services; and
- $6.4 million in other miscellaneous spending.

On December 14, 2023, the Board of Revenue estimates forecasted fiscal year 2025 General Fund revenues to be $24.9 billion. On March 7, 2024, the Board of Revenue estimates decreased the estimated fiscal year 2025 General Fund revenues by $134.9 million. As a result of all of the actions detailed above, the State is now projected to close fiscal year 2025 with a General Fund balance of $110 million and a Revenue Stabilization Account balance of $2.3 billion, which is about 9.4% of General Fund revenues.

General Fund Outlook

The Department of Legislative Services forecasts a structural budget deficit of $483.0 million in fiscal 2025 growing to $3.7 billion by fiscal year 2029. 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. Under the Maryland Constitution, the Governor must submit, and the Legislature must enact a balanced budget.

General Fund Revenues and Appropriations — Budgetary Basis
Fiscal Years 2023-2025
($ in millions)

	2023 Actual	2024 Est.[(a)]	2025 Est.[(a)]
General Fund Revenues			
Income Taxes	$15,285.5	$15,469.8	$16,033.1
Sales and Use Taxes	6,005.2	5,909.7	6,095.9
Lottery	655.4	649.7	525.9
Franchises, Excises, Licenses, Fees	2,526.5	2,464.3	2,268.9
Adjustments / Extraordinary Items	(800.0)	-	-
Total*	$23,672.7	$24,493.5	$24,923.8
General Fund Appropriations			
Public Education	$10,281.2	$10,825.2	$11,118.1
Human Services	827.6	911.3	902.4
Health	6,590.4	7,358.5	7,612.1
Transportation	-	1.1	151.1
Public Safety, State Police, Juvenile Services	2,100.0	2,208.2	2,317.8
Capital Funding	2,043.5	1173.0	168.3
State Reserve Fund – Revenue Stabilization & Dedicated Purpose Accounts	2,843.1	1,210.6	13.5
Debt Service – GO Bonds	430.0	425.1	397.1
Administrative and Other	2,856.3	3,427.1	3,343.5
Total*	$27,972.1	$27,540.1	$26,023.9

*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 2023-2025
($ in millions)

	2023 Actual	2024 Est.[(a)(b)]	2025 Est.[(a)]
Balance Beginning of Year	$5,499	$2,584	$696
Increases:			
Revenues	23,673	24,493	24,924
Changes to Lottery Agency Commissions	0	2	21
Revenue Due to Redirecting Special Fund Interest	0	2	27
Transfer from the Revenue Stabilization Account	1,186	479	246
Other Revenues and Transfers	0	343	90
Revenue Impacts of Other Legislation	0	0	(16)
Additional Revenues and Transfers	42	199	70
Total Increase	24,901	25,519	25,362
Decreases:			
Appropriations	27,972	27,540	26,024
Prior Year Reversions / Reversions	(157)	(133)	(75)
Total Decrease	27,815	27,407	25,949
Balance End of Year*	$2,584	$696	$110

*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."
(b) Appropriations include deficiency appropriations in the enacted fiscal year 2023 budget.

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, fiscal year 2023 and fiscal year 2024. 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 34.1% of revenues were accounted for in the General Fund in fiscal year 2023, and it is currently estimated that the General Fund will account for 34.8% of all revenues in fiscal year 2024. 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, 2023 and 2024.

General Fund Revenues
($ in millions)

	Nine Months Ended in the Month of March			
	Fiscal Year 2023		Fiscal Year 2024	
	Amount	% of FY Actual Revenues[a]	Amount	% of FY Estimated Revenues[a]
Income Taxes[b]	$9,744.0	63.7%	$9,781.2	63.2%
Sales and Use Taxes[b]	3,979.5	66.3	3,720.5	63.0
Property, Franchise, Excise Taxes	1,232.5	70.6	1,167.8	69.4
Sundry Fees, Licenses, Charges, Etc.	760.9	52.9	848.5	59.3
Federal[c]	4.0	5.8	3.2	4.6
Totals *	$15,720.9	64.2%	$15,521.1	63.4%

*Totals may not add due to rounding.
(a) For the first nine months of fiscal year 2023, represents the percentage of actual revenues for the full fiscal year; for the first nine months of fiscal year 2024, represents the percentage of revenues as estimated by the Board of Revenues Estimates on March 7, 2024.
(b) Income taxes and sales and use taxes reflect amounts received from July through December, excluding amounts received in that period allocable to the preceding fiscal year.
(c) In previous iterations of this table, federal funds excluded revenue sourced from State Hospital Recoveries - Insurance and Sponsors. This revenue source is no longer excluded from these figures. These revenues typically represented approximately $2 million for the first nine months of the 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, 2023 and 2024.

General Fund Expenditures
($ in millions)

	Nine Months Ended March 31[a]			
	Fiscal Year 2023		Fiscal Year 2024	
	Amount	% of FY Actual Expenditures[b]	Amount	% of FY Budget Expenditures[c]
Public Education	$8,166.1	78.7%	$8,487.4	80.1%
Human Services	520.3	65.8	620.4	73.9
Public Health	4,630.6	71.7	5,512.5	73.1
Public Safety	1,443.5	68.8	1,705.2	78.8
Administrative & Other	1,818.5	63.6	2,320.6	54.6
Capital Funding	-	-	-	-
State Reserve Fund	3,039.2	100.0	227.4	16.7
Debt Service[d]	430.0	66.3	425.1	100.0
Totals*	$20,048.3	76.3%	$19,298.6	71.0%

*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 31, 2023 and 2024. At June 30, 2022 and 2023, General Fund encumbrances charged to expenditures for the fiscal years ended totaled $414.6 million and $787.7 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 $430.0 million and $425.1 million were appropriated in the General Fund and transferred to the Annuity Bond Fund in Fiscal Years 2023 and 2024, respectively.

Fiscal Year 2019-2023 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 2019 to 2023
($ in thousands)

	2019		2020		2021		2022		2023	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
Income taxes	$10,797,042	$11,105,461	$11,339,828	$11,750,683	$11,940,736	$13,166,670	$14,144,028	$15,218,313	$14,634,864	$14,485,500
Sales and use taxes	4,750,875	4,812,090	5,026,412	4,634,874	4,591,207	4,988,078	5,698,831	5,966,843	6,018,016	6,005,249
Other taxes	1,087,227	1,082,744	1,100,408	1,152,862	1,196,321	1,238,441	1,592,756	1,588,882	1,639,428	1,656,016
Licenses and fees	160,024	161,291	146,374	142,894	118,677	107,953	143,899	136,830	139,319	139,227
Charges for services	286,252	202,405	280,181	176,666	273,742	259,597	254,446	224,658	362,074	238,291
Interest and other investment income	47,250	66,715	50,000	61,641	8,800	15,241	15,000	54,729	175,000	448,637
Other	634,312	755,483	664,666	1,096,559	649,147	913,538	625,305	1,577,575	743,160	3,822,982
Federal Reserve	-	-	-	-	341,167	341,167	-	-	-	-
Total revenues[(a)]	$17,762,982	$18,186,189	$18,607,869	$19,016,179	$19,119,797	$21,030,685	$22,474,265	$24,767,830	$23,711,860	$26,795,903
Expenditures and encumbrances by major function:										
Payments of revenue to civil divisions of the State	168,463	168,463	173,832	173,832	185,980	185,980	185,875	185,875	173,508	173,508
Legislative	91,929	91,629	97,629	97,629	131,650	93,233	146,887	100,911	189,259	118,576
Judicial review and legal	638,516	635,665	675,238	673,976	717,415	678,638	760,490	731,042	826,875	799,766
Executive and administrative control	290,074	285,118	310,261	279,101	336,582	307,010	469,862	443,928	559,930	532,660
Financial and revenue administration	236,795	228,979	234,741	222,682	239,846	218,440	247,448	215,880	274,810	242,836
Budget and management	125,860	120,619	165,408	125,986	125,239	107,648	214,543	203,182	279,338	256,633
General services	69,953	69,901	77,438	73,897	81,662	75,267	102,532	91,295	352,189	206,805
Natural resources and recreation	65,486	65,356	76,850	63,836	66,525	61,773	102,071	99,889	110,331	100,495
Transportation and highways	-	-	-	-	-	-	-	-	21,500	6,431
Agriculture	35,219	34,980	39,648	38,982	38,729	37,094	42,177	39,409	45,127	43,275
Health and hospitals	4,939,437	4,935,669	5,275,257	5,118,305	5,138,356	5,037,540	5,840,855	5,734,183	6,602,559	6,386,274
Human services	607,773	605,773	615,478	613,454	712,191	702,758	731,777	711,446	799,232	790,906
Labor, licensing and regulation	45,195	44,167	50,867	47,499	55,667	47,140	77,833	68,366	65,886	56,626
Public safety and correctional services	1,235,378	1,235,273	1,265,946	1,258,447	1,255,624	1,204,643	987,665	936,575	1,437,688	1,408,392
Public education	8,709,016	8,338,095	8,850,938	8,815,604	9,208,020	9,013,940	9,600,521	9,366,821	10,685,478	10,376,512
Housing and community development	22,616	22,615	32,752	30,077	69,026	33,079	77,417	39,715	303,461	106,374
Business and economic development	100,112	99,355	119,444	101,974	111,781	97,813	119,622	107,492	241,905	217,278
Environment	31,062	30,986	35,601	35,599	36,500	34,016	41,863	39,976	83,076	72,366
Juvenile services	264,928	262,110	267,400	259,560	253,414	242,766	263,831	244,549	296,686	291,172
State police	294,240	294,240	315,763	238,408	213,349	199,046	349,652	340,902	406,792	399,682
Loan Accounts	286,000	286,000	287,000	287,000	131,000	131,000	260,000	260,000	649,000	649,000
State reserve fund	14,345	14,345	563,621	405,621	114,000	113,540	882,919	882,919	4,205,389	3,039,178
Reversions:										
Current year reversions	(30,000)	-	(30,000)	-	(35,000)	-	(35,000)	-	(75,000)	-
Prior year reversions	-	(36,261)	-	(31,872)	-	-	-	-	-	-
Total expenditures and encumbrances	$18,242,397	$17,833,077	$19,501,112	$18,929,717	$19,187,556	$18,622,364	$21,470,840	$20,844,355	$28,535,518	$26,274,745
Changes in encumbrances during fiscal year	-	(146,744)	-	22,859	-	-	-	-	-	-
Total expenditures	18,242,397	17,686,333	19,501,112	18,952,576	19,187,556	18,622,364	21,470,840	20,844,355	28,535,018	26,274,745
Excess of revenues over (under) expenditures	(479,415)	499,856	(893,243)	63,603	(67,759)	2,408,321	1,003,425	3,923,475	(4,823,158)	521,158
Other sources (uses) of financial resources:										
Transfers in (out)	-	38,634	-	(15,783)	-	(415,128)	-	(442,158)	-	(1,374,701)
Excess of revenues over (under) expenditures and other sources of financial resources	(479,415)	538,490	(893,243)	47,820	(67,759)	1,993,193	1,003,425	3,481,317	(4,823,158)	(853,542)
Fund balances at the beginning of the year	1,643,804	1,643,804	2,182,294	2,182,294	2,230,114	2,230,114	4,223,307	4,223,307	7,704,624	7,704,624
Fund balances, June 30[(b)]	$1,262,116	$2,182,294	$1,289,051	$2,230,114	$2,162,355	$4,223,307	$5,226,736	$7,704,624	$2,881,466	$6,851,082

(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 2024 enacted budget included $41.0 million in CRF support for the Medicaid program. The fiscal year 2025 proposed budget includes $39.9 million for the Medicaid program. Net expenditures from the CRF are $138.9 million in fiscal year 2024 and are projected to total $136.7 million in fiscal year 2025.

Opioid Restitution Fund

During the 2019 session the Opioid Restitution Fund (ORF) was established, which is a special fund to retain any revenues received by the State relating to specified opioid judgments or settlements, which may be used only for opioid-related programs and services. In fiscal 2022, ORF received approximately $12 million from the global settlement agreement with McKinsey & Company for its role in marketing opioids, including OxyContin. Additionally, the State is expected to receive approximately $500 million from the global settlement with opioid manufacturer Johnson & Johnson and opioid distributors McKesson, Amerisource Bergen, and Cardinal Health. The Secretary of Health must establish and administer a grant program for the distribution of funds to political subdivisions.

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 Income Tax Reserve Account are scheduled for fiscal years 2021 through 2026 for a total repayment of $200.0 million. The 2020 Budget Reconciliation and Financing Act 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 Income Tax 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.

Authorized by the 2021 Budget Reconciliation and Financing Act, the Maryland Department of Health and other appropriate State agencies are temporarily permitted to charge expenditures related to the response of the COVID-19 pandemic to the Local Income Tax Reserve Account. Qualified expenditures are those eligible for reimbursement from the Federal Emergency Management Agency's ("FEMA") Public Assistance process. Once reimbursement is received from FEMA, the revenue shall be used to offset eligible expenditures. Any charges against the Local Income Tax Reserve Account that are not fully reimbursed by FEMA will be reimbursed through the General Fund by the Maryland General Assembly, following a determination by FEMA to ensure the Local Income Tax Reserve Account is fully reimbursed for the temporary charges. This provision shall be in effect until FEMA has made a final determination on all expenditures that are temporarily charged. The Department of Budget and Management may appropriate these funds through the budget amendment process, as needed.

State Unemployment Insurance Trust Fund

The Maryland Unemployment Insurance Trust Fund (the "Fund"), provides funding for unemployment benefits in the State. 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. In fiscal year 2024, the Fund has received approximately $202.6 million in annual contributions from employers while paying out approximately $214.0 million in regular, annual state unemployment benefits (excluding benefits paid entirely by the federal government). The Fund balance was $1.8 billion as of March 31, 2024.

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 2019-2023
($ in thousands)

	2019	2020	2021	2022	2023
Revenues	$4,609,469	$4,791,959	$5,058,269	$5,546,960	$5,820,108
Expenditures	5,201,272	5,557,276	5,216,330	5,768,348	5,845,324
Excess (deficiency) of revenues over expenditures	(591,803)	(765,317)	(158,061)	(221,388)	(25,216)
Net other sources (uses) of financial resources	821,406	554,597	390,063	574,482	27,233
Excess (deficiency) of revenues over expenditures and net other sources (uses) of financial resources	229,603	(210,720)	232,002	353,094	2,017
Fund balance, July 1	19,109	248,712	37,992	269,994	623,088
Fund balance, June 30	$248,712	$37,992	$269,994	$623,088	$625,105

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 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 GAAP.

Investment of State Funds

In 2024, the General Assembly passed Chapter 144 of the 2024 Laws of Maryland ("Chapter 144") which among other things, required the Treasurer to adopt regulations that specify the asset classes in which the Treasurer may invest and authorized the continued investment in certain corporate securities held by the Treasurer. Until those regulations are adopted, the new 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 35% of total investments); and (6) the Maryland Local Government Investment Pool ("MLGIP").

In accordance with legislation passed in 2023, the Treasurer has adopted regulations establishing maximum thresholds for each current category of authorized investments. In 2024 the Treasurer anticipates adopting additional regulations as required by Chapter 144, including regulations authorizing the investment in additional asset classes, subject to certain thresholds. In conjunction with the adoption of these regulations, the Treasurer anticipates updating the State's investment policy. The Treasurer's current investment policy, at any given time, can be found on the Treasurer's website at https://treasurer.state.md.us/wp-content/uploads/2024/01/Investment_investmentpolicystateofmaryland103123.pdf.

As of March 31, 2023 and 2024, the State's investment portfolio distribution was as follows:

Investment Portfolio Distribution
(par value)
($ in thousands)

	March 31, 2023	March 31, 2024	March 31, 2024 % of Total
U.S. Treasuries	$133,827.5	$309,706.0	2%
Agencies	$7,179,383.5	$5,518,349.3	30
Supranational Issuers	$1,699,120.4	$946,097.0	5
Repurchase Agreements	$5,042,013.2	$3,327,538.9	18
Banker's, MMMF & CP	$4,935,671.5	$5,336,244.3	29
Corporates	-	$1,052,146.0	6
Asset Backed Securities	-	$161,005.3	1
MLGIP	$1,589,039.8	$1,691,632.4	9
Total*	$20,579,056.0	$18,342,719.4	100%
Weighted Average Maturity in Days	366.0	332.0	

* Totals may not add due to rounding.

Investments in U.S. Treasuries and Agencies were 32.0% of the portfolio on March 31, 2024, while supranational issuers were 5.0% including coupon securities and short-term discount notes. Repurchase agreements were 18.0%. Historically, the overall size of the portfolio tends to decrease in the third quarter of the fiscal year (January through March) as tax refunds are paid and then tends to increase after tax season is completed.

In response to the Federal Reserve's monetary policy of increasing interest rates starting in March 2022 to combat inflation, the State has been shortening the term of its investments and has continued to do so through fiscal year 2024 year to date. Accordingly, the weighted average maturity of its portfolio decreased from 575 days in March 2022 to 366 days in March 2023 and to 332 days in March 2024. The monthly weighted average portfolio interest rate increased from 2.83% as of March 31, 2023, to 4.40% as of December 31, 2023, and currently is 4.25% as of March 31, 2024. The decline from December is due to higher yielding short securities maturing and the overall market starting to price in Federal Reserve easing in 2024.

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, 2023
- Maryland State Retirement and Pension System Actuarial Valuation Report for Maryland Municipal Corporations, as of June 30, 2023; and
- Maryland State Retirement and Pension System Annual Comprehensive Financial Report for the years ended June 30, 2023 and 2022.

Please note the actuarial information provided in this section has been provided to the System by the System's Actuary, Gabriel Roeder Smith & Company, 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 ongoing 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, 2023, the State's membership in the System included 172,277 active members, 440,995 vested former members, and 153,951 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").

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[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 32.5 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.

PLAN TYPE	ANNUAL ALLOWANCE EQUALS	NORMAL SERVICE RETIREMENT ELIGIBILITY
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. • Eligible after accruing 20 years of service regardless of age.
Judges' Retirement System		
All	.6667 × 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 Supreme Court. • All others: at least age 60 and have accrued at least 5 years of eligibility service or l retired by order of Supreme Court.
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 or more.
[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 2023, State retirees and beneficiaries within the State Pool received benefit payments totaling $4.4 billion, with an average benefit of $28,764.

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 2022 meeting, the System's Board of Trustees voted to reduce the assumed rate of return from 7.4% to 6.8% and to lower the general inflation assumption from 2.60% to 2.25%.

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 2019 valuation pursuant to the 2018 experience study of the period July 1, 2014 to June 30, 2018.

- Mortality - Public Sector 2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2018 fully generational mortality improvements scales for males and females.

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 March 31, 2024	Long-Term Target Allocation
Public Equity	30.3%	34.0%
Private Equity	21.6	16.0
Rate Sensitive	16.8	21.0
Real Assets	14.5	15.0
Credit/Debt Strategies	9.5	9.0
SportAbsolute Return	5.6	6.0
Multi Asset	0.4	0.0
Cash	1.3	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, 2024, unaudited):

	1 year	3 year	5 year	10 year	20 year	25 year
Annualized Returns (gross of fees)	7.4%	4.3%	7.6%	6.8%	6.5%	5.9%

The System's rate of return, net of fees, on its investment portfolio was 5.7% (unaudited) for the fiscal year-to-date as of March 31, 2024.

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 2023, the State paid the full ADEC and contributed a total of $1.8 billion.

The Department of Budget and Management estimates that the General Fund portion of the employer contribution represents 6.0% of the fiscal year 2024 General Fund budget. 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*
2024	2.4%	3.2%	5.7%
2025	2.9	4.0	7.0
2026	2.9	4.1	7.0
2027	2.9	4.0	6.9
2028	2.8	4.1	6.9
2029	2.7	4.1	6.8

* 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, requires 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 budget, the System and the Postretirement Health Benefits Trust Fund 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. For fiscal year 2024, legislation diverted $10 million from the pension sweeper to the Maryland Equity Investment Fund, making the pension sweeper contribution $15 million. For fiscal year 2024, the legislature diverted $39.7 million of the $75 million supplemental payment for that year to other priorities in the State budget. Beginning in fiscal 2025, the legislature will reduce the $75 million supplemental payment, permanently, to $50 million.

The following table reflects all supplemental payments that have been received through fiscal year 2024, and are budgeted to be received in fiscal year 2025:

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

Fiscal Year	Voluntary Contributions
2017	$150.0
2018	75.0
2019	75.0
2020	75.0
2021	75.0
2022	100.0
2023	100.0
2024	35.3
2025 (budgeted)	50.8

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, 2023, 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, 2023
($ 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	$52,448,154	$41,303,062	78.75%	$11,145,092	$8,468,611	131.6%
Employees' Retirement and Pension System	25,498,485	17,195,857	67.44	8,302,628	4,039,728	205.5
State Police Retirement System	2,903,832	1,938,797	66.77	965,035	139,458	692.0
Judges' Retirement System	714,654	612,814	85.75	101,840	58,696	173.5
Law Enforcement Officers' Pension System	1,474,704	988,446	67.03	486,258	146,948	330.9
Total of All Plans*	$83,039,829	$62,038,977	74.71%	$21,000,852	$12,582,992	163.4%

*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 fiscal years 2014 to 2023 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 %
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
2021........	81,738,557	62,817,938	76.8	18,920,619	12,749,247	148.4
2022........	85,248,064	65,798,923	77.2	19,449,141	13,201,815	147.3
2023........	90,319,369	67,985,366	75.3	22,334,002	14,384,002	155.3

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

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 June 30)

Valuation Year	Based on June 30, 2023 Valuation
2023	81.6%
2025	87.1
2027	88.9
2030	91.4
2031	92.2
2037	98.1
2039	100.2
2040	100.3

The following table presents information regarding the Asset Market Values of the System, including both the State Pool and the Municipal Pool, for the fiscal years 2014 to 2023 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
2014	$45,339,989	2019	$53,943,419
2015	45,789,840	2020	54,586,037
2016	45,365,926	2021	67,604,500
2017	48,987,183	2022	64,310,991
2018	51,827,233	2023	64,892,973

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

As of March 31, 2024, the System's market value of assets (unaudited) was $67.8 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 2023, the State's contribution to the System was $2.3 billion, and the total contribution to the System was $2.4 billion. The NPL for the System was calculated as $23.0 billion as of June 30, 2023, of which the State's share has been estimated to be $21.4 billion.

For a more detailed discussion of the System, see the State's 2023 Annual Comprehensive Financial Report, "Notes to the Financial Statements," Note 15. A copy of the System's Actuarial Valuation Report as of June 30, 2023 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 percentage of gross pay to MTA Plan including 4% for AFSCME 1859, 5% for ATU 1300 and 6% for IPEIU 2, 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. For 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 (Gabriel, Roeder, Smith & Company). The Department of Transportation provided $54.6 million (which excludes employee contributions of approximately $8.3 million) to plan for fiscal year 2023. The Department's MTA fiscal year 2024 budget provides approximately $54.4 million (which excludes employee contributions of approximately $10.6 million) for the plan. The MTA's actuary calculated the MTA's fiscal year 2023 NPL to be $738.6 million.

As of July 1, 2023, membership in the MTA Plan included 2,532 active members, 562 vested former members, and 2,135 retirees and beneficiaries. The total pension liability is based upon the July 1, 2023 valuation data and assumption determined by the consulting actuary and rolled forward to June 30, 2024:

Funded Status of the MTA Plan
as of July 1, 2023
($ 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%**
$956,440	$514,581	53.80%	$441,858	$170,004	259.91%

Note: For a more detailed discussion of the MTA Plan, see https://www.mdot.maryland.gov/OOF/2023_Pension_Plan_Actuarial_Valuation.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, 2023, the Program membership included 81,179 active employees, 2,394 vested former employees and 54,291 retirees and beneficiaries. The Program assesses a charge to retirees for post-employment health care benefits similar health care insurance charges for active employees.

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, 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 brough on by State retirees, an injunction was issued forbidding the discontinuation of the prescription drug benefits for those retirees. That injunction has since been lifted and the State's motion for summary judgment was granted by the United States District Court for the District of Maryland. State retirees have appealed that decision to the United States Court of Appeals for the Fourth Circuit. See "LEGAL MATTERS – Litigation and Other Matters" for additional information regarding the legal proceedings. In addition, in 2019 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 began the process to transition Medicare eligible retirees to Medicare Part D in January 2024 for an effective date of January 1, 2025. To ease the transition, DBM will modify the 2019 reimbursement program with a first-dollar Health Reimbursement Arrangement (HRA) to cap out-of-pocket costs for eligible retirees.

OPEB Projections. As of June 30, 2023, the actuary's Total OPEB Liability was $11.6 billion, and the Fiduciary Net Position was $ 463.2 million, resulting in a Net OPEB Liability ("NOL") of $11.1 billion. The discount rate used was an unblended pay-go rate of 3.65%. The ratio of the Fiduciary Net Position to the Total OPEB Liability was 4.0%. The covered payroll (annual payroll of active employees covered under the Program) was $5.9 billion, and the ratio of the NOL to the covered payroll was 209.37%.

The following table from the Actuarial Valuation Reports as of June 30, 2023, 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 2024.

State Employee and Retiree Health and Welfare Benefits Program
Annual OPEB Expense and Net OPEB Liability
Projections as of June 30, 2023
($ in millions)

Reporting Date under GASB 75	**June 30, 2023**	**June 30, 2022**
Measurement Date under GASB 75	**June 30, 2023**	**June 30, 2022**
Beginning Net OPEB Liability	$12,444.9	$14,789.6
OPEB expense	(1,245.4)	266.3
Employer contributions	(732.0)	(674.0)
New net deferred inflows/outflows	38.0	(2,202.3)
Recognition of prior deferred inflows/outflows	(1,945.4)	(1,594.5)
Ending Net OPEB Liability	**$11,118.6**	**$12,445.0**

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, 2023 were $463.2 million. This balance also reflects the activity for investment earnings and administrative expenses during the period.

Maryland Transit Administration ("MTA"). 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 (Gabriel, Roeder, Smith & Company). 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 is as follows:

Maryland Transit Administration Plan OPEB
Annual OPEB Cost and Net OPEB Liability
Fiscal Year 2023
($ in millions)

June 30, 2022, Beginning Balance for FY 2023	$989.9
Changes for the Year:	
Service Cost	46.2
Interest	19.3
Changes of Benefit Terms	0.0
Experience Losses/(Gains)	(117.0)
Trust Contribution – Employer	0.0
Net Investment Income	0.0
Changes in Assumptions	(167.5)
Benefits Payments (net of retiree contributions)	(20.2)
Administrative Expense	0.0
Net Changes	(239.2)
June 30, 2023, Ending Balance for FY 2023	$750.7

Note: Numbers may not add due to rounding

For a more detailed discussion of the MTA OPEB, see the State's 2023 Annual Comprehensive Financial Report, "Notes to the Financial Statements", Note 18.

Labor Management Relations

As of March 31, 2024, the State had approximately 111,581 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 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.

Currently, two of the ten bargaining units have MOUs that will remain in place and unchanged until June 30, 2025. Employees in these groups will receive a 5.0% cost-of living ("COLA") adjustment on July 1, 2023 and an increment in fiscal year 2024. Employees represented by the other exclusive bargaining representatives negotiated a 2.0% COLA on July 1, 2023 and an increment in fiscal year 2024.

In 2022, collective bargaining was extended to approximately 600 employees of the Office of the Public Defender. Employees were accreted into existing AFSCME bargaining units and were included in time for negotiations that occurred in the Fall of 2023 for the FY 2025 budget.

Also in 2022, legislation modified the manner in which the University System of Maryland was required to collectively bargain. Specifically, the legislation consolidated most, but not all, collective bargaining duties into the Office of the Chancellor.

In 2024, legislation was enacted that repealed the statutory exclusion from collective bargaining for most supervisory State employees in Executive Branch agencies, excluding higher education institutions, thereby establishing collective bargaining rights for those employees. At this time it is not known if a petition will be filed to form a union, however, the Department of Budget and Management is required to adopt regulations defining which supervisory employees are eligible prior to that time.

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 2021 through 2023, and the estimates for fiscal years 2024 and 2025. Federal funds are excluded except for State Fiscal Recovery Funds provided in the American Rescue Plan Act of 2021. PAYGO capital funds are excluded—a recent change in reporting—and the 2021 through 2023 actuals have been updated to reflect this change.

Major State Financial Support to Local Governments—Operating Budget Only
Fiscal Years 2021–2025
($ in millions)

	2021	2022	2023	2024 Estimated	2025 Estimated
Education	$7,664	$7,958	$8,489	$9,310	$9,768
Transportation	265	285	285	354	429
Health	69	80	106	116	123
Public Safety	168	169	270	218	217
Other	309	321	343	387	355
Total *	$8,474	$8,813	$9,493	$10,385	$10,892

* Totals may not add due to rounding.

Cybersecurity

In the conduct of its daily business, the State employs technology and collects and stores sensitive data. The secure processing, maintenance, and transmission of this information is critical to many of the State's operations. Despite security and other technical measures currently in place and those which may be adopted in the future, information technology and infrastructure may be vulnerable to attacks by hackers, nation states or other breaches, including as a result of error, malfeasance or other disruptions or failures. Any such breach, disruption or other failure could compromise State services, networks, facility operations and the information stored there could be accessed, disrupted, publicly disclosed, lost or stolen. Any such access, disruption, disclosure, theft or other loss of information could result in disruptions to State operations and financial or other activities, or legal claims or proceedings, including pursuant to laws that protect the privacy of personal information, or regulatory penalties.

To prevent such disruptions to State operations, the State maintains a cybersecurity office within the Department of Information and Technology. The State uses the National Institute of Standards and Technology Cybersecurity Framework to measure the maturity of cybersecurity controls and exposure to cyber risks in State government. The current focus is on improving detection, response and recovery capabilities along with a continual review of critical controls for systems which process State data and providing cyber security education to state employees on an ongoing basis.

In carrying out its cybersecurity functions, the Department of Information Technology ("DoIT") Office of Security Management ("OSM") works with a range of State and federal law enforcement agencies, including the Federal Bureau of Investigation's Joint Terrorism Task Force. OSM also regularly works with (1) other state and municipalities throughout the country to share cybersecurity threat intelligence and best practices, and (2) non-governmental entities such as utilities, telecommunication providers and financial services companies for the purpose of enhancing collective cyber defenses. The State has developed standard cybersecurity policies and standards for third party vendors of the State to follow, and security provisions for contracts with vendors, which help ensure the State is notified of cyber breaches and suspected cyber breaches of a vendor's network environment.

While the State conducts periodic test and reviews of its networks, no assurances can be given that such security and operational control measures will be successful in guarding against all cyber threats and attacks. New technical cyber vulnerabilities are discovered in the United States daily. The techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasing complex and sophisticated. In addition, there is a heightened risk due to an increase in remote access to State systems by State employees as a result of increased teleworking. As cybersecurity threats continue to evolve, the State may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. The results of any successful attack on the State's computer and information technology systems could impact its operations and damage the State's digital networks and systems, and the costs of remedying any such damage could be substantial.

In 2022 several Maryland laws advancing cybersecurity resources, defenses, and partnership were enacted. These laws (1) created a more precise State-level chain of resources and response processes for cyber threats, including a newly created Cyber Response Unit within the Maryland Department of Emergency Management; (2) created a Cybersecurity Coordinating Council, (3) developed standards for government entities (including counties) for cyber preparedness and systems; and (4) set standards and practices around public infrastructure, like public water systems, to better guard their systems from cyber threats and attacks.

In December 2022, DoIT received the results of a capacity assessment which will help guide Administration cybersecurity efforts going forward. The fiscal year 2024 budget included significant investments in cybersecurity, including (1) $152.0 million placed in the Dedicated Purpose Account for continued support of cybersecurity assessments and remediation and to support the implementation of major cybersecurity legislation passed during the 2022 session, (2) $7.3 million for the Local Cybersecurity Support Fund administered by the Maryland Department of Emergency Management, (3) $4.0 million and 20 positions in the DoIT to support the implementation of the cybersecurity legislation, and (4) $0.5 million for the establishment of the Cybersecurity Preparedness Unit within the Maryland Department of Emergency Management. The fiscal year 2025 budget continued these investments, (1) adding $49.2 million in ongoing operating funds to DoIT's OSM and (2) providing another $3.6 million for the Local Cybersecurity Support Fund.

IMPACT OF FRANCIS SCOTT KEY BRIDGE COLLAPSE

On March 26, 2024, the Francis Scott Key Bridge ("FSK Bridge") in Baltimore collapsed after being struck by a container ship, resulting in the deaths of six construction workers, the partial closure of the Port of Baltimore (the "Port") operations, and disruption to the regional transportation network. The shipping channel that the FSK Bridge spans provides access to more than 30 public and private marine terminals that make up the Port. The debris from the collapse temporarily halted vessel operations to portions of the Port. The State of Maryland, Baltimore City, and Baltimore County each declared a state of emergency as a result of the collapse.

Economic Support for Port Workers and Businesses

Within two weeks of the collapse, the General Assembly enacted the Maryland Protecting Opportunities and Regional Trade (PORT) Act which was signed by Governor Moore on April 9, 2024. The legislation establishes programs to support people and businesses affected by the bridge collapse and partial closure of the Port. The Maryland Department of Labor has three principal programs that are supporting workers and businesses impacted by the suspension of normal operations at the Port due to the FSK Bridge collapse. These programs are designed to keep workers attached to the Port to ensure they are ready to resume work immediately as operations return, as well as to provide income replacement and a measure of economic stability for workers, their families, and communities.

The General Assembly authorized the Governor to transfer up to $275 million from the Revenue Stabilization Account to fund these programs. As of May 28, 2024, $72 million has been transferred out of the Revenue Stabilization Account and is being used, along with just over $30 million in other State and federal funds, to administer these programs.

Reopening of Main Shipping Channel

A phased approach has been developed with respect to the reopening of the main shipping channel. The Unified Command had safely accomplished the refloating of the M/V Dali and expanded the limited access channel significantly as of May 20th, to a width of 400 feet and a depth of 50 feet, allowing for the transit of all deep-draft commercial vessels calling on the Port of Baltimore. As of May 24th, the Army Corps of Engineers reported that it currently anticipates restoring the federal channel to its original 700-foot width and 50-foot depth no later than mid-June 2024.

Rebuilding of FSK Bridge

The Maryland Transportation Authority is partnering with State, local, and federal agencies to reconstruct the FSK Bridge. Rebuilding is expected to occur through a competitive progressive design build procurement and be completed by fall of 2028. A request for proposals is expected to be released by the end of May 2024 with costs associated with reconstructing the bridge estimated between $1.7 billion and $1.9 billion. To date, $60 million in federal emergency relief funding has been approved by the Federal Highway Administration for immediate needs and an additional request will be submitted for recovery efforts when better estimates are known. As part of the interstate highway system, federal funding is expected to be available for 90% of eligible costs of rebuilding the FSK Bridge and Maryland's congressional delegation is pursuing a bipartisan effort to have federal funding provide for 100% of eligible costs of the rebuild.

Insurance Coverage

The State has a $350 million property insurance policy covering the FSK Bridge issued by ACE American Insurance Company, one of the CHUBB Group of Insurance Companies. It is anticipated that the State will receive the full policy limit of $350 million property loss payment in the coming weeks. The State also maintains liability insurance coverage in amounts and under terms it believes are appropriate for the risks associated with the operation of the FSK Bridge and its port facilities.

Economic Impact of Collapse on State

The magnitude of the economic impact of the FSK Bridge collapse is uncertain at this time. Given the recency of the collapse and the unusual disruption of economic activity involving key infrastructure assets along with the unknown duration and severity of the disruption to the Port operations, it is not possible to estimate the economic impact on the State's finances of the collapse at this time. However, the impact is expected to be material. According to the Port's most recent economic impact study from 2023, there are an estimated 19,970 direct jobs from cargo operations at Port terminals and private terminals and an additional 223 jobs related to cruise activity. In the time that the shipping channel has been impeded, the loss of economic activity has only been partial. Some of the Port operations remain open following the FSK Bridge collapse. The Maryland Department of Labor estimates that 9,200 full-time equivalent positions are at risk due to the disruption of Port operations. Federal and State assistance programs will help offset harm to impacted employees and businesses and therefore mitigate some of the loss in economic activity.

BLUEPRINT INITIATIVES

The Blueprint for Maryland's Future passed in 2020 after a two-year study commission that completed an intensive gap analysis comparing Maryland to high-performing education systems in the U.S. and across the world.

The final legislation includes significant changes in five major policy areas that together set forth a 10-year phased-in plan to ensure that Maryland has a highly skilled and well-educated workforce to compete in the global economy: (1) Early Childhood Education; (2) High Quality and Diverse Educators and Leaders; (3) Career and College Pathways; (4) Resources for All Students to Succeed; and (5) Governance and Accountability.

The Blueprint initiatives are supported by a combination of funding sources, including lottery proceeds, sport betting revenues, and a percentage of sales tax increases. Additionally, legislation in 2022 and 2023 diverted a total of $1.3 billion from income tax revenue and Revenue Stabilization Fund contributions to a dedicated special fund, the Blueprint for Maryland's Future Fund (the "Blueprint Fund"). Revenue and spending actions in the enacted fiscal 2025 budget resolve a projected fiscal 2027 Blueprint Fund deficit and improve the long-term health of the fund. These include increasing the sales and use tax rate for electronic smoking devices from 12% to 20%, increasing taxes on tobacco products, earmarking a share of all tobacco revenue to the Blueprint Fund, and delaying the phase-in of certain provisions related to full-day prekindergarten expansion.

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 have also 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 March 31, 2024 is as follows:

Tax-Supported Debt Outstanding
($ in millions)

	Outstanding at March 31, 2024
General Obligation Bonds[(a)]	$9,069.9
Consolidated Transportation Bonds[(b)]	3,059.1
Maryland Stadium Authority Bonds and Leases[(c)]	133.0
Capital Leases[(d)]	25.9
Bay Restoration Revenue Bonds[(e)]	140.4
Net Tax-Supported Debt	$12,428.3

(a) After issuance of the 2024 First Series Bonds, the General Obligation Bonds will increase to $10.2 billion inclusive of amounts already paid in calendar year 2024, increasing the net tax-supported debt to $13.6 billion. See Exhibit 2 "SUPPLEMENTARY DEBT INFORMATION"
(b) See "Department of Transportation Debt."
(c) See "Maryland Stadium Authority Bonds."
(d) See "Lease and Conditional Purchase Financings."
(e) See "Other Tax-Supported Debt."

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 APPENDIX A "MISCELLANEOUS REVENUE AND ENTERPRISE FINANCINGS" and "SUPPLEMENTARY DEBT INFORMATION – 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; the construction of locally owned public schools; and grants and loans that support affordable housing and neighborhood revitalization projects. General obligation bonds also have been issued to assist local governments, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for grants or repayable loans to private, nonprofit, cultural, or educational institutions. In the proposed fiscal year 2025 capital program, 35.1% of new general obligation bond authorizations represents financing of State-owned capital facilities and select transportation needs, 25.3% is for public school construction, and 39.6% represents grant or loan financing of other capital needs such as construction of affordable housing.

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.

Although each enabling act authorizing general obligation bonds commits the State property tax to the service of such bonds, and all amounts collected from such tax are applied to that purpose, it has been the normal practice to devote a significant amount of General Fund revenue to general obligation debt service, as shown below.

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

Fiscal Year	General Fund Subsidy
2018	$259.6
2019	286.0
2020	287.0
2021	131.0
2022	260.0
2023	430.0*
2024 (enacted)	425.1
2025 (enacted)	397.1

*For FY 2023, an additional subsidy of $219.0 million was submitted as a deficiency along with the proposed FY 2024 budget.

For fiscal year 2025, the sources of current revenues anticipated to be used for the payment of debt service are the State property tax (70.3%), general funds (26.4%), carried-over balance from previous years (3.1%), and federal subsidies for ARRA Bonds and other revenues (0.2%).

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 2024, the limit is $3.1 billion. As of March 31, 2024, the principal amount of outstanding bonds is $3.1 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." The Department does not receive a portion of the State's general sales and use tax. Nonetheless, 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.

The General Assembly has 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 being given this authority, the Department relied on the Maryland Transportation Authority or the Maryland Economic Development Corporation ("MEDCO") 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 to (i) refund existing bonds previously issued by the Maryland Transportation Authority and the MEDCO, (ii) to consolidate separate revenue pledges, and (iii) provide a gross pledge of MAA's operating revenues. On July 14, 2021, the Department issued $190.5 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. 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, debt backed by customer facility charges, passenger facility charges, or other revenues, and debt issued by the MEDCO or any other third party on behalf of the Department. During the 2023 Legislative Session, the General Assembly established a debt limit for nontraditional debt exclusive of Purple Line debt of $748.9 million, $1.9 billion for the Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Purple Line Light Rail project and $643.5 million for the Purple Line Series 2022 A and 2022 B Bonds (the "Purple Line Bonds") as of June 30, 2024. As of March 31, 2024, the Department's nontraditional debt outstanding exclusive of Purple Line debt was $650.4 million, TIFIA loan draws including capitalized interest totaled $754.3 million, and $643.5 million was still outstanding on the Purple Line Bonds.

Public-Private Partnerships

American Legion Bridge and 270 Corridor Program. The I-495 and I-270 corridor is one of the most congested corridors in Maryland, which impedes the efficient flow of people, goods, and services and limits interstate transit. The corridor includes the American Legion Bridge, a vital connection in the Maryland, Virginia, and Washington D.C. region that can no longer accommodate daily traffic levels and is limited in its ability to support efficient transit and active transportation options. The American Legion Bridge and 270 Corridor Program (the "Project") will enhance the metropolitan Washington D.C. region's access, opportunity and quality of life with multimodal improvements through the advancement of transit, ridesharing options, transportation demand management enhancements, Transit-Oriented Development opportunities, phasing managed lanes, and a comprehensive planning strategy for I-270 with stakeholder engagement.

In June 2019, the Board of Public Works designated the Project as a public-private partnership and subsequently provided supplemental approval for the delivery of the Project. Following a competitive solicitation, in 2021, the Board of Public Works approved the selection of Accelerate Maryland Partners, LLC ("AM Partners") as the developer responsible for overseeing pre-development work on the first phase of the Project. The pre-development agreement required AM partners to submit a financially viable proposal for the final design, construction, financing, operation, and maintenance of the first section of the Project by March 2023. However, AM Partners executed its contractual right to terminate its contract with the Department for failure to agree on terms prior to the deadline. Since the termination of the pre-development agreement, the Department has been continuing conceptual design, due diligence, and public engagement activities and is reviewing delivery and funding method for the Project.

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, the Hippodrome Theater in Baltimore City, Camden Station Renovation in Baltimore City, Baltimore City Public Schools, the Built to Learn Act which is a statewide school construction program, and the Hagerstown Multi-Use Stadium and Event Facility. On March 31, 2024, the principal amount of tax-supported outstanding bonds and capital leases of the Authority was $132.9 million. See APPENDIX A – "SUPPLEMENTARY DEBT INFORMATION – Maryland Stadium Authority" for a summary of outstanding debt 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 March 31, 2024, the total tax-supported capital leases and conditional purchase financing outstanding was $155.3 million. See APPENDIX A - "SUPPLEMENTARY DEBT INFORMATION – 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.

Local government agencies or other lessors have also issued revenue bonds or sold certificates of participation ("COPs") to finance facilities. In 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 Infrastructure 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 March 31, 2024, the principal amount of outstanding Bay Restoration Revenue Bonds was $140.4 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 2023 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.

General Obligation Bond Ratios

($ in millions except per capita amounts)

	End of Fiscal Years				
	2019	**2020**	**2021**	**2022**	**2023**
General Obligation Bonds[(a)]	$9,607	$9,772	$9,913	$10,589	$10,001
% Change[(b)]	1.4%	1.7%	1.4%	6.8%	(5.5%)
Assessed Value[(c)]	$746,919	$770,161	$793,419	$817,301	$846,102
Debt Ratio[(d)]	1.3%	1.3%	1.2%	1.3%	1.2%
Population[(e)]	6,055	6,173	6,175	6,165	6,180
Per Capita Debt	$1,589	$1,583	$1,608	$1,718	$1,618
Personal Income[(f)]	$390,792	$413,359	$427,034	$430,429	$456,408
Debt Ratio[(d)]	2.5%	2.4%	2.3%	2.5%	2.2%
General Obligation Debt Service ..	$1,291	$1,323	$1,278	$1,374	$1.429
Revenues[(g)]	$19,909	$19,806	$23,004	$26,197	$26,328
Debt Service Ratio[(d)]	6.5%	6.7%	5.6%	5.2%	5.4%

* 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.

Combined General Obligation, Transportation and Other State Tax-Supported Debt Ratios

($ in millions except per capita amounts)

	End of Fiscal Years				
	2019	**2020**	**2021**	**2022**	**2023**
Outstanding					
General Obligation Bonds(a)	$9,607	$9,772	$9,913	$10,589	$10,001
Transportation Bonds:					
Consolidated Transportation	3,343	3,627	3,672	3,643	3,297
Capital Leases	215	196	178	160	147
Stadium Authority	131	127	116	101	142
GARVEE Bonds	49	-	-	-	-
Bay Restoration Revenue Bonds	253	232	210	186	162
Total State Tax-Supported Debt*	$13,598	$13,955	$14,088	$14,680	$13,749
Assessed Value(b)	$746,919	$770,161	$793,419	$817,301	$846,102
Debt Ratio(c)	1.8%	1.8%	1.8%	1.8%	1.6%
Population(d)	6,055	6,173	6,175	6,165	6,180
Per Capita Debt	$2,249	$2,261	$2,481	$2,686	$2,225
Personal Income(e)	$390,792	$413,359	$427,034	$430,429	$456,408
Debt Ratio(c)	3.5%	3.4%	3.6%	3.8%	3.0%
Debt Service	$1,802	$1,807	$1,770	$1,885	$1,985
Revenues(f)	$23,888	$24,044	$26,758	$30,597	$30,648
Debt Service Ratio(c)	7.5%	7.5%	6.6%	6.2%	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) 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.

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

	2019	2020	2021	2022	2023
Outstanding Debt[(a)]					
State Tax-Supported Debt	$13,598	$13,955	$14,088	$14,680	$13,749
Local Debt[(b)]	28,244	29,001	30,014	31,139	31,628 [(g)]
Total Combined Debt	$41,842	$42,956	$44,102	$45,819	$45,377
Assessed Value[(c)]............................	$746,919	$770,161	$793,419	$817,301	$846,102
Debt Ratio[(d)]	5.6%	5.6%	5.6%	5.6%	5.4%
Population[(e)]......................................	6,055	6,173	6,175	6,165	6,180
Per Capita Debt	$6,910	$6,959	$7,142	$7,432	$7,343
Personal Income[(f)]	$390,792	$413,359	$427,034	$430,429	$456,408
Debt Ratio[(d)]	10.7%	10.4%	10.3%	10.6%	9.9%

* 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) Includes outstanding debt of component units
(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) Estimate.

See "SUPPLEMENTARY DEBT INFORMATION – General Obligation Bonds" for: (1) amounts of the outstanding general obligation bonds of the State at each fiscal year end; 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 2019 through 2024, 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[a]

($ in thousands)

		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*
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	1,105,000	1,015,000	471,390	-	851,598	494,330	9,912,930	2,572,652
2022 (c)	1,424,766	1,665,000	237,125	-	950,732	275,730	10,588,592	2,332,417
2023 (d)	1,234,100	400,000	-	-	987,355	-	10,001,237	3,166,517
2024 (e)	1,750,000	1,200,000	-	13,056	931,354	-	10,269,884	3,703,462

* Totals may not add due to rounding.
(a) Per the Comptroller's Office unless otherwise indicated.
(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) The authorized amount includes projects to be funded by premium in the amount of $259.8 million.
(d) The authorized amount includes projects to be funded by premium in the amount of $29.1 million.
(e) As of June 5, 2024 per STO estimates.

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*
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	611,562	1,014,816	330,908	-	1,172,433	784,854
2022	784,854	1,664,657	571,817	-	1,100,268	1,921,060
2023	1,921,060	399,911	754,399	-	1,199,887	1,875,483
2024 (c)..................	1,875,483	-	20,728	-	779,285	1,116,926

* 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, 2024.

The State's operating and capital budgets introduced for fiscal year 2025 include appropriations for $3.2 billion of capital projects. Of that amount, $1.8 billion is comprised of general obligation bonds authorizations, which includes $1.75 billion in new debt and $42.8 million in unused prior authorizations that are repurposed for new capital needs. General Fund "PAYGO" of $52.0 million supports the capital program. The remainder is comprised of projects funded by federal funds, special funds, and revenue bonds.

The fiscal year 2025 capital budget, as introduced, includes $453.3 million in general obligation bond authorizations to improve schools throughout the State, and $629.9 million in general obligation bond funding is provided for new construction of and improvements to State-owned facilities and transportation systems. The capital budget, as introduced, includes an additional $709.4 million to address other capital needs, including community development and affordable housing, environmental and outdoor infrastructure improvements, local higher education facilities, and other important capital priorities throughout the State. General Fund PAYGO of $52.0 million is anticipated to supplement these capital programs with $5.0 million for State-owned facilities and $47.0 million for other capital needs.

The State's five-year Capital Improvement Program for fiscal years 2025 through 2029 includes $9.2 billion in discretionary funds: $8.7 billion in general obligation bond sale revenue, and $557.0 million in General Fund PAYGO. The State's anticipated capital needs for these fiscal years that are to be funded through general obligation bond issuances, total $3.9 billion for State-owned facilities and transportation, $2.2 billion to improve schools throughout the State, and $2.6 billion for other capital needs. General Fund PAYGO supplements these programs with $506.0 million primarily to aid the transportation budget and $51.0 million for other capital needs. The funded amount, by year, is outlined in the following table.

Governor's Capital Improvement Program
General Obligation Bonds and General Fund PAYGO
($ in millions)

	GO Bonds and Bond Premiums			General Fund PAYGO		
Fiscal Year	State-Owned Facilities	School Construction	Other Capital Needs	State-Owned Facilities	School Construction	Other Capital Needs
2025	$629.9	$453.5	$709.4	$5.0	0	$47.0
2026	875.2	406.1	468.7	0	0	1.0
2027	775.4	463.5	503.5	167.0	0	1.0
2028	782.0	453.5	478.9	167.0	0	1.0
2029	792.3	453.5	424.4	167.0	0	1.0
Total	$3,854.8	$2,230.1	$2,584.9	$506.0	0	$51.0

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 December 2023, recommended to the Governor and the General Assembly to limit new general obligation bond authorizations to $1.8 billion for fiscal year 2025. The Committee stated that the 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)
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
2022	2023	900,000	1,219,361	54,361	1,165,000	265,000
2023	2024	600,000	1,218,639	13,639	1,205,000	605,000
2024	2025	1,750,000	1,845,046	95,046	1,750,000	-

Total sales of General Obligation bonds during the five fiscal years 2019 through 2023 are as follows:

Total Sales of General Obligation Bonds
($ in thousands)*

	2019	2020	2021	2022	2023
General Construction	$659,609	$421,488	$415,717	$898,050	$199,714
State Public School Construction	299,603	646,822	551,435	293,100	64,466
Other	40,788	26,690	47,848	473,850	135,820
Total..	$1,000,000	$1,095,000	$1,015,000	$1,665,000	$400,000
Refunding	$-	$232,230	$471,390	$237,125	$-

*Totals may not add due to rounding

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 Infrastructure 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 $9.4 billion on March 31, 2024. See APPENDIX A - "SUPPLEMENTARY DEBT INFORMATION – 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.

Public-Private Partnerships

Purple Line Transit Project (Purple Line). The Purple Line is a 16.2 mile east-to-west light rail line that runs across Montgomery and Prince George's counties just inside the I-495/Capital Beltway in the Washington, D.C. metropolitan area. It will provide a direct connection to Metrorail Red, Green, and Orange lines and connect to MARC, Amtrak and local bus services. In 2016, the Department and the Maryland Transit Administration ("MTA") entered into a public-private partnership with Purple Line Transit Partners ("PLTP") for the design, construction, financing, operations, and maintenance of the Purple Line. In 2020, the design-build contractor left the project and PLTP held a competitive solicitation for a new design-build contractor. In 2022, the public-private partnership agreement was modified to replace the design-build contractor and to update the project schedule and budget. Construction activities are currently underway and completion is expected for late 2027. Subsequent to completion of construction, PLTP will operate and maintain the system for 30 years. Construction activities are financed through a federal New Starts grant, State contributions, a TIFIA loan, private activity bonds, and private equity. The MTA will make performance-based availability payments to PLTP through 2057 to repay construction costs and pay for operations and maintenance.

NextGen Energy Program. The NextGen Energy Program is a public-private partnership agreement between the University of Maryland, College Park ("UMD") and Maryland Energy Impact Partners LLC ("MEIP") approved by the State's Board of Public Works on May 15, 2024. Under the agreement, MEIP is granted a 33-year energy services concession during the course of which critical aged and inefficient energy infrastructure will be replaced to help increase energy service reliability and decreasing the energy systems' carbon emissions from the Central Energy Plant and the first comprehensive plan to set UMD on a pathway to achieving full Energy Systems decarbonization by December 31, 2035, will be developed.

MEIP will finance approximately 85% of all costs associated with the capital improvements and decarbonization strategy development using taxable municipal bonds issued by the Maryland Economic Development Corporation ("MEDCO") (nonrecourse to UMD and the University System) in an aggregate principal amount sufficient to generate proceeds of approximately $345.7 million. MEIP will finance the remaining 15% of such costs with equity contribution by its equity partners of approximately $59 million that will remain at risk throughout the Concession Agreement's term. UMD will pay MEIP a monthly Availability Payment beginning at the actual substantial completion date for the capital improvements (approximately 3 years after construction commences). UMD has indicated that non-State tax revenue sources will be used to support the Availability Payments. The current level of UMD's annual utilities budget (increased overtime for projected long-term inflation) will fund the Program's Availability Payments and operating costs.

UMD estimates that the NextGen Energy Services Program will generate a significant revenue stream for the State and Prince George's County. Construction of the initial capital improvements is estimated to create 120 annual full-time trade employment opportunities at prevailing wages that will generate up to $10 million in tax revenue and recycle over $70 million through in-State businesses (over half of which will flow to Prince George's County businesses).

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 U.S. Census Bureau, Maryland's population on July 1, 2023 was 6,180,253, an increase of 4.3% from 2013. Maryland's population is concentrated in urban areas. In 2023, the 11 counties and Baltimore city located in the Baltimore-Washington region contained 87.4% of its population. The 2023 population for the Baltimore Metropolitan Statistical Areas was estimated at 2,834,316 and for the Maryland portion of the Washington Metropolitan Statistical Areas, 2,565,996. Overall, Maryland's population per square mile was 628 in 2023. The following table presents estimated population of Maryland and the United States from 2013 to 2023.

Population

	Maryland		United States	
Year	Population	Change	Population	Change
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(a)	6,173,689	2.0%	331,526,933	1.0%
2021	6,175,045	0.0%	332,048,977	0.2%
2022	6,163,981	(0.2%)	333,271,411	0.4%
2023	6,180,253	0.3%	334,914,895	0.5%

Source: U.S. Department of Commerce, Bureau of the Census.
(a): 2020 – 2023 figures are benchmarked to the 2020 census, the growth rate in 2020 compares to an un-revised year
Note: Figures are estimates for July 1 of each year.

Maryland’s population growth rate is below the national average, consistent with population growth patterns in other high-income or northeastern states such as Massachusetts and Connecticut. Although Maryland has positive natural population growth and positive international migration growth, Maryland's overall population growth is reduced by negative net-domestic migration. Net domestic migration has been negative since the early 2000’s but is typically offset by positive net international migration. In 2021 and 2022 net domestic migration fell, likely in reaction to the COVID-19 pandemic, pulling down the overall population growth rate. In 2023, the State’s population growth recovered to 0.3%.

Domestic migration in the United States is generally coming from wealthy, high cost of living states and going to states with a lower cost of living. In Maryland, most domestic migrants arrive from jurisdictions with relatively higher housing costs, such as New York, New Jersey, and the District of Columbia. The most populator destinations for domestic migrants leaving Maryland are states with relatively lower housing costs, such as Pennsylvania, Florida, and North Carolina.

In addition to population growth, the age distribution of the population affects average labor productivity and therefore 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 most economic expansions of the post-Cold War era. The age distribution of the labor force is skewed more towards younger and older workers than in the 1990s, and middle-aged workers are the most productive and have the highest earning on average. For 2022, 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 2022

Age	Maryland	United States
Under 5 years	5.7%	5.6%
5 through 19 years	18.6	18.8
20 to 44 years	32.9	33.6
45 to 64 years	25.9	24.8
65 years and over	16.9	17.3
	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 2022, the most recent year for which data is available, the percentage of the population (25 years and over) with a bachelor’s degree or higher is 43.8% compared to 35.7% for the nation. Maryland ranks third in the nation in the percentage of its over 25 population with a graduate or professional degree. Maryland’s high levels of educational attainment partially explain higher median and average wages in Maryland compared to the nation. The State’s educated labor force facilitates the growth of the professional services and education and health service sectors.

Educational Attainment of Population 25 Years and Over 2022

	Maryland	United States
Less than High School	8.6%	10.4%
High School Diploma	23.6	26.1
Some College	17.2	19.1
Associate's Degree	6.9	8.8
Bachelor's Degree	23.2	21.6
Graduate or Professional Degree	20.6	14.0

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

Personal Income

Maryland residents received approximately $456.4 billion in personal income in 2023. Maryland’s total personal income increased at a rate of 5.4%, compared to the national total personal income of the of 5.2%. Per capita income remained above the national average in 2023: $73,849 in Maryland compared to the national average of $68,531 and ranked tenth 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
2023

Year	Maryland	Change	United States	Change	Maryland Ranking
2014	53,084	2.3%	46,287	4.2%	8
2015	55,041	3.7%	48,060	3.8%	7
2016	56,614	2.9%	48,971	1.9%	5
2017	58,251	2.9%	51,004	4.2%	5
2018	59,919	2.9%	53,309	4.5%	7
2019	61,707	3.0%	55,547	4.2%	9
2020	64,820	5.0%	59,151	6.5%	10
2021	69,047	6.5%	64,427	8.9%	10
2022	70,236	1.7%	65,473	1.6%	11
2023	73,849	5.1%	68,531	4.7%	10

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 2023, the sources of personal income in the State and the comparable sources of personal income for the nation were as follows:

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Sources of Personal Income
2023
($ in millions)

	Maryland	Percentage of Personal Income Before Residence Adjustment: Maryland	Percentage of Personal Income Before Residence Adjustment: United States
Mining, forestry, fishing	$ 407	0.1%	0.8%
Construction	19,577	4.6	3.7
Manufacturing	13,840	3.3	5.3
Trade, transportation & utilities	36,094	8.5	9.3
Information services	9,672	2.3	2.2
Finance, insurance & real estate	21,657	5.1	5.7
Professional & business services	62,506	14.7	11.3
Educational & health services	41,424	9.7	7.9
Leisure & hospitality services	12,756	3.0	3.1
Other services	11,218	2.6	2.1
Government			
Federal, civilian	34,666	8.2	1.6
Military	4,784	1.1	0.6
State & local	35,250	8.3	6.7
Farm income	503	0.1	0.3
Earnings by place of work	304,354	71.6	60.5
Less:			
Personal contributions for social insurance	(35,336)	(8.3)	6.8
Plus:			
Dividends, Interest and Rent	83,667	19.7	17.2
Transfer Payments	72,218	17.0%	15.4
Personal income before residence adjustment	424,903	100.0	100.0*
Residence adjustment	31,505	6.9	0.02
Total Personal Income	$ 456,408 *		

* 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 2018 and 2023, total personal income in Maryland has grown 4.4% annually, compared to a national growth rate of 5.6%. 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 6.9% of Maryland personal income, but less than 0.02% of national personal income.

Average Annual Growth of Personal Income Components
(2018 through 2023)

	Maryland	United States
Wages and Salaries	4.7%	5.8%
Supplements to Wages and Salaries	3.4	3.4
Proprietors' Income	(0.6)	4.2
Contributions for Social Insurance	4.7	5.8
Residence Adjustment	5.1	3.5
Dividends, Interest, and Rent	4.2	5.8
Transfer Payments	6.6	6.6
Total Personal Income	4.4	5.6

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 above timeframe, a significant contraction in economic output occurred due to the COVID-19 Pandemic. In efforts to counteract the economic impact of the pandemic, the federal government reacted with a larger than normal economic stimulus response (both monetary and fiscal) that kept aggregate income growing, boosting both savings and consumption.

Annual Personal Income and Wages and Salaries Growth

	Personal Income		Wages and Salaries	
Year	Maryland	United States	Maryland	United States
2014	3.1%	5.1%	3.4%	5.1%
2015	4.4	4.7	4.7	5.1
2016	3.4	2.7	3.1	3.0
2017	3.5	4.9	3.6	4.7
2018	3.3	5.1	3.5	4.9
2019	3.4	4.7	3.6	4.8
2020	5.2	6.9	1.6	1.4
2021	6.5	9.1	6.5	9.0
2022	1.5	2.0	5.8	7.8
2023	5.4	5.2	6.0	6.3

Source: U.S. Bureau of Economic Analysis.

Employment

Maryland’s labor force totaled 3.2 million in February 2024. The three leading sectors of employment in the State are the government, professional and business services, and trade, transportation, and utilities. These sectors are also among the nation’s top sectors for employment. The greatest differences in the distribution of employment between Maryland nation can be observed in the government (notably the federal government), manufacturing, and professional and business service sectors. The federal government and professional and business service sectors comprise a greater percentage of employment in Maryland than in the nation, whereas manufacturing employs a much smaller share of the Maryland population compared to the nation, as shown in the table below.

Distribution of Employment
2023

	Maryland	United States
Construction & mining	5.9%	5.5%
Manufacturing	4.1	8.3
Trade, transportation & utilities	17.1	18.5
Information services	1.3	1.9
Financial activities	5.1	5.9
Professional & business services	17.4	14.6
Educational & health services	16.8	16.2
Leisure & hospitality services	9.5	10.6
Other services	3.8	3.7
Government	19.1	14.6
Federal	5.8	1.9
State & local	13.3	12.7
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
(2018 through 2023)

	Maryland	United States
Construction & mining	(0.4%)	1.6%
Manufacturing	0.2	0.4
Trade, transportation & utilities	(0.1)	0.9
Information services	(0.6)	1.3
Financial activities	(1.4)	1.4
Professional & business services	1.0	1.7
Educational & health services	(0.3)	1.4
Leisure & hospitality services	(1.5)	0.4
Other services	(1.6)	0.0
Government		
Federal	1.8	0.9
State & local	0.2	0.2
Total	(0.1%)	0.9%

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

In the spring of 2020, the nation experienced its worst job losses since the Great Depression. By April 2020, Maryland employment declined 14.4% from its prior peak. Employment then sharply rebounded over the summer and fall. As of February 2024, total employment remains 4.4% below its December 2019 level peak. Additionally, as of February of 2024, US federal government outlays continued to increase year over year by 8.2%. 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. Federal employment expanded during the pandemic in the Maryland, District of Columbia, and Virginia (DMV) region. Regional federal employment declined slightly over fiscal year 2023 and has since returned to positive on a year over year basis. Since the pandemic, federal jobs in Maryland have grown at a faster rate than the DMV region as a whole.

Historical annual employment growth in Maryland's five largest sectors is shown in the table below. Maryland's five largest sectors represented 79.9% of total employment in 2023.

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

Year	Total Government	Professional and Business Services	Trade, Transportation, & Utilities	Educational & Health Services	Leisure & Hospitality Services	Total MD Employment	Total US Employment
2014	(0.3%)	1.6%	0.9%	1.2%	2.5%	0.9%	1.9%
2015	0.3	1.8%	1.6%	2.4%	2.7%	1.5%	2.1%
2016	0.0	1.8%	1.1%	2.0%	2.1%	1.3%	1.8%
2017	0.3	0.7%	0.3%	2.4%	2.5%	1.1%	1.6%
2018	0.4	1.9%	0.5%	2.1%	0.7%	0.9%	1.6%
2019	0.2	1.9%	(0.3%)	1.2%	0.2%	0.7%	1.3%
2020	(2.2)	(4.2%)	(4.8%)	(7.0%)	(25.5%)	(6.9%)	(5.8%)
2021	0.9	4.2%	4.3%	0.1%	9.6%	2.5%	2.9%
2022	2.2	3.8%	2.0%	0.9%	8.3%	2.4%	4.3%
2023	2.3	(0.3%)	(1.5%)	3.4%	4.5%	1.1%	2.3%

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
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	4.0	4.4	2.8	0.7
2018	3.8	3.9	0.8	1.1
2019	3.4	3.7	2.1	0.9
2020	6.5	8.1	(3.3)	(1.7)
2021	5.2	5.4	(2.4)	0.3
2022	3.0	3.6	0.0	1.9
2023	2.1	3.6	0.9	1.7

Source: Maryland Department of Labor, Licensing and Regulation.

Historically, Maryland's civilian Labor Participation Rate (LPR) has been above that of the nation, however the gap has narrowed. The LPR has been declining nationally and in Maryland since a peak in the 1990s. A survey of available literature examining LPR in the US suggests key factors in the nationwide decline in LPR, such as the aging population, health related barriers including the opioid epidemic, and childcare costs. These national trends do not necessarily explain why Maryland's LPR fell as much as it did in the pandemic nor why Maryland's LPR has not significantly recovered since the pandemic.

The decline in Maryland's labor participation since the pandemic explains why employment has not recovered its prior peak even though the unemployment rate is lower. The low unemployment rate shows that Maryland's existing labor supply is in high demand.

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 2025 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)

Year	Real Property	Utility Operating Real Property	Total	Change in Assessed Values
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	817,300,614	986,733	818,287,347	3.0
2023	846,101,807	1,083,136	847,184,943	3.5
2024	888,757,299	1,530,568	890,287,867	5.0
2025	943,978,308	1,552,615	945,530,923	6.2

Source: State Department of Assessments and Taxation, March 31, 2024.
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. Data on residential real estate in Maryland is displayed in the tables below.

In 2022, the value of all Maryland residential unit permits issued increased by 0.3%, while the total number of residential building permits increased by 4.6%. In 2023, the average monthly active inventory of units for sale decreased 17.0%. Unit sales for 2023 decreased by 22.8%, while the median unit price rose 3.8%.

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
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%	18,491	(0.8%)
2020	3,853.5	2.7%	17,982	(2.8%)
2021	4,011.5	4.1%	18,496	2.9%
2022	4,023.3	0.3%	19,346	4.6%

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
2013	61,191	13.0%	$261,369	6.0%
2014	62,804	2.6%	262,837	0.6%
2015	73,014	16.3%	261,172	(0.6%)
2016	80,045	9.6%	270,902	3.7%
2017	82,851	3.5%	282,433	4.3%
2018	83,598	0.9%	288,282	2.1%
2019	88,115	5.4%	303,099	5.1%
2020	96,640	9.7%	330,620	9.1%
2021	107,397	11.1%	363,214	9.9%
2022	84,952	(20.9%)	385,340	6.1%
2023	65,597	(22.8%)	399,988	3.8%

Source: Maryland Association of Realtors.

One phenomenon that could negatively impact future 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. 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. 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 expectations of the future. A 2019 paper in the Journal of Finance Economics confirms this prediction for properties that are expected to only be threatened by sea level rise several decades into the future. At the time of, the study such homes sold 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.

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. Consumption spending is shifting away from goods towards services, the vast majority of which are not taxable. This means the sales tax base is becoming a smaller share of overall consumption spending. As a result, the State collects less sales tax per dollar of consumption spending over time. The smaller tax base as a share of total consumption spending also increases the volatility of sales tax revenue to the business cycle. In times of economic stress, consumers are typically more able to delay or forego consuming goods than services. The most recent recession though, brought on by COVID-19, broke from this pattern. In particular, the trend toward services was reversed as consumers shifted a greater share of total consumption away from services, which generally are not taxed, and towards goods, which generally are taxed. It is expected that consumer behavior will exhibit a return trend, with spending gradually shifting away from goods and towards services over time.

Recent regulatory and legislative changes have broadened the sales tax base for goods however. Prior to those changes, in fiscal year 2015 Amazon established nexus with the State and began to collect sales tax on its direct sales. The U.S. 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 in 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.

Legislation in the 2022 legislative session altered the sales and use tax revenue distribution to the Blueprint Fund from being based on the revenue attributable to remote sellers. and marketplace facilitators to a percentage of net sales and use tax revenue, excluding rental vehicles and cannabis. Current law mandates distribution shares of 9.2% in fiscal year 2023, 11.0% in fiscal year 2024, 11.3% in fiscal year 2025, 11.7% in fiscal year 2026, and 12.1% in fiscal year 2027 and thereafter. The remainder is distributed to the General Fund. Sales and use tax revenue from rental vehicles and cannabis have their own statutory distribution mechanisms.

The following table illustrates the change in taxable sales for fiscal years 2014 through 2023.

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

Year	Taxable Retail Sales	Change
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
2021	105,823,349	12.0
2022	125,208,115	18.3
2023	126,486,366	1.0

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

Other Economic Factors

Maryland has several areas of promising economic momentum intended to expand on the State's already diverse, knowledge-based, and technology focused economy.

FBI Relocation. On November 9, 2023, the General Services Administration of the federal government announced that the Federal Bureau of Investigation headquarters will be relocated to a 61-acre site in Greenbelt, Maryland. Current estimates are that this project will bring more than 7,500 jobs and over $4 billion in economic activity to Maryland.

Transportation Infrastructure. Several upcoming enhancements to the State's transportation infrastructure, including improvements to the Howard Street Tunnel, Frederick Douglas Tunnel, and Susquehanna River Bridge, will transform commercial and passenger rail service through the Baltimore area. These projects, which are bolstered by federal funding, are expected to (i) increase the number of containers handled by the Port of Baltimore, (ii) help to boost train speeds by nearly 80%, and (iii) generate thousands of jobs.

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EXHIBIT 1

FINANCIAL AND ACCOUNTING SYSTEM AND FINANCIAL STATEMENTS

Financial and Accounting System

The financial statements and other financial data contained in this Official Statement have been prepared in accordance with accounting principles generally accepted in the United States by the Office of the Comptroller.

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 annual comprehensive financial reports for fiscal years 1980 through 2022. In order to be awarded a Certificate of Achievement, a governmental unit must publish an annual comprehensive 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 State's 2023 Annual Comprehensive Financial Report, "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 the State's 2023 Annual Comprehensive Financial Report, "Notes to the Financial Statements", Note 1. 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 the State's 2023 Annual Comprehensive Financial Report, "Notes to the Financial Statements", Note 2 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.

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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 2022 and 2023 follows.

	($ in thousands) 2022	2023
Year end fund balance on budgetary basis	$7,704,624	$6,851,082
Fund structure reclassifications	5,031,891	7,093,482
Adjustments to the budgetary accounting system:		
Cash and cash equivalents	(587,685)	31,975
Investments	(342,071)	(493,575)
Other accounts receivable	124,353	243,568
Other assets	1,660,672	26,434
Accounts payable and accrued liabilities	(2,069,149)	2,344504
Deferred revenue	(738,335)	(147,633)
Year end fund balance on generally accepted accounting principles basis	$10,784,301	$11,260,829

Financial Statements

The Annual Comprehensive Financial Report ("ACFR") of the State, including the audited Basic Financial Statements, for the fiscal year ended June 30, 2023, 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 State's 2023 ACFR is also posted on the Maryland State Treasurer's Office website and can be accessed at https://marylandtaxes.gov/reports/acfr.php.

The following reports, each of which are included in the State's 2023 ACFR 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

REQUIRED SUPPLEMENTARY INFORMATION

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EXHIBIT 2

SUPPLEMENTARY DEBT INFORMATION

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)	
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
2022	10,588,592	2,332,417
2023	10,001,237	3,166,517
March 31, 2024	9,069,883	3,153,461
Current Sale	1,200,000	(1,200,000)
Pro Forma	$10,269,883*	$1,953,461

* Includes principal paid June 1, 2024

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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 March 31, 2024; and (2) after giving effect to the issuance of the Bonds. Not included is debt service on general obligation bonds for which cash and 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 as of March 31, 2024
($ in thousands)

Fiscal Year	Principal	Gross Interest	Gross Debt Service	Interest Subsidy[(a)]	Net Debt Service
2024	$74,645	$39,591	$114,236	$(108)	$114,128
2025	1,112,034	379,116	1,491,150	(4,667)	1,486,483
2026	1,049,696	336,836	1,386,532	(2,418)	1,384,114
2027	976,758	292,822	1,269,580	(824)	1,268,756
2028	903,998	253,819	1,157,818	(201)	1,157,617
2029	843,723	215,043	1,058,767	-	1,058,767
2030	794,320	176,694	971,014	-	971,014
2031	732,252	141,594	873,846	-	873,846
2032	604,659	109,305	713,963	-	713,963
2033	562,657	82,824	645,481	-	645,481
2034	476,075	59,870	535,945	-	535,945
2035	393,725	40,411	434,136	-	434,136
2036	299,260	23,520	322,780	-	322,780
2037	205,575	10,473	216,048	-	216,048
2038	40,505	2,025	42,530	-	42,530
Total*	$9,069,883	$2,163,944	$11,233,827	$(8,218)	$11,225,609

Debt Service Following Issuance of 2024 First Series Bonds
($ in thousands) *

Fiscal Year	Principal	Gross Interest	Gross Debt Service	Interest Subsidy[(a)]	Net Debt Service
2024 [(b)]	$74,645	$39,591	$114,236	$(108)	$114,128
2025	1,112,034	435,359	1,547,393	(4,667)	1,542,726
2026	1,049,696	395,867	1,445,563	(2,418)	1,443,145
2027	1,044,513	351,852	1,396,366	(824)	1,395,542
2028	975,168	309,727	1,284,895	(201)	1,284,694
2029	918,418	267,755	1,186,174	-	1,186,174
2030	872,740	226,013	1,098,753	-	1,098,753
2031	814,597	186,992	1,001,589	-	1,001,589
2032	691,119	150,586	841,704	-	841,704
2033	653,442	119,782	773,224	-	773,224
2034	571,395	92,288	663,683	-	663,683
2035	493,815	68,063	561,878	-	561,878
2036	404,355	46,168	450,523	-	450,523
2037	315,920	27,867	343,787	-	343,787
2038	156,370	13,901	170,271	-	170,271
2039	121,655	6,083	127,738	-	127,738
Total*	$10,269,883	$2,737,894	$13,007,777	$(8,218)	$12,999,559

*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.

(b) Includes debt service paid between March 31, 2024 and the issuance of the 2024 First Series Bonds.

MARYLAND STADIUM AUTHORITY

Authority Lease Revenue Bonds

Oriole Park at Camden Yards. The Authority operates Oriole Park at Camden Yards ("Oriole Park"), the home of the Baltimore Orioles. The Authority has issued lease revenue bonds to finance capital expenditures at Oriole Park which are secured by, among other things, an assignment of revenues received under a lease of Oriole Park from the Authority to the State. The rental payments due from the State under the Oriole Park lease are subject to annual appropriation by the General Assembly. The aggregate principal amount of the Authority's Oriole Park lease revenue bonds outstanding as of March 31, 2024 totaled $35.5 million.

Ravens Stadium. The Authority currently operates M&T Bank Stadium ("Ravens Stadium"), the home of the Baltimore Ravens. The Authority has issued lease revenue bonds to finance or refinance capital expenditures at Ravens Stadium which are secured by an assignment of revenues received under a lease of the project from the Authority to the State. The rental payments due from the State under the Ravens Stadium lease are subject to annual appropriation by the General Assembly. The aggregate principal amount of the Authority's Ravens Stadium lease revenue bonds outstanding as of March 31, 2024 totaled $18.6 million.

Montgomery County Conference Center. The Authority has issued lease revenue refunding bonds to refinance capital expenditures with respect to the Montgomery County Conference Center which are secured by subject to appropriation lease payments from the State to the Authority. Montgomery County, not the Authority, operates the conference center. The aggregate principal amount of the Authority's Montgomery County Conference Center lease revenue refunding bonds outstanding as of March 31, 2024 totaled $1.4 million.

Camden Station Renovation. The Authority has issued lease revenue bonds to renovate the historic Camden Station located at the Camden Yards Complex in Baltimore, Maryland. To date, lease payments on the facility have not been sufficient to cover debt service on the bonds and the shortfall has been subsidized by the Authority. The aggregate principal amount of the Authority's Camden Station lease revenue bonds outstanding as of March 31, 2024 totaled $0.8 million.

Ocean City Convention Center. The Authority has issued lease revenue bonds to finance the expansion of the Ocean City Convention Center the debt service of which is payable primarily from subject to appropriation lease payments by the State. The aggregate principal amount of the Authority's Ocean City Convention Center lease revenue bonds outstanding as of March 31, 2024 totaled $19.3 million.

Hagerstown Multi-Use Sports and Events Facility. The Authority has issued lease revenue bonds to build a new multi-use sports and event facility in Hagerstown, Maryland. The average annual debt service of $3.75 million is anticipated to be funded by appropriations from the State's General Fund. The aggregate principal amount of the Authority's Bonds outstanding for this project as of March 31, 2024 totaled $57.2 million.

Authority Revenue Bonds Secured by Pledge of State Lottery Revenues

Ravens Stadium. The Authority issued revenue bonds for capital improvements to Ravens Stadium in 2023. The Comptroller is required to deposit, subject to certain conditions, $34.9 million in lottery revenues each fiscal year through fiscal year 2026 and $40.9 million thereafter into the financing fund pledged to the repayment of these bonds. The aggregate principal amount of these bonds as of March 31, 2024 was $418.2 million.

Sports and Entertainment Facilities. The General Assembly has authorized the Authority to issue up to $220.0 million in bonds for sports entertainment facilities, subject to certain requirements. A "sports entertainment facility" was defined by the General Assembly as a structure or other improvement in the State at which minor league games are played or other non-major league sporting events are held. It includes parking lots, garages, and other property adjacent and directly related to the facility. The Comptroller is required to deposit, subject to certain conditions, an amount not to exceed $25 million in lottery revenues each year into the financing fund pledged to the repayment of bonds issued pursuant to this authorization. The aggregate principal amount of the Authority's Sports Entertainment Facilities Revenue Bonds outstanding as of March 31, 2024 totaled $98.4 million.

Baltimore City Public Schools. The Authority has issued its Baltimore City Public Schools ("BCPS") Construction and Revitalization Program Revenue Bonds to finance capital improvements for public school buildings in Baltimore City. Under Section 9-120(b) of the State Government Article of the Annotated Code of Maryland, subject to certain conditions, the Comptroller is required to deposit $20 million of lottery revenues into a financing fund pledged to the repayment of the Authority's BCPS bonds. The City of Baltimore and BCPS have also agreed to contribute $20 million annually to support repayment of the Authority's BCPS bonds. The aggregate principal amount of the Authority's BCPS revenue bonds outstanding as of March 31, 2024 totaled approximately $1.0 billion.

Blue Line Corridor Facilities. The General Assembly has authorized the Authority to issue up to $400.0 million in bonds for Prince George's County Blue Line Corridor facilities, subject to certain requirements. The Blue Line Corridor is an area in central Prince George's County. A Blue Line Corridor facility was defined by the General Assembly as a facility within that area that is a convention center, an arts and entertainment amphitheater and any other functionally related structures, improvements, infrastructure, furnishings, or equipment of the facility, including parking garages. The Authority has not issued any Blue Line Corridor Facilities Revenue Bonds to date.

Authority Revenue Bonds Secured by Pledge of Transfers from State's Education Trust Fund

The Authority has issued its Built to Learn Revenue Bonds to finance capital projects related to the State's Built to Learn statewide public schools program. Under the Built to Learn Act passed by the General Assembly in 2021, at least $60.0 million and up to $127.0 million beginning fiscal year 2025, from the State of Maryland's Education Trust Fund is to be deposited (the "ETF Deposit") into a financing fund. From the ETF Deposit $100 million will support repayment of Authority's Built to Learn Revenue Bonds and $27 million will be deposited into the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of the Education Article (EA) subject to the terms and conditions of EA § 4-126. The aggregate principal amount of the Authority's Built to Learn Revenue Bonds outstanding as of March 31, 2024 totaled $622.4 million.

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State Tax-Supported Lease and Conditional Purchase Financings

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

Lease and Conditional Purchase Financings Outstanding as of March 31, 2024

State Agency	Facilities Financed	Principal Amount Outstanding as of March 31, 2024 ($ in thousands)
Department of Transportation	MAA Shuttle Buses	$17,275.0
Department of General Services	Prince George's County Justice Center	7,946.0
Department of Health	Public Health Lab	93,005.0
Various State Agencies	Energy performance projects	10,395.1[1]
Various State Agencies	Communications, data processing, and other equipment	15,508.7
Maryland Transportation Authority	State office parking facility	11,187.0
Total		$155,317.0

[1]This includes all Energy Performance Contract ("EPC") lease financings. As of March 31, 2024, $43.5 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.

REVENUE AND ENTERPRISE FINANCINGS

Revenue and Enterprise Financings Outstanding as of March 31, 2024[(a)]

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

Agency	Facilities Financed	Source of Repayment	Principal Amount Outstanding as of March 31, 2024 ($ in thousands)
Higher Education (b)			
University System of Maryland	Academic facilities, Student Housing, parking facilities, and equipment	Tuition and auxiliary enterprise facilities revenues	$1,142,205.0
	Communication, data processing, and other equipment	Operating revenues	34,593.0
St. Mary's College of Maryland	Student housing/campus center and athletic facility	Academic fees and auxiliary facilities fees	35,115.0
Department of Housing and Community Development			
Community Development Administration	Mortgage and construction loans	Mortgage repayments and sales	4,573,145.2
	Loans to local governments for infrastructure projects	Loan repayments	175,005.0
Maryland Environmental Service	Landfill projects	Tipping fees	17,712.0
	Equipment	Operating revenues	193.8
Maryland Transportation Authority	Bridges, tunnels, and highways	Tolls	2,831,197.4
	Car rental facility at BWI Marshall Airport	Customer facility charges	59,990.0
	Improvements at BWI Marshall Airport	Passenger facility charges	181,755.0
Maryland Water Infrastructure Financing Administration	Loans to local governments for water pollution control facilities	Loan repayments	3,420.0
Maryland Department of Transportation			
Maryland Aviation Administration	BWI renovations, de-icing ramp	Lease revenues	3,225.0
	BWI Marshall Airport Piers A&B and parking garage (c)	Airport operating revenues	193,125.0
	BWI Marshall Airport A/B Connector and Baggage Handling System	Airport operating revenues	190,485.0
Maryland Transit Administration	MARC rail station parking garage	Parking revenues	2,235.0
Maryland Port Administration	Warehouse Facility South Locust Point Terminal	Lease revenues	2,295.0
Total			$9,443,342.0

(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 A, 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 March 31, 2024, 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 $4.0 million and $0.03 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;

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, 2022, the legislative limits are $1.7 billion for the University System of Maryland, $140.0 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 March 31, 2024, 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, $46.5 million, and $35.2 million, respectively. Lease and conditional purchase financings have been used for facilities at various colleges and universities.

In addition, in October of 2020 and December of 2022, Morgan State University initiated Future Advance Project Funding Bonds from the U.S. Department of Education as part of the HBCU Capital Financing Loan Program. As of March 31, 2024, $42.3 million is outstanding and is included in outstanding debt and lease purchase financings noted above.

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 March 31, 2024, $4.6 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 March 31, 2024, $175.0 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. As of March 31, 2024, outstanding MES debt is $17.9 million.

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, $169.6 million in July 2017, $400 million in June 2020, $746 million in April 2021, $39.2 million in May 2022 and $200 million in February 2023 ("TIFIA loan").

In March 2024, the MDTA issued $622,765 million of revenue refunding bonds to fully redeem the Series 2009 and 2010 bonds on April 5, 2024. Total toll revenue bonds outstanding were reduced from $2.8 billion as of March 31, 2024to $2.1 billion after the April 5, 2024 redemption.

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 April 2012, December 2012, December 2014 and June 2019, the MDTA issued revenue bonds in the amount of $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.

Maryland Water Infrastructure Financing Administration. The Water Infrastructure 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 March 31, 2024, $3.4 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 March 31, 2024, $3.2 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 March 31, 2024, $193.1 million are outstanding.

In July 2021, MDOT issued the Special Transportation Project Refunding Revenue 2021B Bonds in the amount of $190.5 million to finance the concourse A/B Connector and Baggage Handling System replacement project. As of March 31, 2024, $190.5 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 March 31, 2024, $2.2 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 March 31, 2024, $2.3 million of the COPs are outstanding.

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EXHIBIT 3

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 each of the four fiscal years ended June 30.

($ in millions)

	Fiscal Year 2020			Fiscal Year 2021			Fiscal Year 2022			Fiscal Year 2023		
	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections	Original Estimate	Revised Estimate	Actual Collections
Income Taxes	$11,742.4	$11,860.9	$12,023.5	$12,417.0	$11,940.7	$13,545.8	$12,813.9	$14,612.6	$15,689.3	$14,837.6	$15,663.6	$15,756.5
Sales and Use Taxes	5,099.7	5,076.9	4,936.7	5,187.2	4,591.2	5,458.9	5,447.2	6,317.4	6,583.7	6,393.4	6,717.9	6,705.6
Motor Vehicle User Taxes, Fees	2,887.6	2,905.0	2,637.6	2,952.0	2,616.3	2,776.6	2,733.2	2,787.6	2,919.5	3,037.4	3,257.5	3,085.2
Property, Franchise, Excise Taxes	2,461.8	2,468.7	2,273.3	2,467.4	2,516.6	2,473.8	2,582.6	2,876.0	2,949.3	2,922.4	2,953.3	2,839.5
Sundry Fees, Licenses, Charges	10,343.4	11,061.8	10,294.5	10,701.2	11,168.5	8,547.6	10,175.7	5,086.2	9,535.9	5,492.7	6,244.3	10,425.0
Federal	13,177.1	13,126.4	14,959.6	13,885.0	17,033.0	20,406.6	15,383.1	25,261.1	25,103.3	17,595.0	20,706.8	20,286.7
Total*	$45,711.9	$46,502.6	$47,125.0	$47,609.8	$49,866.4	$53,209.2	$49,135.6	$56,940.8	$62,781.0	$50,278.5	$55,543.3	$59,098.5

*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.

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 each of the four years ended June 30.

	Fiscal Year 2020			Fiscal Year 2021			Fiscal Year 2022			Fiscal Year 2023		
	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	$11,492.1	$11,598.6	$11,750.7	$12,131.4	$11,940.7	$13,166.7	$12,505.4	$14,144.0	$15,248.3	$14,441.7	$15,534.9	$15,285.5
Sales and Use Taxes	5,026.4	4,951.9	4,634.9	5,040.6	4,591.2	4,988.1	4,934.2	5,698.8	5,966.8	5,742.5	6,018.0	6,005.2
Motor Vehicle User Taxes, Fees	-	-	-	-	-	-	-	-	-	-	-	-
Property, Franchise, Excise Taxes	1,166.1	1,176.2	1,197.4	1,379.9	1,196.3	1,237.2	1,379.9	1,592.8	1,680.1	1,577.0	1,639.4	1,744.8
Sundry Fees, Licenses, Charges	882.9	953.7	993.8	573.5	1,343.5	1,376.1	941.5	979.9	1,082.2	966.1	457.3	565.1
Federal	54.8	56.0	57.3	47.5	48.0	63.0	47.3	58.7	67.1	61.7	62.3	72.1
Total *	$18,622.3	$18,736.3	$18,634.1	$19,172.9	$19,119.8	$20,831.0	$19,808.2	$22,474.3	$24,044.5	$22,789.0	$23,711.9	$23,672.7

*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.

STATE OF MARYLAND

Summary of Revenues by Source[(a)]
($ in millions)

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 December 15, 2023 estimate for the fiscal year ending June 30, 2024. 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				
	2020	2021	2022	2023	Estimated 2024[(a)]
Income Taxes					
Individuals[(b)]	$10,698.9	$11,704.8	$13,548.0	$13,469.5	$13,782.0
Corporations	1,324.6	1,841.0	2,141.2	2,287.0	2,302.2
Total	12,023.5	13,545.8	15,689.3	15,756.5	16,084.3
Sales and Use Taxes	4,936.7	5,458.9	6,583.7	6,705.6	6,788.6
Motor Vehicle User Taxes, Fees					
Motor Vehicle Fuel Taxes	1,070.1	1,017.1	1,104.6	1,294.6	1,410.9
Motor Vehicle Registration, Fees	720.7	782.7	793.7	764.6	789.0
Motor Vehicle Titling Tax	846.8	976.7	1,021.3	1,026.0	1,036.0
Total	2,637.6	2,776.6	2,919.5	3,085.2	3,236.0
Property, Franchise, Excise Taxes					
Real Property Tax	860.2	884.3	914.0	940.0	993.7
Property Transfer Tax	215.5	267.2	354.3	258.5	218.4
Business Franchise Taxes	211.3	294.1	264.4	223.0	223.9
State Tobacco Tax	362.9	388.3	479.2	463.8	424.5
Tax on Insurance Companies	395.9	358.1	631.4	648.0	664.9
Tax on Distilled Spirits, Wine, Beer	30.2	39.7	39.1	35.9	35.9
Tax on Horse Racing	3.3	1.6	0.9	1.6	1.8
Death Taxes	197.2	240.6	266.1	268.7	229.0
Total	2,276.4	2,473.8	2,949.3	2,839.5	2,792.1
Sundry Fees, Licenses, Service Charges					
University and College Receipts	4,501.1	4,552.8	4,958.9	5,032.9	5,091.0
Mass Transit, Port, Aviation Income	394.3	283.6	389.6	857.5	912.4
Miscellaneous Taxes, and Other Receipts	4,103.9	2,172.8	2,487.1	2,485.5	4,952.0
Interest on Invested Funds	46.8	12.3	49.0	312.5	300.0
District Courts Fines and Fees	47.7	35.2	41.3	38.6	36.5
State Lottery Receipts	666.4	759.7	768.6	819.9	785.0
Casino Receipts[(c)]	531.2	731.2	841.6	878.1	818.1
Total	10,291.4	8,547.6	9,535.9	10,425.0	12,894.9
Federal Receipts	14,959.6	20,406.6	25,103.3	20,286.7	19,730.0
Extraordinary Transfers & Revenues	-	-	-	-	-
Grand Total *	$47,125.0	$53,209.2	$62,781.0	$59,098.5	$61,525.8

*Totals may not add due to rounding.

(a) The estimated revenues include the General Fund estimate by the Board of Revenue Estimates in March 2024 and the general, federal and special funds authorized in the State budget as set forth in the fiscal year 2023 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.

STATE OF MARYLAND

Comparison of General Fund Revenues Collected for the First Nine Months of Fiscal Years 2020 to 2024
($ in millions)

The following table compares actual cash collections for the period from July 1 to March 31 fiscal year 2024 with collections during that same period in the previous four fiscal years. The table does not reflect accruals.

	2020	2021	2022	2023	2024
Individual Income Tax[(a)]	$6,850.1	$7,283.0	$8,288.4	$8,736.9	$8,722.5
Corporate Income Tax[(b)]	544.3	693.0	984.1	1,007.1	1,058.7
Sales and Use Tax	3,334.6	2,955.2	3,940.3	3,979.5	3,720.5
State Lottery	395.4	474.1	470.3	488.2	503.4
Business Franchise Taxes	95.1	152.5	121.7	126.3	131.8
Tobacco Tax	243.6	231.0	361.3	332.8	301.2
Insurance Taxes and Fees	308.1	266.8	417.9	508.9	533.2
Alcoholic Beverage Taxes	21.1	23.7	23.6	23.6	30.0
Death Taxes	153.4	158.9	183.4	240.9	171.6
Clerks of Court	32.4	38.0	64.3	30.9	29.3
Hospital Patient Recoveries[(c)]	7.1	7.0	5.1	6.4	5.4
Interest on Investments	32.2	4.5	11.0	108.1	226.8
District Court Fees	46.9	26.9	33.0	32.3	30.7
Miscellaneous	99.8	78.0	74.6	99.0	56.1
Total*	$12,164.1	$12,392.6	$14,979.1	$15,720.9	$15,521.1

*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.

STATE OF MARYLAND

General Fund Revenues
Needed to Meet Estimates During the Remainder of Fiscal Year 2024
($ in millions)

The following table compares: (1) the revenues needed during the period from April 1 to June 30, 2024 (including appropriate accruals), in order to meet the March 7, 2024 official estimate of revenues for fiscal year 2024 with (2) actual collections for that same period during the previous four fiscal years (including appropriate accruals).

	2020	2021	2022	2023	2024
Individual Income Tax[(a)]	$3,848.8	$4,421.8	$5,259.7	$4,732.6	$4,973.9
Corporate Income Tax[(b)]	507.5	768.9	716.2	808.9	714.7
Sales and Use Tax	1,300.3	2,032.9	2,026.6	2,025.8	2,189.2
State Lottery	153.1	157.7	164.7	167.2	146.2
Business Franchise Taxes	116.1	58.0	142.7	146.1	139.6
Tobacco Tax	119.4	157.2	117.9	115.8	115.4
Insurance Taxes and Fees	87.7	91.3	213.5	173.9	177.1
Alcoholic Beverage Taxes	9.1	16.0	15.4	13.6	6.6
Death Taxes	43.7	81.7	82.7	62.8	76.0
Clerks of Court	-3.1	-1.9	-27.4	-2.6	-5.6
Hospital Patient Recoveries[(c)]	53.5	57.8	63.7	65.6	57.8
Interest on Investments	14.6	7.8	37.9	204.4	73.2
District Court Fees	0.8	8.3	8.2	6.3	5.8
Miscellaneous	218.5	222.5	257.3	231.2	302.4
Total *	$6,470.0	$8,079.9	$9,079.1	$8,751.8	$8,972.3

*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.

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

FORM OF OPINION OF THE ATTORNEY GENERAL

First Series A Bonds and First Series B Bonds

(Date of Delivery)

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $1,200,000,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2024, consisting of First Series A Tax-Exempt Bonds (the "First Series A Bonds") and First Series B Taxable Bonds (the "First Series B Bonds" and together with the First 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 First 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 First 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 May 1, 2024 and June 5, 2024 (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 the date hereof 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,

Anthony G. Brown
Attorney General

Catherine Allen
Assistant Attorney General

FORM OF OPINION OF BOND COUNSEL

First Series A Bonds

(Date of Delivery)

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $1,000,000,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2024, First 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 May 1, 2024 and June 5, 2024 (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 and is not an item of tax preference for purposes of federal alternative minimum tax imposed on individuals 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 may affect the federal alternative minimum tax imposed on certain corporations.

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

First Series B Bonds

(Date of Delivery)

Board of Public Works
State of Maryland
Annapolis, Maryland

Ladies and Gentlemen:

This opinion is rendered with respect to the $200,000,000 aggregate principal amount of the State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2024, First 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 May 1, 2024 and June 5, 2024 (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”]

OFFICIAL NOTICE OF SALE -- SERIES A

$1,000,000,000*
STATE OF MARYLAND
General Obligation Bonds

State and Local Facilities Loan of 2024,
First Series A Tax-Exempt Bonds

NOTICE IS HEREBY GIVEN that three separate electronic bids will be received in the manner described below, by the State of Maryland (the "State") for the purchase of three separate groups of bonds that together comprise all of the $1,000,000,000* State of Maryland General Obligation Bonds, State and Local Facilities Loan of 2024, First Series A Tax-Exempt Bonds (the "First Series A Bonds"), pursuant to resolutions of the Board of Public Works of Maryland (the "Board"). Each such group of the First Series A Bonds will include different non-overlapping maturities as set forth below (respectively, "First Series A Bidding Group 1 Bonds," "First Series A Bidding Group 2 Bonds," "First Series A Bidding Group 3 Bonds" and collectively, the "Bidding Groups"). Bids for each Bidding Group will be received until the applicable time below:

Wednesday, June 5, 2024 (the "Sale Date")

Until 10:30 a.m. Local Annapolis, Maryland Time -- $351,630,000* First Series A Bidding Group 1 Bonds

Until 11:00 a.m. Local Annapolis, Maryland Time -- $300,505,000* First Series A Bidding Group 2 Bonds

Until 11:30 a.m. Local Annapolis, Maryland Time -- $347,865,000* First Series A Bidding Group 3 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 First Series A Bonds are more particularly described in the Preliminary Official Statement dated May 29, 2024 relating to the First 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 First Series A Bonds being offered, to eliminate maturities, to change the terms of the First Series A Bonds, to postpone the sale of the First Series A Bonds to a later date, to offer the First Series A Bonds in one or more series, or to cancel the sale of the First 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 TWO OTHER BIDDING GROUPS.

Contact Information

STATE OF MARYLAND (ISSUER)
Rebecca Ruff, *Director of Debt Management*
State Treasury Office
Louis L. Goldstein Treasury Building
80 Calvert St.
Annapolis, MD 21401
Phone: (410) 260-4021
Email: rruff@treasurer.state.md.us

PUBLIC RESOURCES ADVISORY GROUP (FINANCIAL ADVISOR)
Monika Conley, *Senior Managing Director*
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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

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* Preliminary, subject to change.

Bidding Parameters Table*

INTEREST	
Dated Date:	Date of Delivery
Anticipated Date of Delivery:	June 18, 2024
Interest Payment Dates:	June 1 and December 1
First Interest Payment Date:	December 1, 2024
Coupon Multiples:	NA
Maximum Coupon:	5%
Minimum Coupon:	5%
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:	First Series A Bonds maturing on or before June 1, 2034 are not subject to redemption. Bonds maturing on or after June 1, 2035 are subject to redemption at par at any time on or after June 1, 2034 as a whole or in part.
Maximum Post-bid Principal Increases to Each Maturity:	N/A
Aggregate for Each Bidding Group:	10%
Maximum Post-bid Principal Reductions of 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:	June 5, 2024
Bidding Group 1 Sale Time:	10:30 a.m., Local Annapolis, Maryland Time
Bidding Group 2 Sale Time:	11:00 a.m., Local Annapolis, Maryland Time
Bidding Group 3 Sale Time:	11:30 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:	Not Required
Good Faith Deposit Bidding Group 2:	Not Required
Good Faith Deposit Bidding Group 3:	Not Required

SPECIAL COMMENTS

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

A Nonqualified Competitive Bid may require the winning bidder of the respective Bidding Group of the First Series A Bonds to hold the initial offering prices for certain maturities of the respective Bidding Group of the First 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 First Series A Bidding Group 1 Bonds maturing in years 2029 through 2033, 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 First Series A Bidding Group 1 Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$351,630,000* State and Local Facilities Loan of 2024, First Series A Bidding Group 1 Bonds

Maturing June 1	Principal Amount*
2029	$13,620,000
2030	78,420,000
2031	82,345,000
2032	86,460,000
2033	90,785,000

As set forth below, the First Series A Bidding Group 2 Bonds maturing in years 2034 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 First Series A Bidding Group 2 Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$300,505,000* State and Local Facilities Loan of 2024, First Series A Bidding Group 2 Bonds

Maturing June 1	Principal Amount*
2034	$95,320,000
2035	100,090,000
2036	105,095,000

As set forth below, the First Series A Bidding Group 3 Bonds maturing in years 2037 through 2039, 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 First Series A Bidding Group 3 Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$347,865,000* State and Local Facilities Loan of 2024, First Series A Bidding Group 3 Bonds

Maturing June 1	Principal Amount*
2037	$110,345,000
2038	115,865,000
2039	121,655,000

* Preliminary, subject to change.

The First Series A Bonds

Security

The First 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 First 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.

Description of the Bonds

General. The First Series A Bonds will be dated as of the Date of Delivery, expected to be on or about June 18, 2024, and will be in fully registered form in denominations of $5,000 each or any integral multiple thereof.

Interest on the First Series A Bonds will accrue from the Dated Date, and will be payable on December 1, 2024 and semiannually thereafter on each June 1 and December 1 until maturity or earlier redemption. The First Series A Bonds will mature on June 1 of each year as specified in the Bond Amortization Schedule above.

Term Bond Option. For each Bidding Group of the First 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 First Series A Bonds.

Form of Bonds. The First Series A Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of the First 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 First Series A Bonds, and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the First 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 First Series A Bonds, must consent that bond certificates will be deposited with DTC.

So long as the First Series A Bonds are maintained under a book-entry only system, the Bond Registrar and Paying Agent for the First 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 First 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 First Series A Bonds maturing on or after June 1, 2035 are subject to redemption prior to maturity at par at any time on or after June 1, 2034 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 First Series A Bonds shall be called for redemption, the particular First 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 First Series A Bonds, the particular First 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 First Series A Bonds and of each Bidding Group and the preliminary principal amount and maturity of each serial installment of the First 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 First 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 First 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 First Series A Bidding Group 1 Bonds up to ten percent (10%), to reduce or increase the Aggregate Principal Amount of the First Series A Bidding Group 2 Bonds up to ten percent (10%) and to reduce or increase the Aggregate Principal Amount of the First Series A Bidding Group 3 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 First Series A Bidding Group 1 Bonds, the First Series A Bidding Group 2 Bonds and the First Series A Bidding Group 3 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 First 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 First 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 First 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*. To the extent practicable, 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 any of the terms of this Official Notice of Sale including 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 First Series A Bonds by notice given via the TM3 wire at *www.tm3.com* not later than 9:30 a.m. (Baltimore, Maryland time) on the Sale Date.

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 First Series A Bonds to provide certain continuing disclosure, in order to assist bidders for the First 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 First Series A Bonds via PARITY pursuant to this Official Notice of Sale. By submitting its bid for each Bidding Group of the First 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 First 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 First 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 First 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 First Series A Bonds, such bidder should telephone PARITY New Issues Desk at (212) 849-5021 and Public Resources Advisory Group as the State's Financial Advisor at (917) 749-2426.

Electronic Bidding Procedures. Electronic bids must be submitted for the purchase of a Bidding Group of the First Series A Bonds (all or none) via PARITY. Bids will be communicated electronically to the State at 10:30 a.m. local Annapolis, Maryland time, on Wednesday, June 5, 2024, for the First Series A Bidding Group 1 Bonds, at 11:00 a.m. local Annapolis, Maryland time, on Wednesday, June 5, 2024, for the First Series A Bidding Group 2 Bonds and at 11:30 a.m. local Annapolis, Maryland time, on Wednesday, June 5, 2024, for the First Series A Bidding Group 3 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 First 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 First 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 and may not include any conditions not otherwise expressly provided for herein.

All bids must be delivered to the Board via PARITY, before **10:30 a.m.**, local Annapolis, Maryland time, on Wednesday, June 5, 2024, for the First Series A Bidding Group 1 Bonds, before **11:00 a.m.**, local Annapolis, Maryland time, on Wednesday, June 5, 2024, for the First Series A Bidding Group 2 Bonds and before **11:30 a.m.**, local Annapolis, Maryland time, on Wednesday, June 5, 2024, 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 First 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 First Series A Bidding Group 1 Bonds, no less than 100% of the par value of the First Series A Bidding Group 2 Bonds and no less than 100% of the par value of the First Series A Bidding Group 3 Bonds. Each bidder shall indicate in its bid the rate of interest to be paid on each maturity. All First Series A Bonds shall have a coupon of five percent (5.00%) per annum.

Minority Business Enterprise Participation

THE STATE STRONGLY ENCOURAGES EACH BIDDER FOR EACH BIDDING GROUP OF THE FIRST SERIES A BONDS TO MAKE A GOOD FAITH EFFORT TO INCLUDE MINORITY BUSINESS ENTERPRISES IN THE SYNDICATE PURCHASING THE RESPECTIVE BIDDING GROUP OF THE FIRST 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 First Series A Bonds, the Board expressly reserves the right (i) to waive any irregularities or 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 First Series A Bonds or otherwise provide for the public sale of the First Series A Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of each Bidding Group of the First 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 Groups.

Each Bidding Group of the First 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 First Series A Bonds and to the aggregate amount bid for the respective Bidding Group of the First 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 First 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 First Series A Bonds. The successful bidder of each Bidding Group of the First Series A Bonds shall make a bona fide public offering of all of the First Series A Bonds in 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 First Series A Bonds are offered. Within 30 minutes after being notified of the Preliminary Award of each Bidding Group of the First Series A Bonds, the successful bidder of each Bidding Group shall advise the State in writing (via e-mail transmission) to Rebecca Ruff, Monika Conley, and Daniel Forman at rruff@treasurer.state.md.us, mconley@pragadvisors.com and dforman@pragadvisors.com, respectively, of such Initial Reoffering Prices of such Bidding Group of the First Series A Bonds.

The decision by the Board as to the award of each Bidding Group of the First Series A Bonds will be final. Bids may not be withdrawn prior to the award.

Issue Price Determination

The State expects and intends that the bid for each Bidding Group of the First 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 First Series A Bonds), including, among other things, receipt of bids for each Bidding Group of the First 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 First Series A Bonds if the successful bid 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 First Series A Bonds and, if applicable, other underwriters of the respective Bidding Group of the First Series A Bonds, to hold the initial offering prices for certain maturities of the respective Bidding Group of the First 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 First 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 judgment of the respective successful bidder, the Board and Bond Counsel.

Good Faith Deposits

Good Faith Deposits for the First Series A Bidding Group 1, Bidding Group 2 Bonds and Bidding Group 3 Bonds are not required.

Delivery and Payment

Delivery of the First 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 First Series A Bonds, payment of the amount due for each Bidding Group of the First 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 First Series A Bonds.

CUSIP Numbers; Expenses of the Bidder

It is anticipated that CUSIP numbers will be assigned to each of the First Series A Bonds, but neither the failure to type or print such numbers on any of the First 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 First Series A Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the First Series A Bonds. Public Resources

Advisory Group as Financial Advisor will timely apply for CUSIP numbers with respect to the First 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 First 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 First Series A Bonds that, simultaneously with or before delivery and payment for the First 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 First 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 First 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 First Series A Bonds will be issued; (3) a copy of the Official Statement relating to the First Series A Bonds dated as of the Sale Date of the First 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 First 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 First Series A Bonds, without charge. A bidder may make the legality and validity of the First 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 First Series A Bonds. Reference is made to the Preliminary Official Statement for a further description of the First Series A Bonds and the State. Prospective investors or bidders for the First 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 Rebecca Ruff, the State's Director of Debt Management, at rruff@treasurer.state.md.us or (410) 260-4021 or from Monika Conley or Daniel Forman, at, respectively, mconley@pragadvisors.com or (917) 749-2426 and dforman@pragadvisors.com or (781) 799–2718.

WES MOORE
Governor

BROOKE E. LIERMAN
Comptroller

DERECK E. DAVIS
Treasurer

Constituting the Board of Public Works of
the State of Maryland

Annapolis, Maryland
May 29, 2024

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 2024,
First 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 2024, First Series A Tax Exempt Bonds maturing June 1 --- to June 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 June --, 2024.

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: June --, 2024

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 2024,
First 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 2024, First Series A Tax Exempt Bonds maturing June 1 --- to June 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 June --, 2024.

(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: June --, 2024

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 -- SERIES B

$200,000,000*
STATE OF MARYLAND
General Obligation Bonds

State and Local Facilities Loan of 2024,
First 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, June 5, 2024

SALE TIME: 12:00 p.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 2024, First Series B Taxable Bonds (the "First Series B Bonds") to be issued by the State of Maryland (the "State"). The First Series B Bonds are more particularly described in the Preliminary Official Statement dated May 29, 2024 relating to the First 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 First Series B Bonds being offered, to eliminate maturities, to change the terms of the First Series B Bonds, to postpone the sale of the First Series B Bonds to a later date, to offer the First Series B Bonds in one or more series, or to cancel the sale of the First 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)
Rebecca Ruff, *Director of Debt Management*
State Treasury Office
Louis L. Goldstein Treasury Building
80 Calvert St.
Annapolis, MD 21401
Phone: (410) 260-4021
Email: rruff@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:	June 18, 2024	Min. Aggregate Bid Price:	99.5%
Interest Payment Dates:	June 1 and December 1		
First Interest Payment Date:	December 1, 2024	Max. Reoffering Price (each maturity):	N/A
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:	First Series B Bonds are not subject to redemption prior to their maturity	Sale Date: Sale Time:	June 5, 2024 12:00 p.m., Local Annapolis, Maryland Time
Maximum Post-bid Principal Increases to Each Maturity: Aggregate:	N/A 15%	Bid Submission:	Electronic bids through PARITY only
Maximum Post-bid Principal Reductions of 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:	Not Required
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 First 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 First Series B Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$200,000,000* State and Local Facilities Loan of 2024, First Series B Bonds

Maturing June 1	Principal Amount*
2027	$67,755,000
2028	71,170,000
2029	61,075,000

The First Series B Bonds

Security

The First 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 First Series B Bonds will be dated as of the Date of Delivery ("Dated Date"), expected to be on or about June 18, 2024, and will be in fully registered form in denominations of $5,000 each or any integral multiple thereof.

Interest on the First Series B Bonds will accrue from the Dated Date, and will be payable December 1, 2024 and semiannually thereafter on each June 1 and December 1 until maturity. The First Series B Bonds will mature on June 1 of each year as specified in the Bond Amortization Schedule above.

Term Bond Option. 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. 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 First Series B Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of the First 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 First Series B Bonds, and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the First 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 First Series B Bonds, must consent that bond certificates will be deposited with DTC.

So long as the First Series B Bonds are maintained under a book-entry only system, the Bond Registrar and Paying Agent for the First 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 First 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.

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* Preliminary, subject to change.

Optional Redemption

The First 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 First Series B Bonds and the preliminary principal amount and maturity of each serial installment of the First 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 First 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 First 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 First 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 First 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 First 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 First 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 First 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 First 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.* To the extent practicable, 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 amounts or other features, if any.

The Board may change any of the terms of this Official Notice of Sale including 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 First Series B Bonds by notice given via the TM3 wire at *www.tm3.com* not later than 9:30 a.m. (Baltimore, Maryland time) on the Sale Date.

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 First Series B Bonds to provide certain continuing disclosure, in order to assist bidders for the First 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 First Series B Bonds via PARITY pursuant to this Official Notice of Sale. By submitting its bid for the First Series B Bonds, a prospective bidder represents and warrants to the State that such bidder's bid for the purchase of the First 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 First 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 First 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 First Series B Bonds, such bidder should telephone PARITY New Issues Desk at (212) 849-5021 and Public Resources Advisory Group as the State's Financial Advisor at (917) 749-2426.

Electronic Bidding Procedures. Electronic bids must be submitted for the purchase of the First Series B Bonds (all or none) via PARITY. Bids will be communicated electronically to the State at **12:00 p.m.** local Annapolis, Maryland time, on Wednesday, June 5, 2024. 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 First 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 First 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 and may not include any conditions not otherwise expressly provided for herein.

All bids must be delivered to the Board via PARITY, before **12:00 p.m.**, local Annapolis, Maryland time, on Wednesday, June 5, 2024, 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 First 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 First 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 FIRST SERIES B BONDS TO MAKE A GOOD FAITH EFFORT TO INCLUDE MINORITY BUSINESS ENTERPRISES IN THE SYNDICATE PURCHASING THE FIRST 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 irregularities or 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 First Series B Bonds or otherwise provide for the public sale of the First Series B Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the First 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 First 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 First Series B Bonds and to the aggregate amount bid for the First Series B Bonds. If two or more responsible bidders have made bids resulting in the same lowest TIC to the State, the First 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 First Series B Bonds. The successful bidder shall make a bona fide public offering of all of the First 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 First Series B Bonds are offered. Within 30 minutes after being notified of the Preliminary Award of the First Series B Bonds, the successful bidder shall advise the State in writing (via e-mail transmission) to Rebecca Ruff, Monika Conley, and Daniel Forman at rruff@treasurer.state.md.us, mconley@pragadvisors.com and dforman@pragadvisors.com, respectively, of such Initial Reoffering Prices of the First Series B Bonds.

The decision by the Board as to the award of the First Series B Bonds will be final. Bids may not be withdrawn prior to the award.

Good Faith Deposit

A Good Faith Deposit for the First Series B Bonds is not required.

Delivery and Payment

Delivery of the First 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 First Series B Bonds, payment of the amount due for the First 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 First Series B Bonds, but neither the failure to type or print such numbers on any of the First 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 First Series B Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the First Series B Bonds. Public Resources Advisory Group as the State's Financial Advisor will timely apply for CUSIP numbers with respect to the First 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 First 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 First Series B Bonds that, simultaneously with or before delivery and payment for the First 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 First 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 First 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 First Series B Bonds will be issued; (3) a copy of the Official Statement relating to the First Series B Bonds dated as of the Sale Date of the First 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 First 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 First Series B Bonds, without charge. A bidder may make the legality and validity of the First 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 First Series B Bonds. Reference is made to the Preliminary Official Statement for a further description of the First Series B Bonds and the State. Prospective investors or bidders for the First 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 Rebecca Ruff, the State's Director of Debt Management, at rruff@treasurer.state.md.us or (410) 260-4021 or from Monika Conley or Daniel Forman, at, respectively, mconley@pragadvisors.com or (917) 749-2426 and dforman@pragadvisors.com or (781) 799-2718.

WES MOORE
Governor

BROOKE E. LIERMAN
Comptroller

DERECK E. DAVIS
Treasurer

Constituting the Board of Public Works of
the State of Maryland

Annapolis, Maryland
May 29, 2024

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") dated as of June 18, 2024 is executed and delivered by the State of Maryland (the "State") in connection with the issuance of its $1,200,000,000 General Obligation Bonds, State and Local Facilities Loan of 2024, First Series, consisting of First Series A Tax-Exempt Bonds (the "First Series A Bonds"), and the First Series B Taxable Bonds (the "First Series B Bonds". The First Series A Bonds and First Series B 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 May 1, 2024 and June 5, 2024. 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, 2024.

(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, 2024, 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, 2024), 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 June 18, 2024.

STATE OF MARYLAND

By: ______________________________
Aruna K. Miller, Lieutenant Governor

By: ______________________________
Brooke E. Lierman, Comptroller

By: ______________________________
Dereck E. Davis, Treasurer

as Members of the Board of Public
Works of the State of Maryland

SCHEDULE A
to APPENDIX E

(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 Annual Comprehensive Financial Report

APPENDIX F

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 State 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.