OFFICIAL STATEMENT DATED FEBRUARY 16, 2001

NEW ISSUE: BOOK-ENTRY ONLY

Fitch: AAA
Moody's Investors Service: Aaa
Standard and Poor's: AAA
(See "Ratings")

$140,000,000
MONTGOMERY COUNTY, MARYLAND
General Obligation Bonds
Consolidated Public Improvement Bonds of 2001, Series A

Dated: February 1, 2001 **Due: February 1, 2002 – 2021**

The $140,000,000 Montgomery County, Maryland Consolidated Public Improvement Bonds of 2001, Series A (the "Bonds"), are issuable by Montgomery County, Maryland (the "County") in fully registered form in the denomination of $5,000 or any integral multiple thereof. The Bonds will bear interest from February 1, 2001, payable August 1, 2001 (six months), and semi-annually thereafter on February 1 and August 1 until maturity or earlier redemption. The County will perform the paying agency and registrar services described in this Official Statement; provided that if the book-entry only system is discontinued, the County will appoint a financial institution to perform such services on its behalf (the County and any paying agent/registrar subsequently appointed are hereinafter collectively referred to as the "Paying Agent/Registrar"). Except as otherwise governed by the procedures of The Depository Trust Company, New York, New York ("DTC"), principal of and premium, if any, on the Bonds will be payable to the registered holder when due upon presentation to the Paying Agent/Registrar.

The Bonds are available only in global book-entry form, registered in the name of Cede & Co., as nominee of DTC, acting as securities depository for the Bonds. So long as the Bonds are registered in the name of Cede & Co., payment of the principal of, premium, if any, and interest on the Bonds will be made by the County to DTC. DTC is required to remit such payments to DTC participants, who are required in turn to remit such payments to beneficial owners, as described in this Official Statement. **Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds.**

Bonds maturing on or after February 1, 2012 are subject to redemption at the option of the County, prior to their stated maturities. (See "THE BONDS - Redemption Provisions" herein).

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants in the Tax Certificate and Compliance Agreement to be executed and delivered by the County on the date of delivery of the Bonds, and subject to the conditions stated herein under "Tax Exemptions," under existing law, (a) the interest on the Bonds is excludable from gross income for Federal income tax purposes, and (b) the interest on the Bonds is not an enumerated preference or adjustment for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States. As described herein under "Tax Exemptions," other Federal income tax consequences may arise from ownership of the Bonds. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the interest on the Bonds and profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, franchise taxes applicable to certain financial institutions, or any other taxes not levied directly on the Bonds or the interest thereon.

DELIVERY: The Bonds are offered for delivery when, as and if issued, subject to the approving legal opinion of Venable, Baetjer and Howard, LLP, Baltimore, Maryland, Bond Counsel, and other conditions specified in the official Notice of Sale for the Bonds. It is expected that the Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about February 28, 2001.

The date of this Official Statement is February 16, 2001.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

Maturity Schedule

Maturity Jan. 1,	Amount	Rate	Yield or Price	CUSIP
2002	$7,000,000	4.00%	3.20%	6133417P5
2003	7,000,000	5.00%	3.47%	6133417Q3
2004	7,000,000	4.75%	3.53%	6133417R1
2005	7,000,000	4.75%	3.63%	6133417S9
2006	7,000,000	4.75%	3.76%	6133417T7
2007	7,000,000	4.00%	3.83%	6133417U4
2008	7,000,000	4.00%	3.93%	6133417V2
2009	7,000,000	5.00%	4.06%	6133417W0
2010	7,000,000	5.00%	4.15%	6133417X8
2011	7,000,000	4.75%	4.21%	6133417Y6
2012	7,000,000	4.75%	4.34%	6133417Z3
2013	7,000,000	4.75%	4.46%	6133418A7
2014	7,000,000	4.75%	4.56%*	6133418B5
2015	7,000,000	4.75%	4.66%*	6133418C3
2016	7,000,000	4.75%	4.79%	6133418D1
2017	7,000,000	4.75%	4.80%	6133418E9
2018	7,000,000	5.00%	4.89%	6133418F6
2019	7,000,000	5.00%	4.94%	6133418G4
2020	7,000,000	5.00%	4.99%	6133418H2
2021	7,000,000	5.00%	5.02%	6133418J8

(Accrued interest from February 1, 2001 to be added)

The rates shown above are the interest rates payable by the County resulting from the successful bid for the Bonds by a group of banks and investment banking firms at public sale on February 8, 2001. The yields or prices shown above were furnished by the successful bidders. Any additional information concerning the reoffering of the Bonds should be obtained from the successful bidders and not from the County.

* Priced to par call.

OFFICIAL STATEMENT DATED FEBRUARY 16, 2001

$140,000,000
MONTGOMERY COUNTY, MARYLAND
General Obligation Bonds
Consolidated Public Improvement Bonds of 2001, Series A

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations concerning the County or its general obligation bonds, 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 County. 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 general obligation bonds described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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MONTGOMERY COUNTY, MARYLAND
OFFICIAL ROSTER OF COUNTY OFFICIALS

COUNTY EXECUTIVE

Douglas M. Duncan

COUNTY COUNCIL

Blair Ewing	*President*
Steven Silverman	*Vice President*
Phil Andrews	
Derick P. Berlage	
Nancy Dacek	
Howard Denis	
Isiah Leggett	
Marilyn J. Praisner	
Michael L. Subin	

The terms of the Executive and all County Council members expire in December 2002.

APPOINTED OFFICIALS

Bruce Romer	*Chief Administrative Officer*
Timothy L. Firestine	*Director, Department of Finance*
Robert K. Kendal	*Director, Office of Management and Budget*
Charles W. Thompson, Jr.	*County Attorney*
Mary A. Edgar	*Clerk of the County Council*

BOND COUNSEL

Venable, Baetjer and Howard, LLP
Baltimore, Maryland

INDEPENDENT PUBLIC ACCOUNTANTS

KPMG, LLP
Washington, D.C.

DEBT MANAGEMENT AND DISCLOSURE

Department of Finance
101 Monroe Street
Rockville, MD 20850
240/777-8860
240/777-8857 (Fax)

INTRODUCTION TO THE OFFICIAL STATEMENT

The following information is qualified in its entirety by the detailed information contained in this Official Statement. This summary is only a brief description of the offering and potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change.

Issuer:	Montgomery County, Maryland
Issue:	$140,000,000 Consolidated Public Improvement Bonds of 2001, Series A (the "Bonds").
Dated Date:	February 1, 2001.
Security:	The Bonds will be general obligation bonds to which the full faith and credit and unlimited taxing power of the County will be pledged.
Purpose:	The proceeds of the Bonds will be used to provide permanent financing for capital construction projects in the County as described herein. (See "DESCRIPTION OF THE BONDS - Purpose").
Authority of Issuance:	The Bonds are issued under the provisions of the Montgomery County Charter, Chapter 9 of the Laws of Montgomery County 1955, as amended, Chapter 34 of the Laws of Montgomery County 1991, Chapter 32 of the Laws of Montgomery County 1997, Chapter 19 of the Laws of Montgomery County 1998, and Chapter 18 of the Laws of Montgomery County 1999, and Orders of the County Executive of Montgomery County, Maryland, passed on January 19, 2001, as supplemented.
Redemption:	Bonds maturing on or after February 1, 2012, are subject to redemption prior to maturity, beginning February 1, 2011, at the option of the County, either as a whole or in part at any time thereafter. (See "DESCRIPTION OF THE BONDS - Redemption Provisions").
Denominations:	$5,000 or integral multiples thereof.
Paying Agent/Registrar:	The County will perform the paying agency and registrar services described in this Official Statement; provided that, if the book-entry only system is discontinued, the County will appoint a financial institution to perform such services on its behalf (the County and any paying agent/registrar subsequently appointed are hereinafter collectively referred to as the "Paying Agent/Registrar").
Principal Payments:	Annually, February 1, 2002-2021. Level principal amortization.
Interest Payments:	Payable on August 1, 2001 (six months), and semi-annually thereafter on February 1 and August 1 until maturity or earlier redemption.
Tax Status:	Generally exempt from federal and state income taxes (see "THE BONDS - Tax Exemptions").
Book-Entry Only:	The Bonds will be issued as book-entry only securities through The Depository Trust Company, New York, New York.

Professional Consultants:	*Bond Counsel*:	Venable, Baetjer and Howard, LLP Baltimore, Maryland
	Independent Public Accountants:	KPMG, LLP Washington, DC

Delivery: Expected on or about February 28, 2001 at the Depository Trust Company, New York, New York, on behalf of the purchaser of the Bonds.

Limitations on Offering or Reoffering Securities: No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations other than those contained in the Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Litigation: There is no litigation now pending or, to the knowledge of County officials, threatened which questions the validity of the Bonds or of any proceedings of the County taken with respect to the issuance or sale thereof.

Continuing Disclosure: The County will covenant to provide continuing disclosure.

Additional details concerning the sale of the Bonds and the projects to be financed thereby are contained in Executive Orders of the County Executive of Montgomery County, Maryland, passed on January 19, 2001, as supplemented, copies of which can be obtained as described herein under the caption "INFORMATION IN OFFICIAL STATEMENT".

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or "Rule"), to comply with the requirements of paragraph (b) (5) of Rule 15c2-12, the County will execute and deliver a Continuing Disclosure Agreement on or before the date of issuance and delivery of the Bonds, the form of which is attached to this Official Statement as Appendix B. See "CONTINUING DISCLOSURE UNDERTAKING."

This Official Statement is in a form deemed final as of its date for purposes of Rule 15c2-12. This Official Statement consists of two separately-bound volumes: (1) this Official Statement dated February 16, 2001; and (2) the County's Annual Information Statement dated December 27, 2000, which is incorporated herein by reference as Appendix C.

The information set forth herein has been obtained from the County and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the County or in any other information contained herein, since the date hereof.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and are not representations of fact, and no representation is made that any of the estimates will be realized.

DESCRIPTION OF THE BONDS

Purpose of the Bonds

The proceeds of the Bonds will be used to finance the acquisition, construction and equipping of certain public facilities. Substantially all of the proceeds of the Bonds will be used to pay at maturity a portion of the County's Consolidated Commercial Paper Bond Anticipation Notes, 1995 Series.

The proceeds of the sale of the Bonds will be used to provide permanent financing of capital construction projects as follows: General County ($28,395,000), to construct, renovate or replace public libraries, fire, police, and other public safety facilities, County-owned office space, parks, and County-owned recreation facilities, to include site preparation; Road and Storm Drainage ($31,905,000), to construct, reconstruct and widen state and county roads and bridges and storm drainage facilities; Public Schools and Community College ($79,250,000), to construct new elementary and secondary public schools or additions to existing public school buildings, to perform scheduled renovations of existing schools, and to renovate existing community college campus buildings and facilities to include modification for energy efficiency and handicapped access; and Mass Transit Facilities ($450,000), to construct equipment maintenance and operation facilities, certain commuter parking facilities and stations, and to pay contributions under agreements with the Washington Suburban Transit District.

Security for the Bonds

The Bonds are general obligation bonds of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. Such bonds are payable from ad valorem taxes, unlimited as to rate or amount, on all real, tangible personal and certain intangible property subject to taxation at full rates for local purposes in the County.

Additionally, Section 312 of the Charter of Montgomery County, Maryland provides as follows: "...If at any time the Council shall have failed to appropriate and to make available sufficient funds to provide for the timely payment of the interest and principal then due upon all County indebtedness, it shall be the duty of the Director of Finance to pay, or to make available for payment, to the holders of such indebtedness from the first revenues thereafter received applicable to the general funds of the County, a sum equal to such interest and principal."

Authority for the Bonds

The Bonds are consolidated pursuant to a Resolution of the County Council for Montgomery County, Maryland (the "County Council"), adopted on July 18, 2000, and effective on October 27, 2000, in accordance with the provisions of Section 2C of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2000 Cumulative Supplement).

The Bonds are issued under the provisions of the Montgomery County Charter, Chapter 9 of the Laws of Montgomery County 1955, as amended, Chapter 34 of the Laws of Montgomery County 1991, Chapter 32 of the Laws of Montgomery County 1997, Chapter 19 of the Laws of Montgomery County 1998, and Chapter 18 of the Laws of Montgomery County 1999, and are authorized to be issued by Orders of the County Executive of Montgomery County, Maryland, passed on January 19, 2001, as supplemented.

Redemption Provisions

Optional Redemption. The Bonds which mature on or before February 1, 2011, are not subject to redemption prior to their maturities. The Bonds which mature on or after February 1, 2012, are subject to redemption beginning February 1, 2011, as a whole or in part at any time thereafter, in any order of their maturities, at the option of the County, at a redemption price for each Bond redeemed expressed as a percentage of the principal amount of the Bond to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption:

Redemption Period (both dates inclusive)	Redemption Price
February 1, 2011 to January 31, 2012	101.0%
February 1, 2012 to January 31, 2013	100.5%
February 1, 2013 and thereafter	100.0%

If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds to be redeemed from such maturity shall be selected by the Paying Agent/Registrar by lot or other random means in such manner as the Paying Agent/Registrar in its sole discretion may determine. In selecting Bonds for redemption, the Paying Agent/Registrar shall treat each Bond as representing that number of Bonds which is equal to the principal amount of such Bond divided by $5,000.

If the County elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption notice to the registered owners of the Bonds to be redeemed by publication at least once, at least thirty (30) days prior to the date of redemption, in a newspaper of general circulation in the County and also in a financial newspaper or journal circulating in the City of New York, New York. The County shall also give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the Bonds to be redeemed at their last addresses appearing on the registration books maintained by the Paying Agent/Registrar; provided, however, that the failure to mail such notice with respect to a particular Bond or any defect in such notice, or in the mailing thereof, shall not affect the sufficiency of proceedings for the redemption of any other Bond. So long as DTC or its nominee is the sole registered owner of the Bonds, any redemption notice shall be given only to DTC. From and after the date fixed for redemption, if notice has been duly and properly given and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest.

Notwithstanding the foregoing, so long as the Bonds are maintained under a book-entry system, selection of the Bonds to be redeemed shall be made in the manner described below under "BOOK-ENTRY ONLY SYSTEM" and notice of redemption shall be mailed only to DTC.

Book-Entry Only System

The information contained in the following paragraphs of this subsection "Book-Entry Only System" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY ONLY ISSUANCE." The County makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC 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). One fully-registered certificate will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and such certificates will be deposited with DTC.

DTC 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 Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations (“Direct Participants”). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of securities 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, but Beneficial Owners are 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 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 Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The 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 Cede & Co. If less than all of the Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC or Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 DTC. DTC’s practice is to credit Direct Participants’ accounts on the payable date in accordance with their respective holdings shown on DTC’s records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by 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 Participant and not of DTC or the Paying Agent/Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Paying Agent/Registrar, disbursements 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.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The County may 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.

NEITHER THE COUNTY, NOR THE PAYING AGENT/REGISTRAR, WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO 1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; 2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; 3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; 4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR 5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF BONDS.

RATINGS

Fitch Inc., Moody’s Investors Service, Inc., and Standard & Poor’s Rating Group have given the Bonds the respective ratings indicated on the cover page of this Official Statement. A rating reflects only the view of the rating organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

TAX EXEMPTIONS

In the opinion of Bond Counsel, under existing law, the interest on the Bonds (a) is excludable from gross income for Federal income tax purposes, and (b) is not an enumerated preference or adjustment for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

Under the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), there are certain requirements that must be met subsequent to the issuance of the Bonds in order for the interest on the Bonds to remain excludable from gross income for Federal income tax purposes, including restrictions that must be complied with throughout the term of the Bonds. Such restrictions include, among other things, limitations on the yield of investments acquired with gross proceeds of the Bonds and the periodic payment to the United States of specified portions of arbitrage profit derived from such investments.

In order to comply with the requirements of the Code, the County will execute and deliver a Tax Certificate and Compliance Agreement (“Tax Agreement”) on the date of delivery of the Bonds. The covenants and agreements in the Tax Agreement are designed to satisfy the requirements of Section 103 and Sections 141 through 150, inclusive, of the Code, and the income tax regulations issued thereunder. In the opinion of Bond Counsel, the covenants and agreements in the Tax Agreement are sufficient to meet the requirements (to the extent applicable to the Bonds) of Section 103 and Sections 141 through 150 of the Code. However, Bond Counsel assumes no responsibility for, and will not monitor, compliance with the covenants and agreements in the Tax Agreement. In the event of noncompliance with such covenants and agreements, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for Federal income tax purposes.

Under the Code, in calculating corporate alternative minimum tax, a corporation is required to increase its alternative minimum taxable income by 75 percent of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For this purpose, "adjusted current earnings" would include, among other items, interest on the Bonds. In addition, the Code imposes a branch-level tax on certain earnings and profits of foreign corporations operating branches in the United States, and such earnings and profits would include interest on the Bonds.

Other Federal income tax consequences may arise from ownership of the Bonds, and in connection therewith, attention is directed to the following provisions of the Code: (a) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Bonds, (b) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (c) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on obligations such as the Bonds, and (d) for S corporations having subchapter C earnings and profits, the receipt of certain amounts of passive investment income, which includes interest on the Bonds, may result in the imposition of income tax on such passive investment income and, in some cases, loss of S corporation status. The foregoing is only a general summary of certain provisions of the Code and does not purport to be complete; prospective purchasers and holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

The initial public offering price of some of the Bonds may be less than the amount payable on those Bonds at maturity. The excess, if any, of the amount payable at maturity of a Bond over the initial public offering price (plus accrued interest from February 1, 2001, to the date of initial delivery of the Bond) at which a substantial amount of the same maturity of the Bonds was sold constitutes original issue discount for Federal income tax purposes ("OID"). The full amount of OID will accrue over the term of a Bond in accordance with a constant yield method (using semi-annual compounding) which allocates smaller portions of OID to earlier semi-annual compounding periods and larger portions of OID to later semi-annual compounding periods. In the case of an original or a subsequent holder of a Bond, the amount of OID which is treated as having accrued with respect to such Bond during the period that the holder has held it (a) is not included in the gross income of the holder for Federal income tax purposes, and (b) is included in the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). Holders of Bonds should consult their tax advisors with respect to the determination, for Federal income tax purposes, of OID accrued upon the sale, redemption or payment at maturity of such Bonds.

A Bond will be considered to have been issued at a premium if, and to the extent that, the holder's tax basis in the Bond exceeds the amount payable at maturity (or, in the case of a Bond callable prior to maturity, the amount payable on the earlier call date). The holder will be required to reduce his tax basis in the Bond for purposes of determining gain or loss upon disposition of the Bond by the amount of amortizable bond premium that accrues (determined on a constant yield method) during the period of ownership. No deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Bonds.

Prospective purchasers of the Bonds should consider possible state and local, excise, or franchise tax consequences arising from OID on the Bonds. In addition, prospective corporate purchasers of the Bonds should consider possible Federal income tax consequences arising from OID on the Bonds under the alternative minimum tax and the branch profits tax described above.

Legislative proposals presently before Congress or that are introduced after issuance and delivery of the Bonds, if enacted, could alter or amend one or more of the Federal tax matters referred to above and/or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal may be enacted, and there can be no assurance that any such proposal would not apply to obligations issued prior to the enactment of such proposal. Accordingly, prospective purchasers of the Bonds should consult with their tax advisors as to the status and potential effect of such proposals.

In the opinion of Bond Counsel, under existing law of the State of Maryland, the interest on the Bonds and the profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, franchise taxes applicable to certain financial institutions, or any other taxes not levied directly on the Bonds or the interest thereon.

LEGALITY OF THE BONDS

The authorization, sale, issuance and delivery of the Bonds will be subject to legal approval by Venable, Baetjer and Howard, LLP, of Baltimore, Maryland, Bond Counsel, and copies of their unqualified approving legal opinion with respect to the Bonds will be delivered upon request, without charge, to the successful bidder for the Bonds. The opinion will be substantially in the form of the draft opinion attached to this Official Statement as Appendix A.

LITIGATION

The County is currently processing numerous claims for damages and is also a defendant in a number of lawsuits which are expected to be paid, when applicable, through its self-insurance program. Management and legal counsel believe that the self-insurance program is adequately funded to cover such claims and lawsuits to be paid out of the program. In addition to those suits in which claims for liability are adequately covered by insurance, the County is a defendant in various suits involving tort claims, violations of civil rights, breach of contract, inverse condemnation, and other suits and actions arising in the normal course of business. In the opinion of the County Attorney, the estimated liability of the County in the resolution of these cases will not exceed $3,000,000. In accordance with generally accepted accounting principles, $300,000 of this amount has been reflected as a liability in the County's audited financial statements, as the County's liability on certain claims appears to be probable; but, in any event, none of such claims and suits will materially affect the County's ability to perform its obligations to the holders of its bonds.

INDEPENDENT PUBLIC ACCOUNTANTS

The audited general purpose financial statements of the County included in the County's Annual Information Statement dated December 27, 2000 and incorporated herein by reference as Appendix C to this Official Statement have been audited by KPMG LLP (KPMG), independent public accountants, as indicated in their report with respect thereto. In that report, KPMG states that with respect to certain of the County's component units, its opinion is based on the reports of other independent public accountants. The report of KPMG also contains an explanatory paragraph which states that KPMG did not audit certain identified supplementary information and expressed no opinion thereon. Such audited general purpose financial statements have been included in reliance upon the qualification of said firm to issue said report.

CERTIFICATE OF COUNTY OFFICIALS

The Chief Administrative Officer and the Director of Finance of the County will furnish a certificate to the successful bidders for the Bonds to the effect that, to the best of their knowledge and belief, this Official Statement (including, without limitation, the County's Annual Information Statement dated December 27, 2000 and incorporated herein by reference as Appendix C), as of the date of sale and the date of delivery of the Bonds, is true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact, required to be stated or necessary to be stated, to make such statements, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE UNDERTAKING

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the "Continuing Disclosure Agreement") on or before the date of issuance and delivery of the Bonds, the form of which is attached to this Official Statement as Appendix B. Potential purchasers of the Bonds should note that the definition of Reportable Events in Appendix B is intended to completely restate the events specified in Rule 15c2-12. It is noted that certain Reportable Events are expected to have no applicability to the Bonds, such as the possibility of unscheduled draws on debt service reserves and matters affecting collateral for the Bonds.

The County has not failed to comply with any prior continuing disclosure undertaking made pursuant to Rule 15c2-12.

INFORMATION IN OFFICIAL STATEMENT

All quotations, summaries and explanations in this Official Statement of State and County laws and the Montgomery County Charter do not purport to be complete and reference is made to pertinent provisions of the same for complete statements. Any estimates or opinions herein, whether or not expressly so stated, are intended as such and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which such information is stated or the date hereof. This Official Statement shall not be construed as part of any contract between the County and the purchasers or holders of its bonds. The County has been advised by Venable, Baejter and Howard, LLP, of Baltimore, Maryland, Bond Counsel, in connection with legal statements contained in this Official Statement; however, Bond Counsel has not passed upon or assumed responsibility for the accuracy of the financial statements and economic data contained herein.

Any questions regarding this Official Statement or the Bonds should be directed to Mr. Timothy L. Firestine, Director, Department of Finance, Montgomery County, Maryland, 101 Monroe Street, 15th floor, Rockville, Maryland 20850, Telephone: (240) 777-8860.

SELECTED DEBT AND FINANCIAL SCHEDULES

Tables 1 through 7 presented on the following pages have been updated to reflect the effect of the Proposed Bonds, or to provide current information on Montgomery County's financial position. For more information on the County, and a complete overview of the County's debt, please see the County's most recent Annual Information Statement, dated December 27, 2000, which is incorporated by reference in this Official Statement as Appendix C, and is published under separate cover.

Table 1
Statement of Direct and Overlapping Debt
Projected to January 31, 2001 and Including Proposed General Obligation Bonds

Direct Debt:		
General Obligation Bonds Outstanding	$1,076,648,054	
Proposed General Obligation Bonds	140,000,000	
Short-Term BANs/Commercial Paper Outstanding*	20,000,000	
Long-Term Notes Payable	1,657,705	
Revenue Bonds Outstanding	70,840,000	
Total Direct Debt		$1,309,145,759
Overlapping Debt (as of June 30, 2000):		
Gross Debt:		
Washington Suburban Sanitary Commission		
Applicable to Montgomery County	1,064,577,882	
Housing Opportunities Commission	681,976,871	
Montgomery County Revenue Authority	43,717,175	
Maryland-National Capital Park and Planning Commission		
Applicable to Montgomery County	47,784,828	
Kingsview Village Center Development District	2,410,000	
Towns, Cities and Villages within Montgomery County	33,270,484	
Total Overlapping Debt		1,873,737,240
Total Direct and Overlapping Debt		3,182,882,999
Less Self-Supporting Debt:		
County Government Revenue Bonds	70,840,000	
Washington Suburban Sanitary Commission		
Applicable to Montgomery County (as of June 30, 2000)	1,064,577,882	
Housing Opportunities Commission (as of June 30, 2000)	681,976,871	
Montgomery County Revenue Authority (as of June 30, 2000)	43,717,175	
Maryland-National Capital Park and Planning Commission		
Applicable to Montgomery County (as of June 30, 2000)	15,404,828	
Total Self-Supporting Debt		(1,876,516,756)
Net Direct and Overlapping Debt		$1,306,366,243
Ratio of Debt to FY01 Assessed Valuation of:		$32,553,856,811
Direct Debt		4.02%
Net Direct Debt **		3.80%
Direct and Overlapping Debt		9.78%
Net Direct and Overlapping Debt		4.01%
Ratio of Debt to FY01 Market Valuation of:		$78,786,706,000
Direct Debt		1.66%
Net Direct Debt **		1.57%
Direct and Overlapping Debt		4.04%
Net Direct and Overlapping Debt		1.66%

* Net of $140,000,000 refunded with the proceeds of the proposed general obligation bonds.
** Net Direct Debt of $1,238,305,759 is derived by subtracting direct self-supporting debt, which consists only of County Government Revenue Bonds, from Total Direct Debt.

Table 2
Statement of Legal Debt Margin
Projected to January 31, 2001 and Including Proposed General Obligation Bonds

FY01 Assessed Valuation		$32,553,856,811
Debt Limit (% of Assessed Valuation)		15%
Legal Limitation for the Borrowing of Funds and the Issuance of Bonds		4,883,078,522
Less Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds Outstanding	$1,076,648,054	
Proposed General Obligation Bonds	140,000,000	
Short-Term BANs/Commercial Paper	20,000,000	
Long Term Notes Payable	1,657,705	
Net Direct Debt		1,238,305,759
Legal Debt Margin		$3,644,772,763
Net Direct Debt as a Percentage of Assessed Valuation		3.80%

Table 3
General Obligation Debt of the County
June 30, 2000 and
Projected to January 31, 2001 and Including Proposed Bonds

Issue	Dated Date	Original Issue Size	Original Interest Rates	True Interest Cost (TIC)	Maturity	Principal Outstanding June 30, 2000	Principal Outstanding Jan. 31, 2001 and Including Proposed Bonds
GO Bonds	02/01/71	$ 30,000,000	0.10%-6.50%	4.8651%	1972-01	$ 440,000	$ 440,000
GO Bonds	11/01/71	30,000,000	0.10%-6.50%	4.3163%	1972-01	1,180,000	590,000
GO Bonds	05/01/83	50,000,000	7.00%-9.00%	7.8999%	1984-03	7,500,000	7,500,000
GO Bonds	06/01/84	55,000,000	9.00%-9.75%	9.3989%	1985-04	11,000,000	11,000,000
GO Bonds	05/01/85	65,000,000	7.60%-8.60%	8.2205%	1986-05	16,250,000	16,250,000
GO Bonds	04/01/86	50,000,000	5.80%-6.30%	6.0956%	1987-06	15,000,000	15,000,000
GO Bonds	10/01/90	75,000,000	6.80%-7.10%	6.9842%	1991-00	3,750,000	--
GO Bonds	04/01/91	60,000,000	6.30%-6.75%	6.5230%	1992-11	9,000,000	9,000,000
GO Bonds	10/01/91	70,000,000	5.75%-6.12%	5.9747%	1992-11	14,000,000	10,500,000
GO Refunding Bonds	07/01/92	273,038,054	2.75%-5.80%	5.7431%	1993-10	230,363,054	205,823,054
GO Bonds	10/01/92	115,000,000	5.00%-5.75%	5.4740%	1993-06	40,250,000	34,500,000
GO Refunding Bonds	08/15/93	60,005,000	2.50%-5.00%	4.9908%	1994-11	57,340,000	56,785,000
GO Bonds	10/01/93	100,000,000	4.40%-4.90%	4.6899%	1994-13	70,000,000	65,000,000
GO Bonds	10/01/94	100,000,000	5.20%-6.125%	5.7958%	1995-08	45,000,000	40,000,000
GO Bonds	03/15/96	120,000,000	5.10%-5.50%	5.2946%	1997-16	96,000,000	96,000,000
GO Bonds	04/15/97	115,000,000	5.00%-5.375%	5.3226%	1998-17	97,750,000	97,750,000
GO Refunding Bonds	01/01/98	69,510,000	3.90%-5.25%	4.6400%	2003-15	69,510,000	69,510,000
GO Bonds	04/01/98	115,000,000	4.875%	4.7607%	1999-18	103,500,000	103,500,000
GO Bonds	04/01/99	120,000,000	4.00%-5.00%	4.4764%	2000-19	114,000,000	114,000,000
GO Bonds	01/01/00	130,000,000	5.00%-6.00%	5.4853%	2001-20	130,000,000	123,500,000
GO Bonds	02/01/01	140,000,000	This Issue	--	2002-21	--	140,000,000
Total						$1,131,833,054	$1,216,648,054

Table 4
General Obligation Bonds Authorized – Unissued
Projected to January 31, 2001 and Including Proposed Bonds

Purpose	Chapter	Act	Amount	Amount Unissued	Proposed Bonds
General County, Parks, and	19	1998	$ 113,400,000	$ 102,285,000	$ --
Consolidated Fire Tax District	18	1999	33,500,000	33,500,000	--
	22	2000	78,300,000	78,300,000	--
			225,200,000	214,085,000	28,395,000
Road & Storm Drainage and	19	1998	77,000,000	70,915,000	--
Urban Renewal	18	1999	30,000,000	30,000,000	--
	22	2000	77,600,000	77,600,000	--
			184,600,000	178,515,000	31,905,000
Public Schools and	32	1997	80,800,000	20,763,000	--
Community College	19	1998	3,800,000	3,800,000	--
	18	1999	57,800,000	57,800,000	--
	22	2000	82,900,000	82,900,000	--
			225,300,000	165,263,000	79,250,000
Mass Transit	34	1991	2,160,000	55,000	--
	19	1998	500,000	500,000	--
	18	1999	400,000	400,000	--
	22	2000	1,400,000	1,400,000	--
			4,460,000	2,355,000	450,000
Public Housing	17	1981	2,650,000	2,590,000	--
	13	1982	995,000	995,000	--
	8	1983	230,000	230,000	--
	20	1985	900,000	900,000	--
	13	1986	855,000	855,000	--
			5,630,000	5,570,000	--
Parking Districts:					
Silver Spring	9	1983	2,945,000	2,045,000	--
	6	1984	1,220,000	1,220,000	--
			4,165,000	3,265,000	--
Bethesda	19	1981	7,325,000	3,040,000	--
	14	1982	775,000	775,000	--
	10	1983	1,050,000	1,050,000	--
			9,150,000	4,865,000	--
Total Parking Districts			13,315,000	8,130,000	--
Total General Obligation Bonds			$658,505,000	$573,918,000	$140,000,000

In addition to the above noted authority, the County has authority under the provisions of section 56-13 of the Montgomery County Code 1994, as amended, to issue County bonds, within statutory debt limits, to finance approved urban renewal projects.

Table 5
Bond Anticipation Notes Outstanding
Projected to January 31, 2001 and
After Effect of Proposed Bonds

Issue	Balance July 1, 2000	BANs Issued	Balance Jan. 31, 2001	BANs to be Retired	Balance After Effect of Proposed Bonds
BAN Series 1995-F	$ 32,000,000	$ --	$ 32,000,000	$ 32,000,000	$ --
BAN Series 1995-G	38,000,000	--	38,000,000	38,000,000	--
BAN Series 1995-H	90,000,000	--	90,000,000	70,000,000	20,000,000
Total	$160,000,000	$ --	$160,000,000	$140,000,000	$20,000,000

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Table 6
Montgomery County, Maryland
Schedule Of General Fund Revenues, Expenditures, & Transfers In (Out)
(Budgetary, Non-GAAP Basis)

	Fiscal Year Actual 1998	1999	2000	Fiscal Year Budget 2001[2]	Actual July 1, 2000 to November 30, 2000 (Unaudited)
Revenues:					
Taxes:					
Property, including interest & penalty	$ 607,196,112	$ 593,103,639	$ 610,403,414	$ 606,104,570	$ 379,052,642
Transfer tax and recordation tax	82,969,763	93,009,575	99,771,486	90,840,000	41,071,888
County income tax	602,825,620	689,203,638	761,148,755	769,250,000	288,914,783
Other taxes	42,751,420	45,183,618	43,312,655	44,020,000	13,199,107
Total Taxes	1,335,742,915	1,420,500,470	1,514,636,310	1,510,214,570	722,238,420
Licenses and permits	4,284,392	4,338,599	4,508,738	4,403,060	956,921
Intergovernmental revenue	87,994,220	93,255,279	98,051,154	103,735,660	38,132,107
Charges for services	8,319,726	7,337,927	7,904,754	8,374,750	2,897,468
Fines and forfeitures	3,042,264	3,188,275	4,550,638	4,855,860	2,404,453
Investment income	15,735,564	18,155,871	21,831,424	22,010,000	7,393,244
Miscellaneous	7,071,441	8,061,519	8,300,775	9,195,480	2,299,925
Total Revenues	1,462,190,522	1,554,837,940	1,659,783,793	1,662,789,380	776,322,538
Expenditures (including encumbrances):					
General County:					
General government	130,541,248	139,868,204	152,711,792	157,708,306	81,249,827
Public safety	145,807,258	149,815,388	163,575,547	172,213,087	75,494,603
Transportation and public works	29,303,085	36,671,572	35,155,518	34,961,713	16,680,865
Health and human services	106,850,279	115,372,553	130,598,688	150,225,596	79,251,418
Culture and recreation	27,699,078	34,407,208	37,032,110	39,056,958	18,377,005
Housing and community development	2,484,460	2,883,758	4,104,510	4,315,969	2,283,022
Environment	2,365,887	3,197,837	3,549,047	4,732,905	2,068,879
Total Expenditures	445,051,295	482,216,520	526,727,212	563,214,534	275,405,619
Operating Transfers In (Out):					
Operating Transfers In:					
Special Revenue Funds	9,139,096	9,091,019	10,117,342	10,283,760	5,141,880
Enterprise Funds	16,864,000	17,042,960	17,248,580	20,224,600	8,891,851
Trust Funds	--	--	--	--	--
Internal Service Funds	--	--	--	--	--
Component Units	100,295	110,000	192,696	--	133,855
Total Operating Transfers In	26,103,391	26,243,979	27,558,618	30,508,360	14,167,586
Operating Transfers Out:					
Special Revenue Funds	(25,908,256)	(11,590,135)	(15,719,842)	(8,354,159)	(4,155,422)
Debt Service Fund	(127,342,718)	(136,484,729)	(134,767,348)	(149,659,980)	(74,177,226)
Capital Projects Fund	(14,501,913)	(14,189,353)	(38,907,827)	(108,037,166)	(35,474,635)
Enterprise Funds	(4,736,579)	(3,903,074)	(5,988,835)	(4,125,564)	(1,828,914)
Internal Service Funds	(1,031,750)	(1,410,500)	(615,290)	(1,565,700)	--
Component Units	(833,422,826)	(883,972,417)	(950,305,484)	(1,073,388,198)	(431,597,861)
Total Transfers Out	(1,006,944,042)	(1,051,550,208)	(1,146,304,626)	(1,345,130,767)	(547,234,058)
Net Operating Transfers In (Out)	(980,840,651)	(1,025,306,229)	(1,118,746,008)	(1,314,622,407)	(533,066,472)
Excess of revenues and operating transfers in over (under) expenditures, encumbrances and operating transfers out	36,298,576	47,315,191	14,310,573	(215,047,561)	(32,149,553)
Fund Balances, July 1 as previously stated	101,680,857	148,530,451	211,266,962	243,822,148	243,822,148
Net Adjustment for previous year encumbrances	10,565,018	15,211,912	18,244,613	33,029,153	31,179,310
Fund Balances, July 1 restated	112,245,875	163,742,363	229,511,575	276,851,301	275,001,458
Equity transfers in (out)	(14,000)	209,408	--	--	--
Budgetary Fund Balance – Subtotal	$ 148,530,451	$ 211,266,962	$ 243,822,148	$ 61,803,740	$ 242,851,905
Projections through year end:					
Revenue/Transfers In Remaining[1]				--	948,035,242
Expenditures/Transfers Out Remaining[1]				--	(1,049,621,230)
Budgetary Fund Balance Projected to June 30				$ 61,803,740	$ 141,265,917

(1) Estimated

(2) Updated for budget adjustments as of November 30, 2000.

Note: Actual and budget amounts are for fiscal years ended June 30.

Table 7
General Fund
Schedule Of Budgetary Fund Balance to
GAAP Fund Balance Reconciliation

	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000	Projected July 1, 2000 to June 30, 2001 (Unaudited)
Budgetary to GAAP Reconciliation:				
Budgetary Fund Balance as noted on previous page	$148,530,451	$211,266,962	$243,822,148	$141,265,917
Plus encumbrances outstanding	17,704,489	20,625,655	33,029,310	25,000,000 [1]
Adjustment for prior year encumbrances	(1,199,949)	(2,492,577)	(2,381,042)	(1,850,000)[1]
Unrealized investment gain (loss)	556,780	(1,290,016)	1,169,668	-- [1]
Net differences between beginning fund balances[2]	297,903	2,147,311	745,760	1,384,386
GAAP Fund Balance as Reported/Projected	$165,889,674	$230,257,335	$276,385,844	$165,800,303
Elements of GAAP Fund Balance:				
Reservations	$ 19,915,257	$ 22,947,323	$ 36,225,684	$ 28,000,000 [1]
Designated for CIP Transfers	14,842,202	31,294,410	36,001,151	56,694,151 [1]
Designated for subsequent years expenditures	57,916,816	85,527,972	128,713,265	1,596,270 [1]
Unreserved/Undesignated	73,215,399	90,487,630	75,445,744	79,509,882 [1]
Total	$165,889,674	$230,257,335	$276,385,844	$165,800,303

(1) Estimated
(2) Amount restated to break out the impact of unrealized investment gains (losses).
Note: All amounts are for fiscal years ended June 30.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution of this Official Statement and its delivery have been duly authorized by the County. This Official Statement is hereby deemed final for the purposes of Rule 15c2-12 of the Securities and Exchange Commission.

/s/ BRUCE ROMER
Bruce Romer
Chief Administrative Officer

/s/ TIMOTHY L. FIRESTINE
Timothy L. Firestine
Director, Department of Finance

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<u>APPENDIX A</u>

DRAFT APPROVING OPINION OF BOND COUNSEL

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DRAFT APPROVING OPINION OF BOND COUNSEL

(Letterhead of Venable, Baetjer and Howard, LLP)

(Closing Date)

County Executive and County Council for
Montgomery County, Maryland
Rockville, Maryland

Ladies and Gentlemen:

We have acted as bond counsel to Montgomery County, Maryland (the "County") in connection with the issuance of its $140,000,000 Montgomery County, Maryland Consolidated Public Improvement Bonds of 2001, Series A (the "Bonds"). In such capacity, we have examined such laws and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under the provisions of the Montgomery County Charter (the "Charter") and Chapter 9 of the Laws of Montgomery County 1955, as amended, Chapter 34 of the Laws of Montgomery County 1991, Chapter 32 of the Laws of Montgomery County 1997, Chapter 19 of the Laws of Montgomery County 1998, and Chapter 18 of the Laws of Montgomery County 1999 (the "Acts"). The Bonds are consolidated pursuant to a Resolution of the County Council for Montgomery County, Maryland, adopted on July 18, 2000 (the "Resolution"), in accordance with the provisions of Section 2C of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2000 Cumulative Supplement), and are authorized to be issued and awarded by Orders of the County Executive of the County passed on January 19, 2001 (the "Orders"). The terms of the Bonds are as set forth in the Bonds, the Acts, the Resolution and the Orders.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any change in law that may hereafter occur.

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 County and certifications by public officials.

We do not express any opinion herein regarding any law other than the law of the State of Maryland and the federal law of the United States of America.

We express no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

Based on the foregoing, it is our opinion that, under existing law:

(a) The Bonds have been duly authorized and legally issued in accordance with the Constitution and Public Laws of the State of Maryland, the Charter, the Acts, the Resolution and the Orders.

(b) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit are pledged, and for the payment of which the County is empowered and directed to levy ad valorem taxes, without limitation of rate or amount, upon all real, tangible personal and certain intangible property subject to taxation by the County.

(c) To provide for the payment of the principal of and interest on the Bonds, the County, by adoption of the Acts and passage of the Orders, has covenanted to levy said ad valorem taxes in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) Under existing law, the interest on the Bonds (i) is excludable from gross income for Federal income tax purposes, and (ii) is not an enumerated preference or adjustment for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

In rendering the opinion expressed above in this paragraph (d), we have assumed continuing compliance with the covenants and agreements set forth in the Tax Certificate and Compliance Agreement of even date herewith executed and delivered by the County (the "Tax Agreement"), which covenants and agreements are designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the income tax regulations issued thereunder (the "Regulations") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal tax purposes. In our opinion, the covenants and agreements in the Tax Agreement are sufficient to meet such requirements (to the extent applicable to the Bonds) of the Code and Regulations. However, we assume no responsibility for, and will not monitor, compliance with the covenants and agreements in the Tax Agreement. In the event of noncompliance with such covenants and agreements, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includible in gross income for Federal income tax purposes, retroactive to the date of issuance of the Bonds.

(e) Under existing law of the State of Maryland, the interest on the Bonds and profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, franchise taxes applicable to certain financial institutions, or any other taxes not levied directly on the Bonds or the interest thereon.

Other than as set forth in the preceding paragraphs (d) and (e), we express no opinion regarding the federal or state income tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

Very truly yours,

[to be signed "Venable, Baetjer and Howard, LLP"]

<u>APPENDIX B</u>

PROPOSED FORM OF
CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of [closing date] (the “Disclosure Agreement”) is executed and delivered by MONTGOMERY COUNTY, MARYLAND (the “County”) in connection with the issuance of its $140,000,000 Montgomery County, Maryland Consolidated Public Improvement Bonds of 2001, Series A (the “Bonds”). The County, 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 County for the benefit of the owners of the Bonds, including beneficial owners, and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The County's obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

SECTION 2. *Definitions.* In addition to the definitions set forth above, which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor organization. The current address of the MSRB is:

MUNICIPAL SECURITIES RULEMAKING BOARD
Continuing Disclosure Information System
1640 King Street, Suite 300
Alexandria, Virginia 22314-2719
(202) 223-9503 (phone)
(703) 683-1930 (fax)

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository recognized by the Securities and Exchange Commission for purposes of the Rule. Currently, the following are National Repositories:

BLOOMBERG MUNICIPAL REPOSITORIES
Attn: Municipal Dept.
P.O. Box 840
Princeton, NJ 08542-0840
(609) 279-3225 (phone)
(609) 279-5962 (fax)
E-mail: MUNIS@Bloomberg.com

DPC DATA, INC.
One Executive Drive
Fort Lee, NJ 07024
(201) 346-0701 (phone)
(201) 947-0107 (fax)
E-mail: nrmsir@dpcdata.com

INTERACTIVE DATA
Attn: Repository
100 Williams Street
New York, NY 10038
(212) 771-6899 (phone)
(212) 771-7390 (fax)
E-mail: nrmsir@interactivedata.com

STANDARD & POOR'S J.J. KENNY REPOSITORY
55 Water Street
45th Floor
New York, NY 10041
(212) 438-4595 (phone)
(212) 438-3975 (fax)
E-mail: nrmsir_repository@sandp.com

“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.

“Reportable Event” shall mean any of the events listed in Section 4a. of this Disclosure Agreement.
“Repository” shall mean each National Repository and the State Depository.

"Rule" shall mean Rule 15c2-12(b)(5) 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 letters and other authoritative interpretations of Rule 15c2-12 released by the Securities and Exchange Commission including, by way of example, the staff guidance dated June 23, 1995 to the National Association of Bond Lawyers ("NABL") from Robert L. D. Colby, Deputy Director, and the staff guidance dated September 19, 1995, to NABL from Catherine McGuire, Chief Counsel.

"State Depository" shall mean any public or private repository or entity designated by the State of Maryland as a state information depository for purposes of the Rule. As of the date of this Disclosure Agreement, there is no State Depository.

SECTION 3. *Provision of Annual Financial Information, Operating Data and Audited Information.*

a. The County shall provide to each Repository, the following annual financial information and operating data, 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, 2001:

(i) Statement of Direct and Overlapping Debt; (ii) General Bonded Debt Ratios; (iii) Assessed Value of All Taxable Property By Class; (iv) Property Tax Levies and Collections; (v) Property Tax Rates and Tax Levies, By Purpose, and (vi) Schedule of General Fund Revenues, Expenditures and Transfers In (Out).

b. The County shall provide to each Repository annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2001, 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 County's fiscal year (commencing with the fiscal year ending June 30, 2001), the County will provide unaudited financial statements within such time period.

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.

d. If the County is unable to provide the annual financial information and operating data within the applicable time periods specified in a. and b. above, the County shall send in a timely manner a notice of such failure to each National Repository or to the MSRB and to the State Depository.

e. The County hereby represents and warrants that it has not failed to comply with any prior disclosure undertaking made pursuant to the Rule.

SECTION 4. *Reporting of Significant Events.*

a. This Section 4 shall govern the giving of notices of the occurrence of any of the following Reportable Events with respect to the Bonds, each of which shall constitute a Reportable Event for purposes hereof:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(7) Modifications to rights of owners of the Bonds;

(8) Bond calls;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds; or

(11) Rating changes.

b. Whenever the County obtains knowledge of the occurrence of a Reportable Event, the County shall as soon as possible determine if such event would constitute material information for owners of Bonds, in accordance with the applicable "materiality" standard under then-current securities laws.

c. If the County has determined that a Reportable Event is material, the County shall file in a timely manner a notice of such occurrence with the National Repositories or the MSRB and the State Depository.

SECTION 5. *Termination of Reporting Obligations.* The County'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 County may terminate its obligations under this Disclosure Agreement if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

SECTION 6. *Amendments.*

a. The County may provide further or additional assurances that will become part of the County's obligations under this Disclosure Agreement. In addition, this Disclosure Agreement may be amended by the County in its discretion, provided that:

(1) the amendment is being made in connection with a change of circumstances that arises from a change in legal requirements, change in law, change in the identity, nature or status of the County as the obligated person with respect to the Bonds, or type of business conducted by the County;

(2) this Disclosure Agreement, as amended, would, in the opinion of nationally recognized bond counsel, 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

(3) the amendment does not materially impair the interests of owners of the Bonds, including beneficial owners, as determined by bond counsel selected by the County or by an approving vote of at least 25% of the outstanding principal amount of the Bonds.

b. The reasons for the County agreeing to provide any further or additional assurances or for any amendment and the impact of the change in the type of financial information or operating data being provided will be explained in narrative form in information provided with the annual financial information containing the additional or amended financial information or operating data.

SECTION 7. *Additional Information.* Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including disclaimers or any other information in any disclosure made pursuant to Section 3a. or 3b. hereof or notice of occurrence of a Reportable Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 3a. or 3b. hereof or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3a. or 3b. hereof or notice of occurrence of a Reportable Event.

SECTION 8. *Limitation on Remedies and Forum.*

a. The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under this Disclosure Agreement, and the County shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to Director of Finance, 15th Floor, Executive Office Building, 101 Monroe Street, Rockville, Maryland 20850, or at such alternate address as shall be specified by the County in disclosures made pursuant to Section 3a. or 3b. hereof or a notice of occurrence of a Reportable Event.

b. Any suit or proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Montgomery County, Maryland.

SECTION 9. *Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the owners from time to time of the Bonds, including beneficial owners, and shall create no rights in any other person or entity.

SECTION 10. *Relationship to Bonds.* This Disclosure Agreement constitutes an undertaking by the County that is independent of the County's obligations with respect to the Bonds. Any breach or default by the County under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Bonds.

SECTION 11. *Severability.* In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or action, or any part thereof, made, assumed, entered into or taken under this Disclosure Agreement, or any application thereof, is for any reason held to be illegal or invalid or is at any time inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Disclosure Agreement, or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Disclosure Agreement, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

SECTION 12. *Entire Agreement.* This Disclosure Agreement contains the entire agreement of the County with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto; provided, however, that this Disclosure Agreement shall be interpreted and construed with reference to and in pari materia with the Rule.

SECTION 13. *Captions.* The captions or headings herein shall be solely for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions or sections hereof.

SECTION 14. *Governing Law.* This Disclosure Agreement and any claim made with respect to the performance by the County of its obligations hereunder shall be governed by, subject to and construed in accordance with the federal securities laws, where applicable, and the laws of the State of Maryland, without reference to the choice of law principles thereof.

IN WITNESS WHEREOF, the County has caused this Disclosure Agreement to be duly executed as of the day and year first above written.

MONTGOMERY COUNTY, MARYLAND

By: ________________________________

Director of Finance

APPENDIX C

ANNUAL INFORMATION STATEMENT
DATED DECEMBER 27, 2000

(Provided under separate cover
and incorporated herein by reference)

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