

3. [When for lack of adequate Federal funds at the time the petition is filed, the amount of Federal funds available for a grant is a lesser per centum of the eligible cost of the project than that to which it was found to be entitled under the provisions of the Federal Water Pollution Control Act, the petition may include a request for the advance payment of the Federal deficit, provided that the petitioner shall contract to repay to the State for deposit to the Water Quality Loan account all subsequent Federal funds which the petitioner may receive to make up the original Federal deficiency.] **THE BOARD OF PUBLIC WORKS IS AUTHORIZED, IN ITS DISCRETION AND UPON RECOMMENDATION OF THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, TO APPROVE A STATE GRANT NOT TO EXCEED 87-1/2 PER CENT OF THE ELIGIBLE COST OF A PROJECT OR PART OF A PROJECT, IF THE BOARD FINDS (A) THAT THE IMMEDIATE INITIATION OR CONTINUATION OF SUCH PROJECT IS CRITICAL TO THE PUBLIC HEALTH OR COMPLIANCE WITH WATER QUALITY STANDARDS OF THE STATE, AND (B) THAT A TIMELY AND SUFFICIENT FEDERAL GRANT IS NOT AVAILABLE FOR SUCH PROJECT OR PART OF A PROJECT.**

14. When the petitioner has received a grant offer under the Federal Water Pollution Control Act for the construction of facilities to demonstrate an improved method of controlling the discharge to any waters of the State of untreated or inadequately treated sewage or other wastes from sewers which carry stormwater or both stormwater and sewage or other wastes; to demonstrate advanced waste treatment and water purification methods; or to provide for new or improved methods of joint treatment for municipal and industrial wastes; and for the purpose of reports, plans and specifications in connection therewith, then the funds made available under this Act shall be allocated as an outright grant to the petitioner in an amount equal to one-half (1/2) of the difference between the eligible cost and the amount of the Federal grant offer.]

**SECTION 11211 AND BE IT FURTHER ENACTED, That Section 5(b) of Chapter 699 of the Laws of Maryland (1967) be and it is hereby repealed and re-enacted, with amendments, to read as follows:**

5.

(b) Any county, municipality, or any agency which is entitled to receive a State grant pursuant to the provisions of Section 387(A) 2 of Article 43 of the Annotated Code of Maryland as amended from time to time, [that has received a grant offer for a project in accordance with the provisions of the Federal Water Pollution Control Act or has been notified that the project is eligible for a Federal grant offer in a specified amount, but insufficient Federal funds are available to make an offer in the amount for which the project has been found eligible,] may petition the State Department of Health for a grant, within the following conditions and limitations:

1. [That a State grant offer shall be made for every project on which a Federal grant offer is made or which has been found eligible for a Federal grant, and that the outright State grant shall be equal to seventy-five per centum (75%) of the eligible cost of the project minus the maximum Federal grant for which the project would be eligible if sufficient Federal funds were available, except that when the size of the Federal grant is increased by the Secretary of the Interior as the result of the project being in conformity with a comprehensive plan for a standard metropolitan statistical area, such increase shall not be used to decrease the amount of the outright State grant.] **EXCEPT AS PROVIDED IN PARAGRAPH (2) BELOW, A STATE GRANT OFFER SHALL BE MADE ONLY FOR A PROJECT OR PART OF A PROJECT ON WHICH A**