

Federal grant has been applied OR UP TO 32.5 PERCENT OF THE TOTAL ELIGIBLE PROJECT COSTS. In the case of a project to be operated by a State owned institution or facility, the State grant offer shall equal the total cost of the project less the amount of any Federal grant offer made therefor.

3. 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 percent 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. In approving such grants, the Board of Public Works shall make all reasonable efforts not to jeopardize Federal grants for the remaining part of such projects.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5(b) of Chapter 651 of the Acts of the General Assembly of 1965, as amended by Chapter 286 of the Acts of the General Assembly of 1974, Chapter 262 of the Acts of the General Assembly of 1975, and by Chapter 395 of the Acts of the General Assembly of 1979, be and it is hereby repealed and reenacted with amendments to read as follows:

Chapter 651 of the Acts of 1965

5.

(b) The remainder of the proceeds of said loan shall be credited on the books of the State Treasury Department to be expended as needed by the State, upon approval by the Board of Public Works, to be used exclusively to provide State grants to assist in the construction of necessary sewage treatment plants and related facilities; and any county, municipality, or any agency which is entitled to receive a State grant pursuant to the provisions of Section 387B(a)2 of Article 43 of the Annotated Code of Maryland, as amended from time to time, may petition the State Department of Health and Mental Hygiene for a grant, within the following conditions and limitations:

1. A State grant offer shall be made only for the construction of projects that meet the specifications required by the Federal Water Pollution Control Act and all applicable State legislation and regulations, as amended from time to time.

2. Except as provided in paragraph (3) below, a State grant offer shall be made only for a project or part of a project on which a Federal grant offer is made, and the State grant offer ~~shall be in an amount up to one-half of the eligible cost remaining after the maximum Federal grant has been applied~~ THAT WHEN COMBINED WITH THE MAXIMUM FEDERAL GRANT, THE COMBINED GRANTS