

(1) Except as provided in subsection (a) above, 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 amount to one-half of the eligible cost remaining after the maximum Federal grant has been applied. In the case of a project to be operated by a State owned institution or facility, the State grant offer may equal the total cost of the project.

(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 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. 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.

(4) Any project initiated in fiscal year 1973 and not completed by the effective date of this Act shall be eligible for a grant hereunder.

(5) The Secretary of the Department of Health and Mental Hygiene shall report on or before January 1 of each year to the Governor and General Assembly on the status of Bond Funds for the construction of sewerage facilities under this and previous Bond Authorization Acts. His report shall indicate funds expended, funds committed, and funds remaining; and a list of projects for which funds have been expended and are committed. It shall also contain his projection of projects to be constructed for the following two years for which grants are anticipated.

SECTION 6. AND BE IT FURTHER ENACTED, That all unexpended funds remaining from the completed projects authorized under this Act shall be transferred to the Annuity Bond Fund and shall be applied to the debt service requirements of the State, said transfer to be made one year after the date of the final acceptance of the projects, said date of final acceptance to be certified in writing to the Board of Public Works by the Department of General Services. All funds which may be appropriated at any time or from time to time by the General Assembly in any Annual State Budget Bill for the payment of principal and interest on bonds issued pursuant to this Act shall be deposited in the Annuity Bond Fund by the State Comptroller to be applied to the payment of principal and interest on bonds issued pursuant to this Act.

SECTION 7. AND BE IT FURTHER ENACTED, That any furniture, fixtures and/or equipment authorized to be paid for from the sales of the bonds authorized by this Act shall be, where possible, manufactured or produced by the State Use Industries operated by the Division of Correction of the Department of Public Safety and Correctional Services, in accordance with the provisions of Section 681 of Article 27, Annotated Code of Maryland (1971 Replacement Volume).

SECTION 8. AND BE IT FURTHER ENACTED, That until all of the interest on and principal of any bonds issued under this Act shall have been paid in full, there is hereby levied and imposed an annual State tax on each \$100 of assessable property at the rate to be determined in the following manner: On or