

SECTION 11. AND BE IT FURTHER ENACTED, That Section 5(2) of Chapter 55 of the Acts of 1973 be and it is hereby repealed and re-enacted, with amendments, to read as follows:

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(2) The remainder of the proceeds of such loan shall be credited on the books of the State Comptroller, to be expended as needed by the State, upon approval by the Board of Public Works, and subject to such conditions as it may set, for the following needs, purposes and projects, the amounts listed below being intended to include Architects' and Engineers' fees where applicable:

(a) Not more than Ten Million Dollars (\$10,000,000) of the proceeds of such loan may be expended to provide State grants to assist in the construction, extension, and improvement of existing public sanitary sewer systems and where necessary, in the judgment of the Board of Public Works, for the construction of temporary sewage treatment plants and related facilities to abate or prevent health hazards arising out of the failure or inadequacy of individual sewerage systems existing as of the effective date of this Act, subject to the following conditions and limitations:

(1) The project must be for an approved sewerage service area in the county water and sewerage plan adopted by the County governing body and approved by the State Department of Health and Mental Hygiene pursuant to the provisions of Section 387C of Article 43 of the Annotated Code of Maryland, as amended from time to time.

(2) The sewerage system must meet all requirements and regulations of the State and have the final approval of the State Department of Health and Mental Hygiene pursuant to Section 390 of Article 43 of the Annotated Code of Maryland, as amended from time to time.

(3) Either (A) the project is ineligible for a Federal grant or (B) a timely and sufficient Federal grant is not available for such project. Even though a project may be ineligible for a Federal grant, it must not be in violation of any applicable Federal requirements.

(4) The Secretary of Health and Mental Hygiene shall prescribe rules and regulations for the determination of the amount of the State grant for each project qualifying under this Section.