

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. 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.

SECTION 13. AND BE IT FURTHER ENACTED, That Section 5(b) of Chapter 699 of the Acts of 1967, as amended by Chapter 55 of the Acts of 1973, be and it is hereby repealed and re-enacted, with amendments, to read as follows: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] 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 for a grant, within the following conditions and limitations:

1. 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 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. 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.

2. 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