

quality standards of the State, and (b) that a timely and sufficient Federal grant is not available for such project.

SECTION 15. AND BE IT FURTHER ENACTED, That Section 5 of Chapter 651 of the Acts of 1965, as amended by Chapter 286 of the Acts of 1974, be and it is hereby repealed and re-enacted, with amendments, to read as follows:

5.

That the actual cash proceeds from the sale of Certificates of Indebtedness to be issued under this Act shall be paid to the Treasurer of the State upon the warrant of the Comptroller, and such proceeds shall be used exclusively for the following purposes, to wit:

(a) The Comptroller, immediately upon the sale of and payment for said Certificates, first, shall return to and credit the Treasury for a sum equivalent to the amount expended under Section 4 of this Act.

(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 [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 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. 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.