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The actual cash proceeds of the sale of the bonds 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:

(b) Not more than [Ten Million Dollars (\$10,000,000)] TWENTY MILLION DOLLARS (\$20,000,000) 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 [contruction] CONSTRUCTION of temporary sewage treatment plants and related facilities to abate or prevent health hazards arising out of the failure or inadequacy of existing individual sewerage systems 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; and

(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 394 of Article 43 of the Annotated Code of Maryland, as amended from time to time; and

(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; and

(4) Not more than 25 percent of the total fund shall be granted for projects in any one political subdivision; and

(5) To be eligible for a grant under this subsection each county shall submit an annual inventory, as part of the county water and sewerage plan pursuant to Section 387C of Article 43 of the Annotated Code of Maryland, of specific locations where failing or inadequate individual sewerage systems occur, and proposed solutions.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act