

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, EXCEPT THAT WHEN THE MAXIMUM FEDERAL GRANT IS ~~85 PERCENT OR MORE, THE STATE GRANT OFFER SHALL BE IN AN AMOUNT UP TO~~ OFFER FOR AN INNOVATIVE OR ALTERNATIVE PROJECT AS DEFINED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IS GREATER THAN 75 PERCENT THE STATE GRANT OFFER SHALL BE THREE-QUARTERS OF THE ELIGIBLE COST REMAINING, OR 12 1/2 PERCENT, WHICHEVER IS LEAST. 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 the project is critical to the public health or to compliance with water quality standards of the State, and (b) that a timely and sufficient Federal grant is not available for the 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 the projects.

(4) The Secretary of the Department of Health and Mental Hygiene shall report on or before January 1 of each year to the Governor and the 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 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1979.

Approved May 14, 1979.

CHAPTER 395

(House Bill 1498)

AN ACT concerning

Water Quality Loan-of-1975 Projects - State Grants

FOR the purpose of amending the conditions and limitations on the use of State funds for projects ~~under the Water Quality Loan of 1975~~ relating to the construction and