

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. ~~WHEN THE FEDERAL GRANT--IS--UP--TO--85~~ 75 PERCENT OF THE TOTAL PROJECT COST. ~~WHEN THE MAXIMUM FEDERAL GRANT OFFER COVERS 85 PERCENT OR MORE~~ MORE THAN 75 PERCENT OF THE TOTAL PROJECT COST FOR AN INNOVATIVE OR ALTERNATIVE PROJECT AS DEFINED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY, THE STATE GRANT OFFER SHALL BE THREE-FOURTHS OF THE REMAINING AMOUNT 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 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 2. AND BE IT FURTHER ENACTED, That section(s) 5(b) of Chapter 561 of the Acts of 1966, as amended by Chapter 689 of the Acts of 1967, as amended by Chapter 55 of the Acts of 1973, and as amended by Chapter 262 of the Acts of 1975, be repealed, amended, or enacted to read as follows:

Chapter 561 of the Acts of 1966

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. That a preliminary application, in such form as the State Department of Health shall specify, must be received by the State Department of Health for each project no later than January 1 of each year, for projects to be financed during the fiscal year starting the following July 1.

2. That the final petition and such supporting documents as may be required by the State Department of Health are received by the State Department of Health no