

Chapter 286 of the Acts of 1974

SECTION 5. AND BE IT FURTHER ENACTED, That 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:

(C) FROM THE PROCEEDS OF THE SALE OF THE BONDS ISSUED UNDER THIS ACT, THE SUM OF FIVE MILLION DOLLARS (\$5,000,000) MAY BE USED TO PROVIDE LOANS TO ASSIST IN THE CONSTRUCTION OF SEWER FACILITIES. ANY COUNTY OR MUNICIPALITY, OR ANY AGENCY OF THE STATE OR ITS SUBDIVISIONS CHARGED WITH PROVIDING SEWER FACILITIES, MAY PETITION THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE FOR A LOAN TO ASSIST IN THE CONSTRUCTION OF THESE FACILITIES, AFTER HAVING SUBMITTED A COPY OF ITS PETITION TO THE STATE CLEARINGHOUSE IN THE DEPARTMENT OF STATE PLANNING. THE DEPARTMENT MAY MAKE A LOAN AVAILABLE FOR A PROJECT, WITH THE APPROVAL OF THE BOARD OF PUBLIC WORKS, AND SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

(1) THE PROJECT MUST BE INCLUDED IN THE COUNTY WATER AND SEWER PLAN APPROVED BY THE COUNTY GOVERNING BODY AND THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE PURSUANT TO SECTION 387C OF ARTICLE 43 OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED FROM TIME TO TIME.

(2) THE TOTAL AMOUNT OF THE STATE LOAN(S) FOR ANY PROJECT MAY NOT EXCEED THE ELIGIBLE COST OF THE PROJECT LESS THE TOTAL OF FEDERAL AND STATE GRANTS AND ANY FEDERAL LOAN FOR THE PROJECT, NOR MAY IT EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000).

(3) THE ELIGIBLE COST OF A PROJECT FOR WHICH A LOAN IS MADE UNDER THIS SUBSECTION INCLUDES THE COST OF REPORTS, PLANS, SPECIFICATIONS, LEGAL AND ADMINISTRATIVE SERVICES, EQUIPMENT, CONSTRUCTION, LAND, AND EASEMENTS AND RIGHTS-OF-WAY.

(4) THE SEWER FACILITY MUST MEET ALL REQUIREMENTS OF STATE LAW AND REGULATIONS AND MUST HAVE THE FINAL APPROVAL OF THE 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. NO LOAN MAY BE MADE FOR A PROJECT THAT IS NOT CONNECTED DIRECTLY OR INDIRECTLY, THROUGH A SEWER SYSTEM OF ADEQUATE CAPACITY, TO A SEWAGE TREATMENT PLANT CAPABLE OF MAINTAINING THE WATER QUALITY STANDARDS OF THE STATE. NO LOAN MAY BE MADE FOR A PROJECT WHICH IS LIKELY TO CAUSE UNTREATED SEWAGE TO SPILL FROM AN EXISTING SEWER OR TO CAUSE UNTREATED OR INADEQUATELY TREATED SEWAGE TO BYPASS A SEWAGE TREATMENT PLANT.

(5) THE LOAN SHALL BEAR THE SAME RATE OF INTEREST AS THE BONDS FROM WHICH PROCEEDS ARE USED TO PROVIDE THE LOAN.