

IT IS UNABLE TO OBTAIN ON REASONABLE TERMS SUFFICIENT CREDIT TO FINANCE ITS ACTUAL NEEDS WITHOUT SUCH GUARANTEE AND IF THE BOARD OF PUBLIC WORKS DETERMINES THAT THERE IS A REASONABLE ASSURANCE OF REPAYMENT OF THE LOAN OBLIGATION.

[(4)] (11) 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] Act. 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, LOANS, OR LOAN GUARANTEES are anticipated.

(c) From the proceeds of the sale of the bonds issued under this Act, the sum of [Five Million Dollars (\$5,000,000)] TEN MILLION DOLLARS (\$10,000,000) 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