

(B) STATE FUNDS MAY ONLY BE USED FOR THE PURPOSES LISTED UNDER § 24-1302 OF THIS SUBTITLE AND APPROVED BY THE SECRETARY UNDER § 24-1303 OF THIS SUBTITLE.

(C) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

(1) ANY FEDERAL OR OTHER GRANT THAT IS RECEIVED FOR AN ELIGIBLE PROJECT SHALL BE APPLIED FIRST TO THE COST OF THE PROJECT;

(2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A STATE GRANT MAY NOT EXCEED 50% OF THE COST OF ELIGIBLE WORK REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED; AND

(3) FOR PURPOSES OF THIS SUBTITLE, COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS SHALL BE CONSIDERED AS LOCAL MATCHING FUNDS AND MAY NOT BE CONSIDERED AS FEDERAL GRANT FUNDS.

(D) FOR A PROJECT DESIGNATED AS ELIGIBLE FOR POVERTY AREA FUNDING UNDER FEDERAL REGULATIONS, STATE PLANS, OR DEPARTMENTAL REGULATIONS, A STATE GRANT MAY COVER UP TO 75% OF THE COST OF ELIGIBLE WORK REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED.

(E) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION OF:

(1) ALL ELIGIBLE PROJECTS;

(2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS; AND

(3) THE PRIORITIES OF AREA NEED ESTABLISHED BY THE DEPARTMENT.

(F) (1) NO PORTION OF THE PROCEEDS OF A STATE GRANT MAY BE USED:

(I) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;

(II) IN CONNECTION WITH THE DESIGN, ACQUISITION, OR CONSTRUCTION OF ANY BUILDING TO BE USED AS A PLACE OF SECTARIAN RELIGIOUS WORSHIP OR INSTRUCTION; OR

(III) IN CONNECTION WITH ANY PROGRAM OR DEPARTMENT OF DIVINITY FOR ANY RELIGIOUS DENOMINATION.

(2) ON THE REQUEST OF THE BOARD OF PUBLIC WORKS, THE APPLICANT SHALL SUBMIT EVIDENCE SATISFACTORY TO THE BOARD THAT THE PROCEEDS OF THE GRANT ARE NOT BEING USED FOR A PURPOSE PROHIBITED UNDER THIS SUBSECTION OR UNDER APPLICABLE FEDERAL LAW.