

1. Except as provided in paragraph (2) 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~~ THAT WHEN COMBINED WITH THE MAXIMUM FEDERAL GRANT, THE COMBINED GRANTS SHALL NOT EXCEED 87-1/2 PERCENT OF TOTAL ELIGIBLE PROJECT COSTS. AFTER OCTOBER 1, 1984 shall be in an amount up to [one-half] 72.22 PERCENT of the eligible cost remaining after the maximum Federal grant has been applied [, except that when] OR UP TO 32.5 PERCENT OF THE TOTAL ELIGIBLE PROJECT COSTS. WHEN the maximum Federal grant offer for an innovative or alternative project as defined by the Federal Environmental Protection Agency is greater than [75] 55 percent, the State grant offer shall be [three-quarters] UP TO 85 PERCENT of the eligible cost remaining or [12 1/2] percent, whichever is the lesser] UP TO 21.25 PERCENT OF THE TOTAL ELIGIBLE PROJECT COSTS. In the case of a project to be operated by a State owned institution or facility, the State grant offer may equal the total cost of the project.

2. 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 water quality standards of the State, and (b) that a timely and sufficient Federal grant is not available for such project.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 5(b) of Chapter 445 of the Acts of the General Assembly of 1968, as amended by Chapter 653 of the Acts of the General Assembly of 1969, by Chapter 246 of the Acts of the General Assembly of 1970, by Chapter 242 of the Acts of the General Assembly of 1972, by Chapter 55 of the Acts of the General Assembly of 1973, by Chapter 286 of the Acts of the General Assembly of 1974, by Chapter 262 of the Acts of the General Assembly of 1975, and by Chapter 395 of the Acts of the General Assembly of 1979, be and it is hereby repealed and reenacted with amendments, to read as follows:

Chapter 445 of the Acts of 1968

5.

(b) Of the actual cash proceeds from the sale of Certificates of Indebtedness to be issued under this Act, the sum of One Hundred Nineteen Million Dollars (\$119,000,000), less a proportionate share of the costs specified in Section 4 of this Act, shall be used exclusively to provide State grants to assist in the construction of sewage treatment plants and related facilities in Maryland; however, the Washington Suburban Sanitary Commission's portion of the capital costs for improvements to and enlargement of sanitary sewage facilities and systems operated by