

(1) State financial assistance shall be made only to state and local governmental entities for projects that meet the requirements of all applicable State and federal legislation and regulations, as amended from time to time. The Department of Health and Mental Hygiene, with the approval of the Board of Public Works, shall establish application procedures and criteria for the use of State grants, loans, and loan guarantees under this subsection. The criteria shall include, but not be limited to, the water quality or public health impacts caused by existing circumstances, previous efforts expended to correct the existing problem, financial capacity of the applicant, the problem prevention aspects of a proposed project, cost effectiveness of a proposed project, and planning requirements.

(2) If a federal grant offer is made for a sewage treatment plant and related facility project, 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 offer 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 OR UP TO 32.5 PERCENT OF THE TOTAL ELIGIBLE PROJECT COSTS except that 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 least~~ 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, State financial assistance 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, loan, or loan guarantee not to exceed 87-1/2 percent of the eligible cost of a project or part of a project, if the Board finds (a)(i) that the project is of a regional nature or (ii) that the immediate initiation or continuation of the project is critical to the public health or to compliance with water quality standards of the State, and (b) that a timely and sufficient Federal grant is not available for the project or part of a project. In approving such financial assistance, the Board of Public Works shall make all reasonable efforts not to jeopardize Federal grants for the remaining part of the projects.

(4) Not more than 4 million dollars (\$4,000,000) may be used by the Board of Public Works to provide financial assistance for solid waste processing or disposal facilities.

(5) Not more than 5 million dollars (\$5,000,000) may be used by the Board of Public Works to provide financial assistance for water supply facilities.