

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.

SECTION 8. AND BE IT FURTHER ENACTED, That Section 5(c) of Chapter 262 of the Acts of the General Assembly of 1975, as amended by Chapter 658 of the Acts of the General Assembly of 1980, be and it is hereby repealed and reenacted, with amendments, to read as follows:

Chapter 262 of the Acts of 1975

5.

(c) The remainder of the proceeds of such loan shall be credited on the books of the State Comptroller, to be used as needed by the State, upon approval by the Board of Public Works, exclusively to provide State grants to assist in the construction and equipping of sewage treatment plants and related facilities and in the extension and improvements of existing public sanitary sewer systems. However, the portion of capital costs for construction of improvements to and enlargement of sanitary sewage facilities outside the State of Maryland required to serve the State of Maryland, its political subdivisions or agencies thereof shall be deemed eligible for State grants and loans hereunder, provided there is a written agreement between the agency constructing the sewerage facilities and the agency receiving sewerage service. All grants and loans authorized or made hereunder shall be subject to the following conditions and limitations:

(1) A State grant offer shall be made only for the construction of projects that meet the specifications required by the Federal Water Pollution Control Act and all applicable State legislation and regulations, as amended from time to time.

(2) Except as provided in paragraph (3) 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 ~~shall--BE--IN--AN--amount--[to--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~~ AFTER OCTOBER 1, 1984 shall BE IN AN amount [to] 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