

~~SECTION--1,--BE--IT--ENACTED--BY--THE--GENERAL--ASSEMBLY--OF
MARYLAND,--That--chapter(s)--of--the--Acts--of--the--General--Assembly
read(s)--as--follows:~~

~~Chapter-286-of-the-Acts-of-1974,--as-amended
by-Chapter-262-of-the-Acts-of-1975,--Chapter-394
of-the-Acts-of-1979-and-Chapter-777
of-the-Acts-of-1980~~

SECTION 5. AND BE IT FURTHER ENACTED, That the actual cash proceeds of the sale of the bonds to be issued under this Act shall be paid to the Treasurer of the State upon the warrant of the Comptroller and such proceeds shall be used exclusively for the following purposes, to wit:

(b) 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 of the Board of Public Works, exclusively to provide State grants, loans, or loan guarantees to assist in the acquisition, construction, equipping, rehabilitation, and improvement of sewage treatment plants and related facilities, solid waste processing and disposal facilities, water supply facilities, and projects for the control of agriculturally related nonpoint sources of pollution 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 the District of Columbia pursuant to agreements between the Commission, the District of Columbia, and the United States Government shall be deemed a project eligible for a State grant hereunder. Loans for sewer facilities shall be extended only as provided in subsection (c) of this section. All grants, loans, or loan guarantees authorized or made hereunder shall be subject to the following conditions and limitations:

(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] THE ENVIRONMENT, 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