

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Chesapeake Bay Water Quality Loan of 1985 in the aggregate principal amount of [\$19,300,000] \$19,286,161. This loan shall be evidenced by the issuance and sale of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 19 to 23 of Article 31 of the Code.

(3) The actual cash proceeds of the sale of the bonds shall be paid to the Treasurer and shall be first applied to the payment of the expenses of issuing and delivering the bonds, unless funds for this purpose are otherwise provided and thereafter shall be credited on the books of the State Comptroller and expended, upon approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees, EXCEPT AS PROVIDED IN SECTION 1(3)(C) BELOW: to be credited to the Water Pollution Control Fund and to be expended for projects to improve the water quality of the Chesapeake Bay and other waters of the State, as authorized under Title 9, Subtitle 3, Part VI of the Health - Environmental Article, subject to the approval of the Board of Public Works, as follows:

(b) Not more than [\$600,000] \$586,161 to provide grants for projects to remove chlorine at publicly owned sewage treatment works;

(c) Not more than \$5,000,000 to provide grants for projects to control agriculturally related nonpoint sources of pollution, provided, however, that only \$1,000,000 may be expended for projects on public lands. ANY PART OF THIS APPROPRIATION NOT ENCUMBERED FOR THE PURPOSES IDENTIFIED AS OF JUNE 30, 1996 SHALL BE TRANSFERRED TO, AND ADMINISTERED BY, THE DEPARTMENT OF AGRICULTURE FOR GRANTS FOR PROJECTS TO CONTROL AGRICULTURALLY RELATED NONPOINT SOURCES OF POLLUTION UNDER TITLE 8, SUBTITLE 7 OF THE AGRICULTURE ARTICLE;

Chapter 610 of the Acts of 1986

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes including any applicable architects' and engineers' fees, EXCEPT AS PROVIDED IN SECTION 1(3)(B)(III) BELOW:

(b) The remainder of the proceeds shall be credited to the Water Pollution Control Fund and expended, as authorized under Title 9, Subtitle 3, Part VI of the Health Environmental Article of the Code and subject to the further limitations of this Act, for the following purposes:

(iii) Not more than \$5,000,000 may be used to provide grants for projects to control agriculturally-related nonpoint sources of water pollution; however, not more than \$1,000,000 of this amount may be expended for projects on public lands. ANY PART OF THIS APPROPRIATION NOT ENCUMBERED FOR THE PURPOSES