

(III) UP TO \$5,000,000 OF THE FUNDS DISTRIBUTED TO THE LOW INTEREST REVOLVING LOAN ACCOUNT UNDER THIS PARAGRAPH MAY BE USED FOR LOANS TO PROFESSIONAL FIRE DEPARTMENTS THAT DEMONSTRATE NEEDS DIRECTLY RELATED TO HOMELAND SECURITY PURPOSES AS DEFINED UNDER ARTICLE 41, § 4-501 OF THE CODE.

(2) AFTER THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE MET, THE REMAINING MONEY IN THE FUND SHALL BE DISTRIBUTED QUARTERLY TO BE USED ONLY FOR HOMELAND SECURITY PURPOSES AS FOLLOWS:

(I) 10% SHALL BE DISTRIBUTED TO THE DEPARTMENT; AND

(II) 1. SUBJECT TO SUB-SUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE REMAINDER SHALL BE DISTRIBUTED TO COUNTIES, BALTIMORE CITY, AND MUNICIPAL CORPORATIONS IN THE SAME PROPORTION AS GRANTS ARE DISTRIBUTED UNDER THE FORMULA FOR THE STATE AID FOR POLICE PROTECTION FUND UNDER ARTICLE 88B, § 66 OF THE CODE IN THE PRECEDING FISCAL YEAR, ADJUSTED TO INCLUDE BALTIMORE CITY AS A SUBDIVISION FOR THE PURPOSE OF CALCULATING THE STATE AID FOR POLICE PROTECTION.

2. BALTIMORE CITY MAY NOT RECEIVE A DISTRIBUTION UNDER THIS SUBPARAGRAPH IN AN AMOUNT GREATER THAN THAT DISTRIBUTED TO PRINCE GEORGE'S COUNTY UNDER THIS SUBPARAGRAPH.

(3) THE DISTRIBUTIONS TO COUNTIES, BALTIMORE CITY, AND MUNICIPAL CORPORATIONS MAY BE USED TO SUPPLEMENT AND MAY NOT SUPPLANT EXISTING LOCAL EXPENDITURES FOR THE SAME PURPOSE.

(H) (1) THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THIS SECTION.

(J) THE DEPARTMENT SHALL ADOPT REGULATIONS TO:

(1) ADMINISTER THE FUND; AND

(2) IMPLEMENT THIS SECTION.

(K) (1) EACH RECIPIENT OF FUNDS UNDER SUBSECTION (G) OF THIS SECTION:

(I) AFTER THE END OF EACH FISCAL YEAR, SHALL FILE WITH THE DEPARTMENT OF LEGISLATIVE SERVICES A REPORT ON THE AMOUNT RECEIVED AND HOW THE MONEY WAS USED; AND