

municipality and operated under such authority. A nonprofit nursing home for the purposes of this Act shall be interpreted to mean a nursing home wholly owned by a nonprofit organization as defined below and operated under its authority, provided that the sponsor of a nursing home to qualify as a nonprofit organization shall meet the following qualifications:

(1) Be a bona fide religious organization and no part of the earnings shall inure to the benefit of any individual or be used for any purpose other than the maintenance and operation of the institution or the purchase of equipment to be used in the institution or the expansion of the facility; or

(2) Be an organization chartered as a nonprofit corporation and no part of the earnings shall inure to the benefit of any individual or be used for any purpose other than the maintenance and operation of the institution or the purchase of equipment to be used in the institution or the expansion of the facility, and shall be classified by the Federal Internal Revenue Service as nonprofit.

Prior to the authorization of any construction grant under this Act to any such sponsor, the applicant shall file with the State Department of Health and Mental Hygiene,

(i) A financial statement setting forth the personnel employed and/or to be employed, all remunerations and perquisites for personal services and other expenses paid and/or to be paid and the expenses incurred and/or to be incurred in carrying out such a nursing home operation.

(ii) The schedule of rates charged and/or to be charged for services rendered.

The Secretary of Health and Mental Hygiene is hereby authorized and directed to promulgate rules and regulations to carry out the intent of this Act and such rules and regulations shall provide for certified annual financial statement from each such nursing home and other reports as required. Such information shall be required annually for at least the term of the Certificates of Indebtedness authorized under this Act.

(b) Any use of State funds shall be only for the construction and equipping of public and other nonprofit nursing homes and for the purpose of reports, plans and specifications in connection therewith, and for the purpose of site improvements, surveys and programs in connection therewith, as specified under said Subchapter IV, as amended from time to time. In the event of default of the terms of these grants by the sponsor, State grants shall be recovered proportionately and in the same manner that Federal funds are recovered under the provisions of said Subchapter IV, as amended from time to time.

(c) Any public or other nonprofit group sponsoring or operating a nursing home in this State which is eligible for a Federal grant under said Subchapter IV, as amended from time to time, may petition the State Department of Health and Mental Hygiene for a grant toward the cost of the same project. Grants shall be subject to the following limitations:

(1) All Federal grants available for this purpose shall be applied first to the cost of construction and equipment of each nursing home.