

(a) 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

(b) 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 grant under this Act to any such sponsor, the applicant shall file with the State Department of Health and Mental Hygiene, 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 Community Mental Health Center Component or Mental Retardation Facility operation.

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

(1) 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 Community Mental Health Center Component or Mental Retardation Facility 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.

(2) State funds granted under this Act shall be used in furtherance of public or nonprofit Community Mental Health Center and Mental Retardation Programs approved by the State Department of Health and Mental Hygiene and shall be limited to:

(a) Where sponsor owns a land site on which it is proposed to construct and equip a new facility, the State may participate only in the construction costs, equipment costs and whatever site improvement costs as are deemed necessary;

(b) Where the sponsor proposes to acquire a land site on which to construct a new facility, the State may participate in the costs of construction, equipment and site improvement but not in the cost of the site;

(c) Where a sponsor proposes to acquire a land site on which a building exists, capable of renovation, to meet the requirements of the programmed service, the State may participate in the total costs of the land, site improvements, the cost of structural renovation, and equipping costs of the existing building.

If within fifteen (15) years after completion of construction the sponsor defaults in the terms of the grant, the State may exercise its right of recovery of a portion of the original grant, such portion to be determined on a pro-rata basis in relation to the years remaining in the fifteen (15) year life of the bonds. This right of recovery may be waived if the Secretary of Health and Mental Hygiene determines there is good cause for releasing the sponsor from his obligation.

(3) Any public or other nonprofit group sponsoring or operating Community Mental Health Center Components or Mental Retardation Facilities in this State eligible for a State grant under the provisions of this Act may apply to the Secretary of Health and Mental Hygiene for a grant toward the cost of the proposed project. Grants shall be subject to the following limitations: