

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

(b) Prior to the authorization of any construction grant under this Act for any facility, the applicant shall file with the State Department of Health and Mental Hygiene:

(1) A financial statement setting forth the personnel employed or to be employed, all remunerations and perquisites for personal services and other expenses paid or to be paid and the expenses incurred or to be incurred in carrying out the operation of the facility; and

(2) The schedule of rates charged or to be charged for services rendered.

(c) 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 these rules and regulations shall provide for certified annual financial statements from each facility, and other reports as required. This information shall be required annually for at least the term of the Certificates of Indebtedness authorized under this Act.

(d) Any public or nonprofit agency sponsoring the construction of an eligible facility or the expansion of an existing eligible facility in this State may apply to the State Department of Health and Mental Hygiene for a State grant toward the cost of that project. The allocation and use of State funds under this Act shall be governed by and subject to the following stipulations and limitations:

(1) State funds may be used only for the construction and equipping of public and other nonprofit facilities 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.

[(2) If, at the time of application for State funds under this Act, federal funds are also available for this purpose, these federal funds shall be applied first to the project, in accordance with applicable federal regulations, and the State grant used