

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 the provisions of §§ 19 to 23 of Article 31 of the Annotated Code of Maryland (1976 Replacement Volume and 1977 Supplement, as amended from time to time).

(2) The bonds issued to evidence this loan or installments thereof may be sold as a single issue, or may be consolidated and sold as part of a single issue of bonds under § 2B 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: for State grants to local governmental agencies for (1) the conversion of at least three or parts of three surplus public school buildings to Elderly Citizen Activities Centers, and (2) equipping the converted centers to serve the needs of elderly citizens.

(a) The Director of the Office on Aging is hereby authorized and directed to develop rules and regulations to carry out the intent of this Act, and to promulgate them after they have been approved by the Board of Public Works.

(b) Any local governmental agency may apply to the Office on Aging for a State grant to be applied toward the cost of converting a surplus school building or part of a surplus school building to a Elderly Citizen Activities Center. The allocation and use of State funds under this Act shall be governed by and subject to the following stipulations and limitations:

(i) State funds may be used only for the following eligible work: preparation of plans and specifications, site improvements, the conversion of surplus public school buildings or parts of surplus public school buildings to Elderly Citizen Activities Centers, and providing for capital equipment for these centers to serve the needs of elderly citizens. State grants shall not exceed 50 percent of the total cost of eligible work, and no State grant may exceed \$200,000.

(ii) Any Federal grant which may be available for this purpose shall be applied first to the cost of converting and equipping an Elderly Citizen Activities Center. State grants shall not exceed 50 percent of the total cost of eligible work remaining unpaid after any Federal grant has been applied.

(iii) If, within 15 years after completion of conversion, a facility with respect to which funds have been