

(e) Any public or nonprofit entity or government 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:

(i) 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.

(ii) 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. States grants shall amount to up to 50 percent of the eligible cost remaining after the federal grant has been applied. For those projects designated under federal regulations, State plans, and regulations provided for by this Act as eligible for poverty area funding, State grants shall amount to up to 75 percent of the eligible cost remaining after the federal grant has been ~~approved~~ applied. In those cases where federal grants are not available, criteria for determining facilities which are eligible for special funding because of the impact of poverty areas will be developed by the Secretary of Health and Mental Hygiene and approved by the Board of Public Works; and State grants for those facilities shall not exceed 75 percent of the total eligible costs.

(iii) The amount of the State grant to be made for any facility shall be determined after due consideration of all pending eligible applicants, the total of unallocated State funds available at the time the application is received, and such priorities of area need as may have been established by the State Department of Health and Mental Hygiene.

(iv) If, at any time within 15 years after completion of construction, an institution with respect to which funds have been paid under the provisions of this Act:

1. Is sold or transferred to any person, agency, or organization which would not itself qualify as an applicant under the terms of this Act, or which is not approved as a transferee by the Secretary of Health and Mental Hygiene, or

2. Ceases to be a public or nonprofit facility, as defined in this Act, then the State shall be entitled to recover from either the transferor or transferee or, in the case of an institution which has