

(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 surplus public school buildings and other public buildings to Elderly Citizen Activities Centers, (2) in Howard County, the design, planning, and construction of new buildings for use as elderly citizen activities centers, and (3) equipping the converted centers and new buildings 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 other public building or a part thereof to an Elderly Citizen Activities Center, and in Howard County, toward the cost of designing, planning, constructing, and equipping of a new building for use as an 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 other public buildings or parts of the building to Elderly Citizen Activities Centers and, in Howard County, for the design, planning, construction, and equipping of new buildings for use as Elderly Citizen Activities Centers, contingent on certification to the Board of Public Works by the Local Government and the Office [of] ON Aging that no surplus school or other public building appropriate for use as an Elderly Citizen Activities Center exists in the area, where it is desired to locate a center, and providing for capital equipment for these centers to serve the needs of elderly citizens. State grants may not exceed 50 percent of the total cost of eligible work, and no State grant may exceed \$200,000. At the discretion of the Board of Public Works, a grant may cover more than 50 percent of the cost of eligible work, provided that: