

(d) The Secretary of Health and Mental Hygiene may promulgate rules and regulations to carry out the intent of this Act. These rules and regulations shall provide for certified annual financial statements from each facility and may provide for other reports. This information shall be required annually for at least the term of the bonds authorized by this Act.

(e) Any public or other nonprofit entity sponsoring the construction of a new facility or the expansion of an existing 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 subject to the following provisions:

(i) State funds may be used only for the construction, acquisition, renovation, and equipment of facilities; for reports, plans, and specifications in connection therewith; and for site improvements, survey, and programs in connection therewith.

(ii) Any federal grant which may be available for this purpose shall be applied first to the cost of construction, acquisition, renovation, and equipment of a facility. State 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 applied. For the purposes of this Act, community development block grant funds shall be considered as local matching funds and may not be considered as federal grant funds.

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

(iv) If, at any time within 15 years after completion of construction, acquisition, renovation, and equipment, a community mental health center component, addiction facility, mental retardation facility, or developmental disabilities facility with respect to which funds have been paid under the provisions of this Act:

1. Is sold or transferred to any entity 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