

operation of the facility, the purchase of equipment to be used in the facility, or the expansion of the facility; or

(ii) An organization:

1. That is chartered as a nonprofit corporation and classified by the Internal Revenue Service as nonprofit; and

2. 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, the purchase of equipment to be used in the facility, or the expansion of the facility.

(5) Any public or other nonprofit entity sponsoring a project involving the construction, acquisition, renovation, or equipping of a facility in this State may apply to the Department for a State grant to be applied toward the cost of that project. The application shall be directed to the Secretary of Health and Mental Hygiene. On approval of a project and the project plans by the Department, the Secretary shall promptly report the application to the Board of Public Works, together with the Secretary's recommendation that the Board make funds available as provided in this Act.

(6) (a) Before the Department approves any project, the applicant shall file with the Department:

(i) A statement listing the personnel employed or to be employed at the facility and showing all remuneration and perquisites for personal services and all other expenses paid or to be paid to these personnel, as well as all other expenses incurred or to be incurred in operating the facility; and

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

(b) Before the Department approves any project, the Secretary of Health and Mental Hygiene shall have adopted regulations to carry out this Act and previous or subsequent acts for the same purposes. Among other things, these regulations shall provide for certified annual financial statements from each facility and may provide for other reports. For each facility, this information shall be required annually for at least the term of the bonds used to finance any project at that facility.

(7) The allocation and use of State funds under this Act are subject to the following terms and conditions:

(a) State funds may be used only for the construction, acquisition, renovation, and equipping of facilities including the reports, plans, specifications, site improvements, surveys, and programs in connection therewith.