

Certificates of Indebtedness authorized under this Act.

(d) State funds granted under this Act shall be used in furtherance of public or nonprofit Community Mental Health Center and Mental Retardation Programs approved by the State Department of Health and Mental Hygiene and shall be limited to:

(1) Where the sponsor owns a land site on which it is proposed to construct and equip a new facility, the State may participate only in the construction costs, equipment costs and whatever site improvement costs as are deemed necessary;

(2) Where the sponsor proposes to acquire a land site on which to construct a new facility, the State may participate in the costs of construction, equipment and site improvement but not in the cost of the site;

(3) Where a sponsor proposes to acquire a land site on which a building exists, capable of renovation, to meet the requirements of the programmed service, the State may participate in the total costs of the land, site improvements, the cost of structural renovation, and equipping costs of the existing buildings.

(e) If within fifteen (15) years after completion of construction the sponsor defaults in the terms of the grant, the State may exercise its right of recovery of a portion of the original grant, such portion to be determined on a pro-rata basis in relation to the years remaining in the fifteen (15) year life of the bonds. This right of recovery may be waived if the Secretary of Health and Mental Hygiene determines there is good cause for releasing the sponsor from his obligation.

(f) Any public or other nonprofit group sponsoring or operating Community Mental Health Center Components or Mental Retardation Facilities in this State eligible for a State grant under the provisions of this Act may apply to the Secretary of Health and Mental Hygiene for a grant toward the cost of the proposed project. Grants shall be subject to the following limitations:

(1) Any Federal grant which may be available for this purpose shall be applied first to the cost of construction, acquisition and/or renovation and equipment of each Community Mental Health Center Component or Mental Retardation Facility. State grants shall be used to supplement Federal grants when available in such a manner that grants from these combined State and Federal sources provide not more than 67% of the total eligible cost of the project, except that for those projects designated under Federal regulations, State Plans, and