§ 157. Granting authority. The division of homeland security and emergency services by and through the commissioner of the division of homeland security and emergency services or his duly authorized officers and employees, shall administer, carry out and approve grants of funds from moneys allocated and appropriated therefor, for authorized arson, fire prevention and control expenditures as defined herein, that are conducted by municipal corporations. "Authorized arson, fire prevention and control expenditures" shall mean those expenditures utilized by a municipal corporation for fire or arson prevention, fire or arson investigation and arson prosecution. No expenditure which has not been specifically designated by the local legislative body for arson, fire prevention and control and approved by the office of fire prevention and control pursuant to rules and regulations promulgated thereby shall be considered an "authorized arson, fire prevention and control expenditure." The division of homeland security and emergency services shall adopt, amend and rescind such rules, regulations and guidelines as may be necessary for the performance of its functions, powers and duties under this section. The division of homeland security and emergency services shall allocate grants under this article among the municipalities whose applications have been approved in such a manner as will most nearly provide an equitable distribution of the grants among municipalities, taking into consideration such factors as the level of suspected arson activity, population and population density, the need for state funding to carry out local programs, and the potential of the municipalities to effectively employ such grants.