

By: Representative Warren

To: Public Health and Human
Services

HOUSE BILL NO. 555

1 AN ACT TO REENACT SECTIONS 41-3-1 THROUGH 41-3-19,
2 MISSISSIPPI CODE OF 1972, WHICH CREATE THE STATE BOARD OF HEALTH
3 AND THE STATE DEPARTMENT OF HEALTH AND PRESCRIBE THEIR POWERS AND
4 DUTIES; TO AMEND SECTION 41-3-20, MISSISSIPPI CODE OF 1972, TO
5 EXTEND THE REPEALER ON THE STATUTES WHICH CREATE THE STATE BOARD
6 OF HEALTH AND THE STATE DEPARTMENT OF HEALTH AND PRESCRIBE THEIR
7 POWER AND DUTIES TO JUNE 30, 2009; AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 **SECTION 1.** Section 41-3-1, Mississippi Code of 1972, is
10 reenacted as follows:

11 41-3-1. (1) The present members of the State Board of
12 Health shall continue to serve until their terms expire. As a
13 board member's term expires, the new appointee shall be selected
14 based on the following consideration of an appointee's residence
15 so that by July 1, 2008, the board shall be reconstituted as
16 follows:

17 There is hereby created the State Board of Health which shall
18 consist of thirteen (13) members, appointed by the Governor with
19 the advice and consent of the Senate, as hereinafter set forth:

20 (a) twelve (12) of the members of the board shall be selected
21 according to the congressional districts as constituted on January
22 1, 2003, each congressional district being represented by three
23 (3) members, and (b) one (1) member of the board shall be selected
24 from the state at large. The members so appointed shall either be
25 engaged professionally in rendering health services or shall be
26 consumers of health services who have no financial interest in any
27 provider thereof. All appointees shall be persons knowledgeable
28 in at least one (1) of the matters of jurisdiction of the board.
29 Appointees who are selected because they engage professionally in

30 rendering health services shall be selected to represent a wide
31 range of interests in the area of rendering health services. Nine
32 (9) members shall be persons engaged professionally in rendering
33 health services, and of those nine (9) members (a) no more than
34 four (4) may be engaged professionally in rendering the same
35 general type of health services or possess the same type of
36 professional license and (b) no two (2) members may be associated
37 or affiliated with, or employed by, the same entity or employer.
38 It is the intent of the Legislature that the membership of the
39 board reflect the population of the State of Mississippi.

40 (2) A member of the board shall serve for a term of six (6)
41 years from the expiration of the previous term and thereafter
42 until his or her successor is duly appointed. Vacancies in office
43 shall be filled by appointment of the Governor in the same manner
44 as the appointment to the position which becomes vacant, subject
45 to the advice and consent of the Senate at the next regular
46 session of the Legislature. An appointment to fill a vacancy
47 other than by expiration of a term of office shall be for the
48 balance of the unexpired term and thereafter until his or her
49 successor is duly appointed.

50 **SECTION 2.** Section 41-3-3, Mississippi Code of 1972, is
51 reenacted as follows:

52 41-3-3. Each person appointed as a member of the State Board
53 of Health shall immediately take the oath prescribed by Section
54 268 of the Constitution and file a certificate thereof in the
55 Office of the Secretary of State. Thereupon a commission shall be
56 issued to him under the terms as specified in Section 41-3-1.

57 **SECTION 3.** Section 41-3-4, Mississippi Code of 1972, is
58 reenacted as follows:

59 41-3-4. (1) There shall be a chairman and vice chairman of
60 the State Board of Health elected by and from its membership at
61 the first meeting of the board; and the chairman shall be the
62 presiding officer of the board. The board shall adopt rules and

63 regulations governing times and places for meetings, and governing
64 the manner of conducting its business. Any member who shall not
65 attend three (3) consecutive regular meetings of the board shall
66 be subject to removal by a majority vote of the board members.
67 All meetings of the board shall be called by the chairman or by a
68 majority of the members of the board, except the first meeting of
69 the original appointees which shall be called by the Governor.

70 (2) The members of the board shall receive no annual salary
71 but shall receive per diem compensation as is authorized by law
72 for each day devoted to the discharge of official board duties and
73 shall be entitled to reimbursement for all actual and necessary
74 expenses incurred in the discharge of their duties, including
75 mileage as authorized by Section 25-3-41.

76 **SECTION 4.** Section 41-3-5, Mississippi Code of 1972, is
77 reenacted as follows:

78 41-3-5. The board shall proceed to elect an executive
79 officer who shall be a physician having earned a graduate degree
80 in public health or health care administration or, in the
81 alternative, be a physician who in the opinion of the board is
82 fitted and equipped to execute the duties incumbent upon him by
83 law. The executive officer shall not engage in the private
84 practice of medicine. His term of office shall be six (6) years.
85 The executive officer shall be vested with all the authority of
86 the board when it is not in session, and he shall be subject to
87 such rules and regulations as may be prescribed by the State Board
88 of Health. The executive officer shall be the State Health
89 Officer with such authority and responsibility as is prescribed by
90 law. The executive officer may be removed for cause by majority
91 vote of the members of the board.

92 **SECTION 5.** Section 41-3-6, Mississippi Code of 1972, is
93 reenacted as follows:

94 41-3-6. It shall be the duty of the State Board of Health to
95 review the statutes of the State of Mississippi affecting public

96 health and submit at least thirty (30) days prior to each regular
97 session of the Legislature any proposed legislation as may be
98 necessary to enhance the effective and efficient delivery of
99 public health services and to bring existing statutes into
100 compliance with modern technology and terminology. The board
101 shall formulate a plan for consolidating and reorganizing existing
102 state agencies having responsibilities in the field of public
103 health to eliminate any needless duplication in services which may
104 be found to exist. In carrying out the provisions of this
105 section, the State Board of Health shall cooperate with and may
106 utilize the services, facilities and personnel of any department
107 or agency of the state, any private citizen task force and the
108 committees on public health of both houses of the Legislature.
109 The State Board of Health is authorized to apply for and expend
110 funds made available to it by grant from any source in order to
111 perform its responsibilities under this section.

112 **SECTION 6.** Section 41-3-15, Mississippi Code of 1972, is
113 reenacted as follows:

114 41-3-15. (1) There shall be a State Department of Health
115 which shall be organized into such bureaus and divisions as are
116 considered necessary by the executive officer, and shall be
117 assigned appropriate functions as are required of the State Board
118 of Health by law, subject to the approval of the board.

119 (2) The State Board of Health shall have the authority to
120 establish an Office of Rural Health within the department. The
121 duties and responsibilities of this office shall include the
122 following:

123 (a) To collect and evaluate data on rural health
124 conditions and needs;

125 (b) To engage in policy analysis, policy development
126 and economic impact studies with regard to rural health issues;

127 (c) To develop and implement plans and provide
128 technical assistance to enable community health systems to respond
129 to various changes in their circumstances;

130 (d) To plan and assist in professional recruitment and
131 retention of medical professionals and assistants; and

132 (e) To establish information clearinghouses to improve
133 access to and sharing of rural health care information.

134 (3) The State Board of Health shall have general supervision
135 of the health interests of the people of the state and to exercise
136 the rights, powers and duties of those acts which it is authorized
137 by law to enforce.

138 (4) The State Board of Health shall have authority:

139 (a) To make investigations and inquiries with respect
140 to the causes of disease and death, and to investigate the effect
141 of environment, including conditions of employment and other
142 conditions which may affect health, and to make such other
143 investigations as it may deem necessary for the preservation and
144 improvement of health.

145 (b) To make such sanitary investigations as it may,
146 from time to time, deem necessary for the protection and
147 improvement of health and to investigate nuisance questions which
148 affect the security of life and health within the state.

149 (c) To direct and control sanitary and quarantine
150 measures for dealing with all diseases within the state possible
151 to suppress same and prevent their spread.

152 (d) To obtain, collect and preserve such information
153 relative to mortality, morbidity, disease and health as may be
154 useful in the discharge of its duties or may contribute to the
155 prevention of disease or the promotion of health in this state.

156 (e) To enter into contracts or agreements with any
157 other state or federal agency, or with any private person,
158 organization or group capable of contracting, if it finds such
159 action to be in the public interest.

160 (f) To charge and collect reasonable fees for health
161 services, including immunizations, inspections and related
162 activities, and the board shall charge fees for such services;
163 provided, however, if it is determined that a person receiving
164 services is unable to pay the total fee, the board shall collect
165 any amount such person is able to pay.

166 (g) To accept gifts, trusts, bequests, grants,
167 endowments or transfers of property of any kind.

168 (h) To receive monies coming to it by way of fees for
169 services or by appropriations.

170 (i) (i) To establish standards for, issue permits and
171 exercise control over, any cafes, restaurants, food or drink
172 stands, sandwich manufacturing establishments, and all other
173 establishments, other than churches, church-related and private
174 schools, and other nonprofit or charitable organizations, where
175 food or drink is regularly prepared, handled and served for pay;
176 and

177 (ii) To require that a permit be obtained from the
178 Department of Health before such persons begin operation. If any
179 such person fails to obtain the permit required herein, the State
180 Board of Health, after due notice and opportunity for a hearing,
181 may impose a monetary penalty not to exceed One Thousand Dollars
182 (\$1,000.00) for each violation. However, the department is not
183 authorized to impose a monetary penalty against any person whose
184 gross annual prepared food sales are less than Five Thousand
185 Dollars (\$5,000.00). Money collected by the board under this item
186 shall be deposited to the credit of the State General Fund of the
187 State Treasury. This subparagraph (ii) shall stand repealed on
188 July 1, 2007.

189 (j) To promulgate rules and regulations and exercise
190 control over the production and sale of milk pursuant to the
191 provisions of Sections 75-31-41 through 75-31-49.

192 (k) On presentation of proper authority, to enter into
193 and inspect any public place or building where the State Health
194 Officer or his representative deems it necessary and proper to
195 enter for the discovery and suppression of disease and for the
196 enforcement of any health or sanitary laws and regulations in the
197 state.

198 (l) To conduct investigations, inquiries and hearings,
199 and to issue subpoenas for the attendance of witnesses and the
200 production of books and records at any hearing when authorized and
201 required by statute to be conducted by the State Health Officer or
202 the State Board of Health.

203 (m) To employ, subject to the regulations of the State
204 Personnel Board, qualified professional personnel in the subject
205 matter or fields of each bureau, and such other technical and
206 clerical staff as may be required for the operation of the
207 department. The executive officer shall be the appointing
208 authority for the department, and shall have the power to delegate
209 the authority to appoint or dismiss employees to appropriate
210 subordinates, subject to the rules and regulations of the State
211 Personnel Board.

212 (n) To promulgate rules and regulations, and to collect
213 data and information, on (i) the delivery of services through the
214 practice of telemedicine; and (ii) the use of electronic records
215 for the delivery of telemedicine services.

216 (o) To enforce and regulate domestic and imported fish
217 as authorized under Section 69-7-601 et seq.

218 (5) (a) The State Board of Health shall have the authority,
219 in its discretion, to establish programs to promote the public
220 health, to be administered by the State Department of Health.
221 Specifically, such programs may include, but shall not be limited
222 to, programs in the following areas:

223 (i) Maternal and child health;

224 (ii) Family planning;

225 (iii) Pediatric services;
226 (iv) Services to crippled and disabled children;
227 (v) Control of communicable and noncommunicable
228 disease;
229 (vi) Child care licensure;
230 (vii) Radiological health;
231 (viii) Dental health;
232 (ix) Milk sanitation;
233 (x) Occupational safety and health;
234 (xi) Food, vector control and general sanitation;
235 (xii) Protection of drinking water;
236 (xiii) Sanitation in food handling establishments
237 open to the public;
238 (xiv) Registration of births and deaths and other
239 vital events;
240 (xv) Such public health programs and services as
241 may be assigned to the State Board of Health by the Legislature or
242 by executive order; and
243 (xvi) Regulation of domestic and imported fish for
244 human consumption.

245 (b) The State Board of Health and State Department of
246 Health shall not be authorized to sell, transfer, alienate or
247 otherwise dispose of any of the home health agencies owned and
248 operated by the department on January 1, 1995, and shall not be
249 authorized to sell, transfer, assign, alienate or otherwise
250 dispose of the license of any of those home health agencies,
251 except upon the specific authorization of the Legislature by an
252 amendment to this section. However, this paragraph (b) shall not
253 prevent the board or the department from closing or terminating
254 the operation of any home health agency owned and operated by the
255 department, or closing or terminating any office, branch office or
256 clinic of any such home health agency, or otherwise discontinuing
257 the providing of home health services through any such home health

258 agency, office, branch office or clinic, if the board first
259 demonstrates that there are other providers of home health
260 services in the area being served by the department's home health
261 agency, office, branch office or clinic that will be able to
262 provide adequate home health services to the residents of the area
263 if the department's home health agency, office, branch office or
264 clinic is closed or otherwise discontinues the providing of home
265 health services. This demonstration by the board that there are
266 other providers of adequate home health services in the area shall
267 be spread at length upon the minutes of the board at a regular or
268 special meeting of the board at least thirty (30) days before a
269 home health agency, office, branch office or clinic is proposed to
270 be closed or otherwise discontinue the providing of home health
271 services.

272 (c) The State Department of Health may undertake such
273 technical programs and activities as may be required for the
274 support and operation of such programs, including maintaining
275 physical, chemical, bacteriological and radiological laboratories,
276 and may make such diagnostic tests for diseases and tests for the
277 evaluation of health hazards as may be deemed necessary for the
278 protection of the people of the state.

279 (6) (a) The State Board of Health shall administer the
280 local governments and rural water systems improvements loan
281 program in accordance with the provisions of Section 41-3-16.

282 (b) The State Board of Health shall have authority:

283 (i) To enter into capitalization grant agreements
284 with the United States Environmental Protection Agency, or any
285 successor agency thereto;

286 (ii) To accept capitalization grant awards made
287 under the federal Safe Drinking Water Act, as amended;

288 (iii) To provide annual reports and audits to the
289 United States Environmental Protection Agency, as may be required
290 by federal capitalization grant agreements; and

291 (iv) To establish and collect fees to defray the
292 reasonable costs of administering the revolving fund or emergency
293 fund if the State Board of Health determines that such costs will
294 exceed the limitations established in the federal Safe Drinking
295 Water Act, as amended. The administration fees may be included in
296 loan amounts to loan recipients for the purpose of facilitating
297 payment to the board; however, such fees may not exceed five
298 percent (5%) of the loan amount.

299 **SECTION 7.** Section 41-3-16, Mississippi Code of 1972, is
300 reenacted as follows:

301 41-3-16. (1) (a) There is established a local governments
302 and rural water systems improvements revolving loan and grant
303 program to be administered by the State Department of Health,
304 referred to in this section as "department," for the purpose of
305 assisting counties, incorporated municipalities, districts or
306 other water organizations that have been granted tax exempt status
307 under either federal or state law, in making improvements to their
308 water systems, including construction of new water systems or
309 expansion or repair of existing water systems. Loan and grant
310 proceeds may be used by the recipient for planning, professional
311 services, acquisition of interests in land, acquisition of
312 personal property, construction, construction-related services,
313 maintenance, and any other reasonable use which the board, in its
314 discretion, may allow. For purposes of this section, "water
315 systems" has the same meaning as the term "public water system"
316 under Section 41-26-3.

317 (b) (i) There is created a board to be known as the
318 "Local Governments and Rural Water Systems Improvements Board,"
319 referred to in this section as "board," to be composed of the
320 following nine (9) members: the State Health Officer, or his
321 designee, who shall serve as chairman of the board; the Executive
322 Director of the Mississippi Development Authority, or his
323 designee; the Executive Director of the Department of

324 Environmental Quality, or his designee; the Executive Director of
325 the Department of Finance and Administration, or his designee; the
326 Executive Director of the Mississippi Association of Supervisors,
327 or his designee; the Executive Director of the Mississippi
328 Municipal League, or his designee; the Executive Director of the
329 Consulting Engineers Council, or his designee; the State Director
330 of the United States Department of Agriculture, Rural Development,
331 or his designee; and a manager of a rural water system.

332 The Governor shall appoint a manager of a rural water system
333 from a list of candidates provided by the Executive Director of
334 the Mississippi Rural Water Association. The Executive Director
335 of the Mississippi Rural Water Association shall provide the
336 Governor a list of candidates which shall contain a minimum of
337 three (3) candidates for each appointment.

338 (ii) Nonappointed members of the board may
339 designate another representative of their agency or association to
340 serve as an alternate.

341 (iii) The gubernatorial appointee shall serve a
342 term concurrent with the term of the Governor and until a
343 successor is appointed and qualified. No member, officer or
344 employee of the Board of Directors of the Mississippi Rural Water
345 Association shall be eligible for appointment.

346 (c) The department, if requested by the board, shall
347 furnish the board with facilities and staff as needed to
348 administer this section. The department may contract, upon
349 approval by the board, for those facilities and staff needed to
350 administer this section, including routine management, as it deems
351 necessary. The board may advertise for or solicit proposals from
352 public or private sources, or both, for administration of this
353 section or any services required for administration of this
354 section or any portion thereof. It is the intent of the
355 Legislature that the board endeavor to ensure that the costs of
356 administration of this section are as low as possible in order to

357 provide the water consumers of Mississippi safe drinking water at
358 affordable prices.

359 (d) Members of the board may not receive any salary,
360 compensation or per diem for the performance of their duties under
361 this section.

362 (2) (a) There is created a special fund in the State
363 Treasury to be designated as the "Local Governments and Rural
364 Water Systems Improvements Revolving Loan Fund," referred to in
365 this section as "revolving fund," which fund shall consist of
366 those monies as provided in Sections 6 and 13 of Chapter 521, Laws
367 of 1995. The revolving fund may receive appropriations, bond
368 proceeds, grants, gifts, donations or funds from any source,
369 public or private. The revolving fund shall be credited with all
370 repayments of principal and interest derived from loans made from
371 the revolving fund. The monies in the revolving fund may be
372 expended only in amounts appropriated by the Legislature, and the
373 different amounts specifically provided for the loan program and
374 the grant program shall be so designated. Monies in the fund may
375 only be expended for the grant program from the amount designated
376 for such program. The revolving fund shall be maintained in
377 perpetuity for the purposes established in this section and
378 Sections 6 through 20 of Chapter 521, Laws of 1995. Unexpended
379 amounts remaining in the revolving fund at the end of a fiscal
380 year shall not lapse into the State General Fund, and any interest
381 earned on amounts in the revolving fund shall be deposited to the
382 credit of the fund. Monies in the revolving fund may not be used
383 or expended for any purpose except as authorized under this
384 section and Sections 6 through 20 of Chapter 521, Laws of 1995.
385 Any monies in the fund may be used to match any federal funds that
386 are available for the same or related purposes for which funds are
387 used and expended under this section and Sections 6 through 20 of
388 Chapter 521, Laws of 1995. Any federal funds shall be used and
389 expended only in accordance with federal laws, rules and

390 regulations governing the expenditure of those funds. No person
391 shall use any monies from the revolving fund for the acquisition
392 of real property or any interest in real property unless that
393 property is integral to the project funded under this section and
394 the purchase is made from a willing seller. No county,
395 incorporated municipality or district shall acquire any real
396 property or any interest in any real property for a project funded
397 through the revolving fund by condemnation. The board's
398 application of Sections 43-37-1 through 43-37-13 shall be no more
399 stringent or extensive in scope, coverage and effect than federal
400 property acquisition laws and regulations.

401 (b) There is created a special fund in the State
402 Treasury to be designated as the "Local Governments and Rural
403 Water Systems Emergency Loan Fund," hereinafter referred to as
404 "emergency fund," which fund shall consist of those monies as
405 provided in Sections 6 and 13 of Chapter 521, Laws of 1995. The
406 emergency fund may receive appropriations, bond proceeds, grants,
407 gifts, donations or funds from any source, public or private. The
408 emergency fund shall be credited with all repayments of principal
409 and interest derived from loans made from the emergency fund. The
410 monies in the emergency fund may be expended only in amounts
411 appropriated by the Legislature. The emergency fund shall be
412 maintained in perpetuity for the purposes established in this
413 section and Section 6 of Chapter 521, Laws of 1995. Unexpended
414 amounts remaining in the emergency fund at the end of a fiscal
415 year shall not lapse into the State General Fund. Any interest
416 earned on amounts in the emergency fund shall be deposited to the
417 credit of the fund. Monies in the emergency fund may not be used
418 or expended for any purpose except as authorized under this
419 section and Section 6 of Chapter 521, Laws of 1995.

420 (c) The board created in subsection (1) shall establish
421 loan and grant programs by which loans and grants may be made
422 available to counties, incorporated municipalities, districts or

423 other water organizations that have been granted tax exempt status
424 under either federal or state law, to assist those counties,
425 incorporated municipalities, districts or water organizations in
426 making water systems improvements, including the construction of
427 new water systems or expansion or repair of existing water
428 systems. Any entity eligible under this section may receive
429 either a loan or a grant, or both. No grant awarded under the
430 program established in this section may be made using funds from
431 the loan program. Grants may be awarded only when the Legislature
432 specifically appropriates funds for that particular purpose. The
433 interest rate on those loans may vary from time to time and from
434 loan to loan, and will be at or below market interest rates as
435 determined by the board. The board shall act as quickly as is
436 practicable and prudent in deciding on any loan request that it
437 receives. Loans from the revolving fund or emergency fund may be
438 made to counties, incorporated municipalities, districts or other
439 water organizations that have been granted tax exempt status under
440 either federal or state law, as set forth in a loan agreement in
441 amounts not to exceed one hundred percent (100%) of eligible
442 project costs as established by the board. The board may require
443 county, municipal, district or other water organization
444 participation or funding from other sources, or otherwise limit
445 the percentage of costs covered by loans from the revolving fund
446 or the emergency fund. The maximum amount for any loan from the
447 emergency fund shall be Five Hundred Thousand Dollars
448 (\$500,000.00), and the maximum amount for any loan from the
449 revolving fund shall be One Million Five Hundred Thousand Dollars
450 (\$1,500,000.00).

451 (d) A county that receives a loan from the revolving
452 fund or the emergency fund shall pledge for repayment of the loan
453 any part of the homestead exemption annual tax loss reimbursement
454 to which it may be entitled under Section 27-33-77, as may be
455 required to meet the repayment schedule contained in the loan

456 agreement. An incorporated municipality that receives a loan from
457 the revolving fund or the emergency fund shall pledge for
458 repayment of the loan any part of the sales tax revenue
459 distribution to which it may be entitled under Section 27-65-75,
460 as may be required to meet the repayment schedule contained in the
461 loan agreement. All recipients of such loans shall establish a
462 dedicated source of revenue for repayment of the loan. Before any
463 county or incorporated municipality shall receive any loan, it
464 shall have executed with the State Tax Commission and the board a
465 loan agreement evidencing that loan. The loan agreement shall not
466 be construed to prohibit any recipient from prepaying any part or
467 all of the funds received. The repayment schedule in each loan
468 agreement shall provide for (i) monthly payments, (ii) semiannual
469 payments or (iii) other periodic payments, the annual total of
470 which shall not exceed the annual total for any other year of the
471 loan by more than fifteen percent (15%). Except as otherwise
472 provided in subsection (4) of this section, the loan agreement
473 shall provide for the repayment of all funds received from the
474 revolving fund within not more than fifteen (15) years or a term
475 as otherwise allowed by the federal Safe Drinking Water Act, and
476 all funds received from the emergency fund within not more than
477 five (5) years from the date of project completion, and any
478 repayment shall commence not later than one (1) year after project
479 completion. The State Tax Commission shall withhold semiannually
480 from counties and monthly from incorporated municipalities from
481 the amount to be remitted to the county or municipality, a sum
482 equal to the next repayment as provided in the loan agreement.

483 (e) Any county, incorporated municipality, district or
484 other water organization desiring to construct a project approved
485 by the board which receives a loan from the state for that purpose
486 but which is not eligible to pledge for repayment under the
487 provisions of paragraph (d) of this subsection, shall repay that
488 loan by making payments each month to the State Treasurer through

489 the Department of Finance and Administration for and on behalf of
490 the board according to Section 7-7-15, to be credited to either
491 the revolving fund or the emergency fund, whichever is
492 appropriate, in lieu of pledging homestead exemption annual tax
493 loss reimbursement or sales tax revenue distribution.

494 Loan repayments shall be according to a repayment schedule
495 contained in each loan agreement as provided in paragraph (d) of
496 this subsection.

497 (f) Any district created pursuant to Sections 19-5-151
498 through 19-5-207 that receives a loan from the revolving fund or
499 the emergency fund shall pledge for repayment of the loan any part
500 of the revenues received by that district pursuant to Sections
501 19-5-151 through 19-5-207, as may be required to meet the
502 repayment schedule contained in the loan agreement.

503 (g) The State Auditor, upon request of the board, shall
504 audit the receipts and expenditures of a county, an incorporated
505 municipality, district or other water organization whose loan
506 repayments appear to be in arrears, and if the Auditor finds that
507 the county, incorporated municipality, district or other water
508 organization is in arrears in those repayments, the Auditor shall
509 immediately notify the chairman of the board who may take any
510 action as may be necessary to enforce the terms of the loan
511 agreement, including liquidation and enforcement of the security
512 given for repayment of the loan, and the Executive Director of the
513 Department of Finance and Administration who shall withhold all
514 future payments to the county of homestead exemption annual tax
515 loss reimbursements under Section 27-33-77 and all sums allocated
516 to the county or the incorporated municipality under Section
517 27-65-75 until such time as the county or the incorporated
518 municipality is again current in its loan repayments as certified
519 by the board.

520 (h) All monies deposited in the revolving fund or the
521 emergency fund, including loan repayments and interest earned on

522 those repayments, shall be used only for providing loans or other
523 financial assistance to water systems as the board deems
524 appropriate. In addition, any amounts in the revolving fund or
525 the emergency fund may be used to defray the reasonable costs of
526 administering the revolving fund or the emergency fund and
527 conducting activities under this section and Sections 6 through 20
528 of Chapter 521, Laws of 1995, subject to any limitations
529 established in the federal Safe Drinking Water Act, as amended and
530 subject to annual appropriation by the Legislature. The
531 department is authorized, upon approval by the board, to use
532 amounts available to it from the revolving fund or the emergency
533 fund to contract for those facilities and staff needed to
534 administer and provide routine management for the funds and loan
535 program.

536 (3) In administering this section and Sections 6 through 20
537 of Chapter 521, Laws of 1995, the board created in subsection (1)
538 of this section shall have the following powers and duties:

539 (a) To supervise the use of all funds made available
540 under this section and Sections 6 through 20 of Chapter 521, Laws
541 of 1995, for local governments and rural water systems
542 improvements;

543 (b) To promulgate rules and regulations, to make
544 variances and exceptions thereto, and to establish procedures in
545 accordance with this section and Sections 6 through 20 of Chapter
546 521, Laws of 1995, for the implementation of the local governments
547 and rural water systems improvements revolving loan program;

548 (c) To require, at the board's discretion, any loan or
549 grant recipient to impose a per connection fee or surcharge or
550 amended water rate schedule or tariff on each customer or any
551 class of customers, benefiting from an improvement financed by a
552 loan or grant made under this section, for repayment of any loan
553 funds provided under this section and Sections 6 through 20 of
554 Chapter 521, Laws of 1995. The board may require any loan or

555 grant recipient to undergo a water system viability analysis and
556 may require a loan or grant recipient to implement any result of
557 the viability analysis. If the loan recipient fails to implement
558 any result of a viability analysis as required by the board, the
559 board may impose a monetary penalty or increase the interest rate
560 on the loan, or both. If the grant recipient fails to implement
561 any result of a viability analysis as required by the board, the
562 board may impose a monetary penalty on the grant;

563 (d) To review and certify all projects for which funds
564 are authorized to be made available under this section and
565 Sections 6 through 20 of Chapter 521, Laws of 1995, for local
566 governments and rural water systems improvements;

567 (e) To requisition monies in the Local Governments and
568 Rural Water Systems Improvements Revolving Loan Fund and the Local
569 Governments and Rural Water Systems Emergency Loan Fund and
570 distribute those monies on a project-by-project basis in
571 accordance with this section;

572 (f) To ensure that the funds made available under this
573 section and Sections 6 through 20 of Chapter 521, Laws of 1995, to
574 a county, an incorporated municipality, a district or a water
575 organization that has been granted tax exempt status under either
576 federal or state law provide for a distribution of projects and
577 funds among the entities under a priority system established by
578 the board;

579 (g) To maintain in accordance with generally accepted
580 government accounting standards an accurate record of all monies
581 in the revolving fund and the emergency fund made available to
582 counties, incorporated municipalities, districts or other water
583 organizations under this section and Sections 6 through 20 of
584 Chapter 521, Laws of 1995, and the costs for each project;

585 (h) To establish policies, procedures and requirements
586 concerning viability and financial capability to repay loans that
587 may be used in approving loans available under this section,

588 including a requirement that all loan recipients have a rate
589 structure which will be sufficient to cover the costs of
590 operation, maintenance, major equipment replacement and repayment
591 of any loans made under this section; and

592 (i) To file annually with the Legislature a report
593 detailing how monies in the Local Governments and Rural Water
594 Systems Improvements Revolving Loan Fund and the Local Governments
595 and Rural Water Systems Emergency Loan Fund were spent during the
596 preceding fiscal year in each county, incorporated municipality,
597 district or other water organization, the number of projects
598 approved and constructed, and the cost of each project.

599 For efficient and effective administration of the loan
600 program, revolving fund and emergency fund, the board may
601 authorize the department or the State Health Officer to carry out
602 any or all of the powers and duties enumerated above.

603 (4) The board may, on a case-by-case basis and to the extent
604 allowed by federal law, renegotiate the payment of principal and
605 interest on loans made under this section to the six (6) most
606 southern counties of the state covered by the Presidential
607 Declaration of Major Disaster for the State of Mississippi
608 (FEMA-1604-DR) dated August 29, 2005, and to incorporated
609 municipalities, districts or other water organizations located in
610 such counties; however, the interest on the loans shall not be
611 forgiven for a period of more than twenty-four (24) months and the
612 maturity of the loans shall not be extended for a period of more
613 than forty-eight (48) months.

614 **SECTION 8.** Section 41-3-17, Mississippi Code of 1972, is
615 reenacted as follows:

616 41-3-17. The State Board of Health is authorized to make and
617 publish all reasonable rules and regulations necessary to enable
618 it to discharge its duties and powers and to carry out the
619 purposes and objectives of its creation. It is further authorized
620 to make reasonable sanitary rules and regulations, to be enforced

621 in the several counties by the county health officer under the
622 supervision and control of the State Board of Health. The State
623 Board of Health shall not make or enforce any rule or regulation
624 that prohibits consumers from providing their own containers for
625 the purpose of purchasing or accepting water from any vending
626 machine or device which filters or treats water that has already
627 been tested and determined to meet or exceed the minimum health
628 protection standards prescribed for drinking water under the
629 Mississippi Safe Drinking Water Law, if that vending machine or
630 device meets or exceeds United States Environmental Protection
631 Agency or national automatic merchandising standards.

632 **SECTION 9.** Section 41-3-18, Mississippi Code of 1972, is
633 reenacted as follows:

634 41-3-18. The board shall assess fees in the following
635 amounts and for the following purposes:

636 (a) Food establishment annual permit fee, based on the
637 assessment factors of the establishment as follows:

638	Assessment Category 1.....	\$ 15.00
639	Assessment Category 2.....	30.00
640	Assessment Category 3.....	70.00
641	Assessment Category 4	100.00
642	Assessment Category 5	150.00

643 (b) Private water supply approval fee..... \$ 10.00

644 The board may develop such reasonable standards, rules and
645 regulations to clearly define each assessment category.

646 Assessment categories shall be based upon the factors to the
647 public health implications of the category and type of food
648 preparation being utilized by the food establishment, utilizing
649 the model Food Code of 1995, or as may be amended by the federal
650 Food and Drug Administration.

651 The fee authorized under paragraph (a) of this section shall
652 not be assessed for food establishments operated by public
653 schools, public junior and community colleges, or state agencies

654 or institutions, including without limitation, the state
655 institutions of higher learning and the State Penitentiary.

656 The fee authorized under paragraph (b) of this section shall
657 not be assessed for private water supplies used by foster homes
658 licensed by the Department of Human Services.

659 **SECTION 10.** Section 41-3-19, Mississippi Code of 1972, is
660 reenacted as follows:

661 41-3-19. It is the duty of the State Board of Health to make
662 a report, in writing, to the Governor, on or before the first day
663 of December next preceding each session, not an extraordinary
664 session of the Legislature, upon the sanitary condition, prospect,
665 and needs of the state, setting forth the action of said board, of
666 its officers and agents, the names thereof, and all its
667 expenditures since the last preceding report, and such other
668 matters as it may deem proper for the promotion of health or the
669 prevention of disease. The report shall be laid before the
670 Legislature by the Governor at its ensuing term.

671 **SECTION 11.** Section 41-3-20, Mississippi Code of 1972, is
672 amended as follows:

673 41-3-20. Sections 41-3-1 through 41-3-19, which create the
674 State Board of Health and the State Department of Health and
675 prescribe their powers and duties, shall stand repealed on June
676 30, 2009.

677 **SECTION 12.** This act shall take effect and be in force from
678 and after July 1, 2007.