§ 607. Supplemental health services grants. 1. There shall be established within the special revenue fund-other a local public health services program account. All revenues derived from fees collected by the department pursuant to subdivision two of section six hundred six of this article and all fines levied and collected by the department from enforcement actions pursuant to the services provided under titles one and two of this article, and monies received or recovered as a result of any audit exception assessed against the state aid reimbursement to a municipality under this article, shall be deposited in the local public health services program account.

2. Notwithstanding the limitations of available state aid defined in section six hundred sixteen of this article, monies available for supplemental health services grants in the local health services program account shall be used by the commissioner for the purpose of providing supplemental health services grants to municipalities for the enhancement of public health services, as an incentive for a municipality not organized as a county health district or a part-county health district to become organized or in recognition of municipalities which have consistently maximized revenue collections. Criteria for eligibility for grants under this section shall be established by the commissioner. Monies received from such supplemental grants shall be used to enhance or expand public health services and may not supplant the amount that otherwise would be provided by the municipality or appropriated to the department.