

By: Representatives Martinson, Smith (59th), Moore (60th), Rogers, Weathersby To: Transportation; Ways and Means

## HOUSE BILL NO. 1653

1 AN ACT TO AUTHORIZE THE MISSISSIPPI TRANSPORTATION COMMISSION  
2 TO UPDATE THE STATE RAIL PLAN AND REVIEW POTENTIAL RECOMMENDATIONS  
3 FOR NEEDED RAIL PROJECTS IN THE STATE; TO AUTHORIZE THE  
4 MISSISSIPPI TRANSPORTATION COMMISSION TO CONSTRUCT AND OWN A RAIL  
5 LINE, OR A PORTION THEREOF, THAT CONNECTS TO THE RAIL LINE OF A  
6 RAILROAD CORPORATION; TO AUTHORIZE THE COMMISSION TO SELL OR LEASE  
7 SUCH LINE TO A RAILROAD CORPORATION; TO AUTHORIZE BONDS ISSUED  
8 PURSUANT TO THIS ACT TO FUND THE CONSTRUCTION OF SUCH RAIL LINE;  
9 TO CREATE A BOND SINKING FUND WITHIN THE RAILROAD REVITALIZATION  
10 FUND INTO WHICH SHALL BE DEPOSITED CERTAIN LEASE AND LOAN PAYMENTS  
11 AND THE PROCEEDS OF CERTAIN SALES; TO PROVIDE THAT MONEY IN SUCH  
12 ACCOUNT SHALL BE UTILIZED TO PAY THE DEBT SERVICE ON THE BONDS  
13 ISSUED PURSUANT TO THIS ACT; TO PROVIDE FOR THE ISSUANCE OF  
14 \$100,000,000.00 AS STATE GENERAL OBLIGATION BONDS TO FUND THE RAIL  
15 PROJECTS AUTHORIZED UNDER THIS ACT; TO AMEND SECTIONS 57-43-1,  
16 57-43-3, 57-43-5, 57-43-7, 57-43-9, 57-43-11 AND 57-43-13,  
17 MISSISSIPPI CODE OF 1972, TO EXPAND THE USES FOR WHICH FUNDS IN  
18 THE RAILROAD REVITALIZATION FUND MAY BE UTILIZED; TO PROVIDE THAT  
19 GRANTS MADE FROM THE RAILROAD REVITALIZATION FUND SHALL INCLUDE AS  
20 A CONDITION THAT, AS A PREREQUISITE TO RECEIVING A GRANT, A  
21 RAILROAD CORPORATION SHALL AGREE NOT TO ABANDON ANY SECTION OF  
22 RAIL LINE UPON WHICH SUCH GRANT IS SPENT FOR A PERIOD OF NOT LESS  
23 THAN 10 YEARS; TO AUTHORIZE COUNTIES AND MUNICIPALITIES TO ENTER  
24 INTO AGREEMENTS WITH THE MISSISSIPPI TRANSPORTATION COMMISSION TO  
25 RECEIVE A PORTION OF CERTAIN PAYMENTS TO THE RAILROAD  
26 REVITALIZATION FUND; TO AUTHORIZE THE MISSISSIPPI TRANSPORTATION  
27 COMMISSION TO LOAN MONIES FROM THE RAILROAD REVITALIZATION FUND TO  
28 RAILROAD CORPORATIONS FOR CERTAIN RAILROAD PROJECTS THAT THE  
29 COMMISSION HAS DETERMINED ARE IN THE PUBLIC INTEREST; TO PROVIDE  
30 FOR THE RATE OF INTEREST ON LOANS MADE BY THE COMMISSION; TO  
31 PROVIDE THAT AS A CONDITION OF THE RECEIPT OF SUCH A LOAN THAT THE  
32 RAILROAD CORPORATION AGREE NOT TO ABANDON ANY SECTION OF RAIL LINE  
33 ON WHICH THE PROCEEDS OF SUCH LOAN ARE TO BE SPENT UNTIL THE LOAN  
34 HAS BEEN REPAID; AND FOR RELATED PURPOSES.

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

36 SECTION 1. Railroads that carry persons or property for hire  
37 are an important component of the infrastructure of the State of  
38 Mississippi. Railroads, for the public good and general welfare,  
39 develop and promote trade, commerce, industry and employment  
40 opportunities and promote the general welfare of the state by

41 creating a climate favorable to the location of new industry,  
42 trade and commerce and the expansion of existing industry, trade  
43 and commerce within the State of Mississippi. Because of the fact  
44 that municipalities historically developed around the presence of  
45 a railroad, they are today, as a result of the presence of  
46 railroads, often confronted with problems, such as traffic  
47 congestion resulting from roadway/railway grade crossings,  
48 increased traffic usage at roadway/railroad grade crossings and  
49 increased noise. In many situations, the only effective remedies  
50 to such problems are to reroute all or part of the rail line  
51 running through the municipality, to separate the railroad grade  
52 crossings from the roadways and/or to close one or more of the  
53 roadway/railroad grade crossings. It is, therefore, in the public  
54 interest and is vital to the public welfare of the people of  
55 Mississippi, and it is declared to be the public purpose of this  
56 chapter to develop a program within the State of Mississippi with  
57 respect to railroads to encourage and assist in the maintenance  
58 and improvement of the existing railroad infrastructure, the  
59 amelioration or elimination of the problems resulting from the  
60 presence of railroads within highly populated and highly  
61 trafficked sections of the municipalities of Mississippi, the  
62 development, expansion and promotion of trade and commerce within  
63 the state, the creation and promotion of industrial development  
64 within the state, the separation or closing of roadway/railroad  
65 grade crossings and other railroad revitalization, rehabilitation,  
66 relocation and industrial development projects and such other  
67 railroad projects that are in the public interest and are vital to  
68 the public welfare of the people of Mississippi, the economic  
69 development of the state and the safety of the people of  
70 Mississippi.

71 SECTION 2. The Mississippi Transportation Commission, in  
72 cooperation with the railroad corporations operating in the State  
73 of Mississippi, shall periodically update the State Rail Plan.

74 The State Rail Plan shall include a review of potential  
75 recommendations for needed railroad revitalization,  
76 rehabilitation, relocation, maintenance, improvement and economic  
77 or industrial development projects within the state and shall  
78 include recommendations for the development of such projects. The  
79 Mississippi Transportation Commission may promulgate rules to  
80 ensure appropriate allocations of monies in the Railroad  
81 Revitalization Fund to railroad projects authorized under this  
82 chapter and shall consider such criteria as public interest,  
83 economic benefit, financial viability, cost effectiveness,  
84 continuity of Mississippi's railroad infrastructure and public  
85 safety.

86       SECTION 3. (1) To further the public purposes of this  
87 chapter, the Mississippi Transportation Commission is authorized  
88 to conduct feasibility studies with regard to railroad projects  
89 authorized under this chapter and, pursuant to information  
90 gathered in such studies, select routes and locations, perform  
91 preliminary engineering, acquire necessary rights-of-way and  
92 property, and otherwise plan, develop, construct and own a rail  
93 line, or portion thereof, that connects to the rail line of a  
94 railroad corporation. Such planning, development and construction  
95 of the rail line shall be accomplished using all the authority and  
96 powers granted to the Mississippi Transportation Commission  
97 pursuant to Section 65-1-1 et seq., and shall be accomplished in  
98 cooperation and in agreement with the railroad corporation to  
99 which the state-owned rail line connects. The Mississippi  
100 Transportation Commission may enter into an agreement with such  
101 connecting railroad corporation for the lease, lease/sale or sale  
102 of the rail line for commercial operations on such terms and  
103 conditions and with such safeguards as will best promote and  
104 protect the public interest. To that end, the Mississippi  
105 Transportation Commission is hereby authorized to transfer  
106 possession and/or title to such state-owned rail line and

107 rights-of-way by deed, lease, contract or other customary business  
108 instrument. Funds for the projects authorized under this section  
109 may be provided by proceeds derived from the issuance of bonds  
110 pursuant to Sections 5 through 19 of this act.

111 (2) If the Mississippi Transportation Commission develops  
112 and constructs a rail line pursuant to the authority granted it in  
113 this section from the proceeds of bonds issued pursuant to  
114 Sections 5 through 19 of this act, and enters into an agreement  
115 for the lease/sale of such rail line, the lease term of any  
116 lease/sale agreement entered into pursuant to this section shall  
117 terminate no later than the date of the maturity of the bonds  
118 issued to fund such project. The lease payments paid by the  
119 connecting railroad over a period of time, not to exceed the  
120 maturity of the bonds issued to fund the project, shall be in an  
121 amount sufficient to retire the bonds issued to fund the project.  
122 At the end of the lease term or the date on which all such bonds  
123 are retired, whichever is the earlier to occur, the Mississippi  
124 Transportation Commission shall sell the state-owned rail line to  
125 the connecting railroad for a price that, when combined with the  
126 total amount of lease payments, shall be an amount not less than  
127 the proceeds of the bonds issued to fund the project. All lease  
128 payments shall be deposited into the sinking fund account created  
129 pursuant to Section 4 of this act.

130 (3) In the event that the Mississippi Transportation  
131 Commission develops and constructs such rail line with the  
132 proceeds of bonds issued pursuant to Sections 5 through 19 of this  
133 act and enters into an agreement for the sale of such rail line,  
134 the terms of any sale agreement entered into pursuant to this  
135 section shall include a purchase price and shall be in an amount  
136 not less than an amount sufficient to retire the bonds issued to  
137 accomplish the project. Such purchase price payment shall be  
138 deposited into the sinking fund account created pursuant to  
139 Section 4 of this act.

140 (4) Where the rental payments and monetary consideration  
141 provided in a lease/sale agreement will be sufficient to repay  
142 fully the proceeds of the bond issuance or where the monetary  
143 consideration for a sale of the rail line is sufficient to repay  
144 fully the proceeds of the bonds issued to fund the project,  
145 contracts for the sale or lease/sale of the rail line may be  
146 negotiated and consummated without the necessity of advertising  
147 and obtaining competitive bids. In no event shall the Mississippi  
148 Transportation Commission sell to the connecting railroad  
149 corporation a state-owned rail line until all the principal of and  
150 interest on the bonds issued to fund the project have been repaid.

151 SECTION 4. For the purpose of providing for the payment of  
152 the principal of and interest upon bonds issued under the  
153 provisions of Sections 5 through 19 of this act, there is hereby  
154 created within the Railroad Revitalization Fund a bond sinking  
155 fund account. Such sinking fund account shall consist of the  
156 money required to be deposited into such fund by this chapter and  
157 such other amount as shall be paid into such fund by appropriation  
158 or other authorization by the Legislature. Funds required in  
159 excess of the amounts available in such sinking fund account to  
160 pay the principal of and interest upon bonds issued under the  
161 provisions of Sections 5 through 19 of this act shall be  
162 appropriated from the State General Fund.

163 SECTION 5. (1) The Mississippi Transportation Commission,  
164 at one time, or from time to time, may declare by resolution the  
165 necessity for issuance of general obligation bonds of the State of  
166 Mississippi to provide funds for all costs incurred or to be  
167 incurred by the Mississippi Transportation Commission or the  
168 Mississippi Department of Transportation in performing the  
169 projects authorized under this chapter. Bonds authorized by this  
170 section may be issued only upon a determination by the State Bond  
171 Commission, acting in conjunction with the State Bond Advisory  
172 Division, that such issuance would not result in a downgrade of

173 the rating applicable to State of Mississippi general obligation  
174 bonds. Upon the adoption of a resolution by the Mississippi  
175 Transportation Commission, declaring the necessity for the  
176 issuance of any part or all of the general obligation bonds  
177 authorized by this section, the Mississippi Transportation  
178 Commission shall deliver a certified copy of its resolution or  
179 resolutions to the State Bond Commission. In the event the State  
180 Bond Commission first makes a finding that the issuance of such  
181 bonds as specified in the resolution is not anticipated to result  
182 in a downgrade of the rating applicable to State of Mississippi  
183 general obligation bonds, the State Bond Commission, in its  
184 discretion, may act as the issuing agent, prescribe the form of  
185 the bonds, advertise for and accept bids, issue and sell the bonds  
186 so authorized to be sold and do any and all other things necessary  
187 and advisable in connection with the issuance and sale of such  
188 bonds. In the event the State Bond Commission fails to make the  
189 above referenced finding with respect to the issuance of such  
190 bonds as specified in the resolution of the Mississippi  
191 Transportation Commission, the State Bond Commission shall return  
192 the resolution to the Mississippi Transportation Commission with a  
193 certified statement declaring the issuance of such bonds to be  
194 unauthorized at such time. The total amount of bonds outstanding  
195 under Sections 5 through 19 of this act shall not, at any one  
196 time, exceed One Hundred Million Dollars (\$100,000,000.00).

197 (2) Any investment earnings on bond proceeds deposited into  
198 the Railroad Revitalization Fund pursuant to this act shall be  
199 used to pay debt service on bonds issued under Sections 5 through  
200 19 of this act, in accordance with the proceedings authorizing  
201 issuance of such bonds.

202 SECTION 6. The principal of and interest on the bonds  
203 authorized under Sections 5 through 19 of this act shall be  
204 payable in the manner provided in this section. Such bonds shall  
205 bear such date or dates, be in such denomination or denominations,

206 bear interest at such rate or rates (not to exceed the limits set  
207 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
208 at such place or places within or without the State of  
209 Mississippi, shall mature absolutely at such time or times not to  
210 exceed twenty-five (25) years from date of issue, be redeemable  
211 before maturity at such time or times and upon such terms, with or  
212 without premium, shall bear such registration privileges, and  
213 shall be substantially in such form, all as shall be determined by  
214 resolution of the State Bond Commission.

215       SECTION 7. The bonds authorized by Sections 5 through 19 of  
216 this act shall be signed by the Chairman of the State Bond  
217 Commission, or by his facsimile signature, and the official seal  
218 of the State Bond Commission shall be affixed thereto, attested by  
219 the Secretary of the State Bond Commission. The interest coupons,  
220 if any, to be attached to such bonds may be executed by the  
221 facsimile signatures of such officers. Whenever any such bonds  
222 shall have been signed by the officials designated to sign the  
223 bonds who were in office at the time of such signing but who may  
224 have ceased to be such officers before the sale and delivery of  
225 such bonds, or who may not have been in office on the date such  
226 bonds may bear, the signatures of such officers upon such bonds  
227 and coupons shall nevertheless be valid and sufficient for all  
228 purposes and have the same effect as if the person so officially  
229 signing such bonds had remained in office until their delivery to  
230 the purchaser, or had been in office on the date such bonds may  
231 bear. However, notwithstanding anything herein to the contrary,  
232 such bonds may be issued as provided in the Registered Bond Act of  
233 the State of Mississippi.

234       SECTION 8. All bonds and interest coupons issued under the  
235 provisions of Sections 5 through 19 of this act have all the  
236 qualities and incidents of negotiable instruments under the  
237 provisions of the Uniform Commercial Code, and in exercising the  
238 powers granted by Sections 5 through 19 of this act, the State

239 Bond Commission shall not be required to and need not comply with  
240 the provisions of the Uniform Commercial Code.

241       SECTION 9. The State Bond Commission may act as the issuing  
242 agent for the bonds authorized under Sections 5 through 19 of this  
243 act, prescribe the form of the bonds, advertise for and accept  
244 bids, issue and sell the bonds so authorized to be sold, pay all  
245 fees and costs incurred in such issuance and sale, and do any and  
246 all other things necessary and advisable in connection with the  
247 issuance and sale of such bonds. The State Bond Commission is  
248 authorized and empowered to pay the costs that are incident to the  
249 sale, issuance and delivery of the bonds authorized under Sections  
250 5 through 19 of this act from the proceeds derived from the sale  
251 of such bonds. The State Bond Commission shall sell such bonds on  
252 sealed bids at public sale, and for such price as it may determine  
253 to be for the best interest of the State of Mississippi, but no  
254 such sale shall be made at a price less than par plus accrued  
255 interest to the date of delivery of the bonds to the purchaser.  
256 All interest accruing on such bonds so issued shall be payable  
257 semiannually or annually; however, the first interest payment may  
258 be for any period of not more than one (1) year.

259       Notice of the sale of any such bond shall be published at  
260 least one time, not less than ten (10) days before the date of  
261 sale, and shall be so published in one or more newspapers  
262 published or having a general circulation in the City of Jackson,  
263 Mississippi, and in one or more other newspapers or financial  
264 journals with a national circulation, to be selected by the State  
265 Bond Commission.

266       The State Bond Commission, when issuing any bonds under the  
267 authority of Sections 5 through 19 of this act, may provide that  
268 bonds, at the option of the state, may be called in for payment  
269 and redemption at the call price named therein and accrued  
270 interest on such date or dates named therein.



271           SECTION 10. The bonds issued under the provisions of  
272 Sections 5 through 19 of this act shall be payable from the bond  
273 sinking fund account in the Railroad Revitalization Fund and are  
274 general obligations of the State of Mississippi, and for the  
275 payment thereof the full faith and credit of the State of  
276 Mississippi is irrevocably pledged. If the funds available in the  
277 bond sinking fund account in the Railroad Revitalization Fund and  
278 any funds appropriated by the Legislature for such purpose are  
279 insufficient to pay the principal of and the interest upon such  
280 bonds as they become due, the deficiency shall be paid by the  
281 State Treasurer from any funds in the State Treasury not otherwise  
282 appropriated. All such bonds shall contain recitals on their  
283 faces substantially covering the foregoing provisions of this  
284 section.

285           SECTION 11. Upon the issuance and sale of bonds under the  
286 provisions of Sections 5 through 19 of this act, the State Bond  
287 Commission shall transfer the proceeds of any such sale or sales  
288 to an account in the Railroad Revitalization Fund created pursuant  
289 to Section 57-43-1 which account shall be allocated to loan  
290 agreements and railroad projects. The proceeds of such bonds  
291 shall be disbursed solely upon the order of the Mississippi  
292 Transportation Commission under such restrictions, if any, as may  
293 be contained in the resolution providing for the issuance of the  
294 bonds.

295           SECTION 12. The bonds authorized under Sections 5 through 19  
296 of this act may be issued without any other proceedings or the  
297 happening of any other conditions or things other than those  
298 proceedings, conditions and things which are specified or required  
299 by Sections 5 through 19 of this act. Any resolution providing  
300 for the issuance of bonds under the provisions of Sections 5  
301 through 19 of this act shall become effective immediately upon its  
302 adoption by the State Bond Commission, and any such resolution may

303 be adopted at any regular or special meeting of the State Bond  
304 Commission by a majority of its members.

305       SECTION 13. The bonds authorized under the authority of  
306 Sections 5 through 19 of this act may be validated in the Chancery  
307 Court of the First Judicial District of Hinds County, Mississippi,  
308 in the manner and with the force and effect provided by Chapter  
309 13, Title 31, Mississippi Code of 1972, for the validation of  
310 county, municipal, school district and other bonds. The notice to  
311 taxpayers required by such statutes shall be published in a  
312 newspaper published or having a general circulation in the City of  
313 Jackson, Mississippi.

314       SECTION 14. Any holder of bonds issued under the provisions  
315 of Sections 5 through 19 of this act or of any of the interest  
316 coupons pertaining thereto may, either at law or in equity, by  
317 suit, action, mandamus or other proceeding, protect and enforce  
318 any and all rights granted under Sections 5 through 19 of this  
319 act, or under such resolution, and may enforce and compel  
320 performance of all duties required by Sections 5 through 19 of  
321 this act to be performed, in order to provide for the payment of  
322 bonds and interest thereon.

323       SECTION 15. All bonds issued under the provisions of  
324 Sections 5 through 19 of this act shall be legal investments for  
325 trustees and other fiduciaries, and for savings banks, trust  
326 companies and insurance companies organized under the laws of the  
327 State of Mississippi, and such bonds shall be legal securities  
328 which may be deposited with and shall be received by all public  
329 officers and bodies of this state and all municipalities and  
330 political subdivisions for the purpose of securing the deposit of  
331 public funds.

332       SECTION 16. Bonds issued under the provisions of Sections 5  
333 through 19 of this act and income therefrom shall be exempt from  
334 all taxation in the State of Mississippi.

335        SECTION 17. The proceeds of the bonds issued under Sections  
336 5 through 19 of this act shall be used solely for the purposes  
337 therein provided, including the costs incident to the issuance and  
338 sale of such bonds.

339        SECTION 18. The State Treasurer is authorized, without  
340 further process of law, to certify to the Department of Finance  
341 and Administration the necessity for warrants, and the Department  
342 of Finance and Administration is authorized and directed to issue  
343 such warrants, in such amounts as may be necessary to pay when due  
344 the principal of, premium, if any, and interest on, or the  
345 accreted value of, all bonds issued under Sections 5 through 19 of  
346 this act; and the State Treasurer shall forward the necessary  
347 amount to the designated place or places of payment of such bonds  
348 in ample time to discharge such bonds, or the interest thereon, on  
349 the due dates thereof.

350        SECTION 19. Sections 5 through 19 of this act shall be  
351 deemed to be full and complete authority for the exercise of the  
352 powers therein granted, but this act shall not be deemed to repeal  
353 or to be in derogation of any existing law of this state.

354        SECTION 20. Section 57-43-1, Mississippi Code of 1972, is  
355 amended as follows:

356        57-43-1. (1) There is hereby established in the State  
357 Treasury a \* \* \* fund to be designated as the "Railroad  
358 Revitalization Fund" to be maintained for and dedicated to the  
359 purpose of providing grants, loans and/or funding for the purposes  
360 established in this chapter. The Railroad Revitalization Fund  
361 shall consist of monies collected as a result of the locomotive  
362 fuel tax, proceeds of bonds issued pursuant to this chapter,  
363 appropriations from the Legislature, and, in the discretion of the  
364 Mississippi Transportation Commission, federal funds available for  
365 the purposes of this chapter. Except for federal funds and any  
366 funds determined by the Mississippi transportation Commission to  
367 be otherwise deposited, all monies received by the Mississippi

368 Transportation Commission to carry out the purposes of this  
369 chapter shall be deposited into the Railroad Revitalization Fund.

370 (2) Monies (including interest earnings) in the Railroad  
371 Revitalization Fund shall be expended either separately or in  
372 combination with any available federal funds for one or more of  
373 the following:

374 (a) Railroad research, railroad planning and railroad  
375 administration costs incurred by the Mississippi Transportation  
376 Commission directly attributable to railroad \* \* \* projects  
377 authorized under this chapter;

378 (b) Assistance to railroads for the revitalization,  
379 rehabilitation, relocation, improvement, maintenance or repair of  
380 rail lines; \* \* \*

381 (c) Construction, improvement, rehabilitation,  
382 maintenance or repair of railroad facilities, excluding the  
383 purchase, improvement, maintenance or repair of rolling stock of a  
384 railroad;

385 (d) Railroad-related projects that develop, expand  
386 and/or promote economic and industrial development within the  
387 state;

388 (e) Separation or closing of roadway/railroad grade  
389 crossings; and

390 (f) Such other railroad projects that are authorized  
391 under this chapter.

392 (3) Except as may be specifically designated otherwise,  
393 funds appropriated or otherwise provided by the Legislature for  
394 rail line assistance shall be deposited in the Railroad  
395 Revitalization Fund. Any monies received by the Mississippi  
396 Transportation Commission by agreements, grants, gifts or other  
397 means from railroad corporations, the United States government  
398 (unless determined by the Mississippi Transportation Commission to  
399 be otherwise allocated as provided in subsection (1) of this  
400 section, individuals, companies or other business entities,

401 municipalities, counties, local railroad authorities or regional  
402 railroad authorities, the Mississippi Development Authority,  
403 economic development districts created pursuant to Section  
404 19-5-99, county port authorities, county development commissions  
405 or other federal, state or local governmental agencies for the  
406 purposes set forth in this chapter, \* \* \* shall be credited to the  
407 Railroad Revitalization Fund. Any money remaining in the fund at  
408 the end of any fiscal year shall not lapse into the State General  
409 Fund and any interest received from investment of monies in the  
410 fund shall be credited to the fund and shall not be deposited into  
411 the State General Fund.

412 (4) Use of the Railroad Revitalization Fund for railroad  
413 research, planning and administration costs incurred by the  
414 Mississippi Transportation Commission, including, but not limited  
415 to, the development and periodic update of the State Rail Plan,  
416 that are directly attributable to \* \* \* projects authorized under  
417 this chapter shall be limited to an annual amount not to exceed  
418 Twenty-five Thousand Dollars (\$25,000.00) \* \* \*.

419 (5) As used in this chapter:

420 (a) "Loan agreement" means a loan agreement by and  
421 between the Mississippi Transportation Commission and a railroad  
422 corporation with respect to the loan of proceeds of bonds to  
423 finance railroad projects.

424 (b) "Railroad" means a railroad that carries persons or  
425 property for hire and is designated as a public highway by Section  
426 184, Mississippi Constitution of 1890.

427 (c) "Railroad corporation" means a company engaged in  
428 the business of operating a railroad and may be a Mississippi  
429 railroad corporation organized under the provisions of Title 77,  
430 Chapter 9, Article 3, Mississippi Code of 1972, or a foreign  
431 corporation authorized to do business in this state.

432 (d) "Railroad projects" means one (1) of the projects  
433 described in Section 57-43-1(2).

434 SECTION 21. Section 57-43-3, Mississippi Code of 1972, is  
435 amended as follows:

436 57-43-3. The \* \* \* Mississippi Transportation Commission may  
437 enter into agreements with railroads, the United States  
438 government, persons, municipalities, counties, local railroad  
439 authorities, regional railroad authorities, the Mississippi  
440 Development Authority, economic development districts created  
441 pursuant to Section 19-5-99, county port authorities or county  
442 development commissions or other federal, state or local  
443 governmental agencies for carrying out the purposes of this  
444 chapter. \* \* \*

445 SECTION 22. Section 57-43-5, Mississippi Code of 1972, is  
446 amended as follows:

447 57-43-5. The Mississippi Transportation Commission may  
448 accept federal funds to carry out the provisions of this chapter.  
449 All federal grants received under provisions of this chapter shall  
450 be deposited into the Railroad Revitalization Fund and shall be  
451 expended for the purposes set forth in the federal grants. The  
452 Mississippi Transportation Commission, upon a finding that  
453 sufficient federal grants for railroad projects authorized under  
454 this chapter are not available, and with the approval of the  
455 Department of Finance and Administration, may make grants to  
456 railroad corporations in a total amount not to exceed Two Million  
457 Dollars (\$2,000,000.00) from the Railroad Revitalization Fund.  
458 However, such grants may be made using proceeds of the bonds  
459 authorized by Sections 5 through 19 of this act. Any grant made  
460 to a railroad corporation pursuant to this section shall include a  
461 condition that, as a prerequisite to its receipt of any such grant  
462 monies, the railroad corporation agrees not to abandon any section  
463 of rail line on which such grant monies are spent for a period of  
464 not less than ten (10) years.

465 SECTION 23. Section 57-43-7, Mississippi Code of 1972, is  
466 amended as follows:

467           57-43-7. Agreements between a railroad corporation and the  
468 Mississippi Transportation Commission which do not require  
469 repayment to the Railroad Revitalization Fund of all or a portion  
470 of the monies loaned to such railroad corporation pursuant to  
471 Section 57-43-11 to be made by the railroad, shall require that  
472 the railroad establish and maintain a separate railroad  
473 corporation fund to which a specified portion of the revenue  
474 derived from the revitalized, rehabilitated, relocated or improved  
475 rail line shall be credited and that these funds shall be used by  
476 the railroad for the revitalization, rehabilitation, relocation,  
477 improvement or maintenance of rail lines within the state, or the  
478 closing or separation of roadway/railroad grade crossings within  
479 the state. The terms and conditions governing the use of monies  
480 in the special railroad corporation fund shall be stipulated in  
481 the agreement. The agreement shall also stipulate a penalty for  
482 use of the funds in a manner other than as set forth in the  
483 agreement.

484           SECTION 24. Section 57-43-9, Mississippi Code of 1972, is  
485 amended as follows:

486           57-43-9. (1) The board of supervisors of a county or the  
487 governing authority of a municipality may, with the approval of  
488 the Mississippi Transportation Commission, appropriate funds from  
489 the county or municipal general fund to the Railroad  
490 Revitalization Fund. Such funds shall be used in accordance with  
491 this chapter only for the purposes set forth in this chapter with  
492 respect to rail lines within the county from which the county or  
493 municipal funds are provided. \* \* \*

494           (2) The board of supervisors of a county and the governing  
495 authority of a municipality may enter into an agreement with the  
496 Mississippi Transportation Commission to receive a portion of the  
497 payments made by a railroad corporation to the Railroad  
498 Revitalization Fund pursuant to this chapter. The amount received  
499 by a county or municipality shall not exceed the amount

500 appropriated to the Railroad Revitalization Fund by the county or  
501 municipality pursuant to this chapter.

502 SECTION 25. Section 57-43-11, Mississippi Code of 1972, is  
503 amended as follows:

504 57-43-11. (1) \* \* \* To further the purposes of this  
505 chapter, the Mississippi Transportation Commission may enter into  
506 agreements with railroad corporations, whereby the Mississippi  
507 Transportation Commission may loan monies from the Railroad  
508 Revitalization Fund to a railroad corporation in such amounts as  
509 are necessary to accomplish a railroad project authorized under  
510 this chapter that has been determined by the Mississippi  
511 Transportation Commission as being in the public interest.

512 (2) If the monies loaned to a railroad corporation in  
513 accordance with this section are the proceeds of bonds issued  
514 pursuant to Sections 5 through 19 of House Bill No. , 2001  
515 Regular Session, the rate of interest on such loan shall be at a  
516 rate that is sufficient, when combined with the payment of  
517 principal, to retire the bonds issued to fund such loan when such  
518 loan is paid in full. The Mississippi Transportation Commission  
519 shall not make any such loan unless it determines in its  
520 discretion, that the railroad corporation that is seeking such  
521 loan shall provide sufficient security to ensure complete and full  
522 repayment of the loan and interest. Such sufficient security may  
523 include, but not be limited to, deeds of trust, mortgages and  
524 other security agreements. The loan agreement regarding the loan  
525 of the proceeds of bonds issued pursuant to Sections 5 through 19  
526 of House Bill No. , 2001 Regular Session, shall require  
527 repayment of such loan to the sinking fund established in Section  
528 4 of House Bill No. , 2001 Regular Session.

529 (3) If the monies loaned to a railroad corporation in  
530 accordance with this section are derived from a source other than  
531 from the proceeds of bonds issued pursuant to Sections 5 through  
532 19 of House Bill No. , 2001 Regular Session, the Mississippi



533 Transportation Commission may require such security from the  
534 railroad corporation that is seeking such loan as the commission  
535 deems appropriate. Any loan of funds derived from the locomotive  
536 fuel tax shall be made at no interest, provided payments are made  
537 in accordance with the agreement.

538 (4) Any portion of a loan outstanding during any delinquency  
539 shall bear interest at the legal rate on the entire balance due.  
540 In the event that a railroad corporation is not repaying a loan  
541 extended under this chapter in accordance with the terms of the  
542 loan agreement or arrangements satisfactory to the Mississippi  
543 Transportation Commission have not been made to repay the loan  
544 within a period of time after same is due and payable, as  
545 determined by the commission, the commission shall determine that  
546 there is a default, shall enter an order to that effect upon its  
547 official minutes, and send a certified copy of said order by  
548 certified mail, postage prepaid, to the railroad corporation. If  
549 said default is not satisfied in full within thirty (30) days  
550 following notification of default by the commission, the railroad  
551 corporation shall be required to pay in accordance with the  
552 default provisions of the loan agreement, and the Mississippi  
553 Transportation Commission may also exercise any other rights it  
554 may have pursuant to such loan agreement at law or equity. Any  
555 such agreement between the Mississippi Transportation Commission  
556 and a railroad corporation regarding a loan from the Railroad  
557 Revitalization Fund shall also include a condition that, as a  
558 prerequisite to its receipt of such loan, the railroad corporation  
559 agree not to abandon any section of rail line on which the  
560 proceeds of such loan are to be spent until the loan has been  
561 repaid in accordance with the loan agreement.

562 SECTION 26. Section 57-43-13, Mississippi Code of 1972, is  
563 amended as follows:

564 57-43-13. For the purposes of achieving a reduction in the  
565 number of public roadway/railroad grade crossings in this state,

566 a separate account within the Railroad Revitalization Fund is  
567 hereby \* \* \* established and entitled the Mississippi Grade  
568 Crossing Closure Account. The Mississippi Grade Crossing Closure  
569 Account is to be administered by the same agency responsible for  
570 administering the Railroad Revitalization Fund. \* \* \* Funding for  
571 this account shall be derived from thirty-five percent (35%) of  
572 collections from the locomotive fuel tax for the previous year.  
573 This account will be cumulative. Funds not obligated for  
574 expenditure in any fiscal year will continue to accrue to  
575 succeeding fiscal years; unexpended amounts remaining in such  
576 account at the end of a fiscal year shall not lapse into the State  
577 General Fund; and any interest earned on amounts in such account  
578 shall be deposited to the credit of such account. The Mississippi  
579 Transportation Commission, in cooperation with the railroads  
580 operating in Mississippi, shall promulgate rules to ensure  
581 equitable allocation of these funds to public roadway/railroad  
582 grade crossing closure projects throughout the state and shall  
583 consider the proportionate number of main line track miles of each  
584 railroad and the number of public roadway/railroad grade crossings  
585 on each railroad's main line. Funds from the Mississippi Grade  
586 Crossing Closure Account shall be limited to the following  
587 purposes: financial aid for closure of public roadway/railroad  
588 grade crossings; realignment of construction costs of roadways  
589 being rerouted to facilitate a closure of a public  
590 roadway/railroad grade crossing; monies to match federal or other  
591 funds for a grade separation eliminating an at-grade crossing of a  
592 public roadway and railroad. The Mississippi Transportation  
593 Commission shall consider all requests from the state's diagnostic  
594 review of public roadway/railroad grade crossings and from  
595 individual railroads for expenditure of funds for these limited  
596 purposes and shall establish uniform criteria and guidelines  
597 relating to such crossings and the expenditure of funds.

598 SECTION 27. Sections 1 through 19 of this act shall be  
599 codified in Chapter 43, Title 57, Mississippi Code of 1972.

600 SECTION 28. This act shall take effect and be in force from  
601 and after July 1, 2001.