SENATE BILL NO. 3019

AN ACT TO AMEND SECTION 57-44-1, 57-44-3, 57-44-5, 57-44-7, AND 57-44-9, MISSISSIPPI CODE OF 1972, ESTABLISHED A LOCAL GOVERNMENTS RAILROAD GRADE CROSSING PROJECT GRANT PROGRAM WITHIN THE EXISTING LOCAL GOVERNMENTS FREIGHT RAIL SERVICE PROJECT REVOLVING LOAN PROGRAM ADMINISTERED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO AUTHORIZE THE ISSUANCE OF GRANTS TO COUNTIES AND MUNICIPALITIES BY THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR RAILROAD GRADE CROSSING PROJECTS; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 57-44-1, Mississippi Code of 1972, is amended as follows:

57-44-1. The implementation of freight rail service projects within the State of Mississippi develops and promotes, for the public good and general welfare, trade, commerce, industry, and employment opportunities, and promotes the general welfare of the state by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade and commerce within the State of Mississippi. Implementation of freight rail service projects within this state will develop and promote, for the public good and general welfare, trade, commerce, industry, and employment opportunities, and will promote the general welfare of the state. The closure or improvement of railroad grade crossing promotes the good and general welfare and safety of the people of this state. It is therefore in the public interest and is vital to the public welfare of the people of Mississippi, and it is declared to be the public purpose of this chapter to so develop freight rail service projects within this state and to provide grant funds for the closure or improvement of railroad grade crossings.
SECTION 2. Section 57-44-3, Mississippi Code of 1972, is amended as follows:

57-44-3. As used in this chapter the term:

(a) "Freight rail service project" means the acquisition, construction, installation, operation, modification, renovation, or rehabilitation of any freight rail service facilities. A project may also include any fixtures, machinery, or equipment used on, in or in connection with any such facilities. A project may be for any freight transportation purpose, provided that the authority determines that the project will further the public purposes of this chapter.

(b) "Railroad grade crossing project" means the closure of public roadway/railroad grade crossings, realignment of construction costs of roadways being rerouted to facilitate a closure of a public roadway/railroad grade crossing, the improvement of existing public roadway/railroad grade crossings and the installation of safe roadway/railroad grade crossings.

SECTION 3. Section 57-44-5, Mississippi Code of 1972, is amended as follows:

57-44-5. (1) There is established a local governments freight rail service project revolving loan program to be administered by the Mississippi Development Authority for the purpose of making loans to counties and municipalities that the governing authorities of such counties and municipalities may utilize to make loans to railroad corporations for freight rail service projects.

(2) There is established a local governments railroad grade crossing project grant program to be administered by the Mississippi Development Authority for the purpose of providing grants to counties and municipalities that the governing authorities of such counties and municipalities may utilize for railroad grade crossing projects.
SECTION 4. Section 57-44-7, Mississippi Code of 1972, is amended as follows:

57-44-7. (1) There is created a special fund in the State Treasury to be designated as the "Local Governments Freight Rail Service and Railroad Grade Crossing Project Grant and Revolving Loan Fund," which fund shall consist of such monies as provided in Sections 57-44-11 through 57-44-39. The fund shall be maintained in perpetuity for the purposes established in this chapter. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund. Monies in the fund may not be used or expended for any purpose except as authorized under this chapter.

(2) (a) The Mississippi Development Authority shall establish a loan program by which loans, at a rate of interest not to exceed one percent (1%) less than the federal reserve discount rate, may be made available to counties and incorporated municipalities to provide loans to counties and incorporated municipalities which may be used by the governing authorities of such counties and municipalities to provide loans to railroad corporations for freight rail service projects. Loans from the revolving fund may be made to counties and municipalities as set forth in a loan agreement in amounts established by the Mississippi Development Authority. The Mississippi Development Authority may establish a maximum amount for any loan in order to provide for broad and equitable participation in the program.

(b) The Mississippi Development Authority shall establish a grant program by which grants may be made available to counties and incorporated municipalities to provide grants to counties and incorporated municipalities which may be used by the governing authorities of such counties and municipalities for railroad grade crossing projects. Grants from the revolving fund may be made to counties and municipalities as set forth in a grant
agreement in amounts established by the Mississippi Development Authority. The Mississippi Development Authority may establish a maximum amount for any grant in order to provide for broad and equitable participation in the program.

(3) A county that receives a loan from the revolving fund shall pledge for repayment of the loan any part of the homestead exemption annual tax loss reimbursement to which it may be entitled under Section 27-33-77. An incorporated municipality that receives a loan from the revolving fund shall pledge for repayment of the loan any part of the sales tax revenue distribution to which it may be entitled under Section 27-65-75.

Each loan agreement shall provide for (i) monthly payments, (ii) semiannual payments or (iii) other periodic payments, the annual total of which shall not exceed the annual total for any other year of the loan by more than fifteen percent (15%). The loan agreement shall provide for the repayment of all funds received within not more than fifteen (15) years from the date of project completion.

(4) The State Auditor, upon request of the Mississippi Development Authority, shall audit the receipts and expenditures of a county or an incorporated municipality whose loan payments appear to be in arrears, and if he finds that the county or municipality is in arrears in such payments, he shall immediately notify the Executive Director of the Department of Finance and Administration who shall withhold all future payments to the county of homestead exemption reimbursements under Section 27-33-77 and all sums allocated to the county or the municipality under Section 27-65-75 until such time as the county or the municipality is again current in its loan payments as certified by the Mississippi Development Authority.

(5) Evidences of indebtedness which are issued pursuant to this chapter shall not be deemed indebtedness within the meaning
specified in Section 21-33-303 with regard to cities or incorporated towns, and in Section 19-9-5 with regard to counties.

SECTION 5. Section 57-44-9, Mississippi Code of 1972, is amended as follows:

57-44-9. In administering the provisions of this chapter, the Mississippi Development Authority shall have the following powers and duties:

(a) To supervise the use of all funds made available under this chapter;

(b) To review all freight rail service projects for which loans are made under this chapter by local governments;

(c) To requisition monies in the Local Governments Freight Rail Service and Railroad Grade Project Grant and Revolving Loan Fund and distribute those monies to counties and municipalities, on a project-by-project basis in accordance with the provisions of this chapter;

(d) To insure that the funds made available to a county or an incorporated municipality under this chapter provide for an equitable distribution of projects and funds among the counties and incorporated municipalities;

(e) To maintain an accurate record of all funds made available to counties and municipalities.

(f) To adopt and promulgate such rules and regulations as may be necessary or desirable for the purpose of implementing the provisions of this chapter; and

(g) To file annually with the Legislature a report detailing how monies in the *** fund were spent during the preceding fiscal year in each county and incorporated municipality, the number of freight rail service projects and railroad grade crossing projects constructed, and the cost of each project.
SECTION 6. This act shall take effect and be in force from July 1, 2001.