

By: Senator(s) Minor, Dearing, Furniss

To: Finance

SENATE BILL NO. 2986

1 AN ACT TO AMEND SECTION 57-44-11, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE AMOUNT OF BONDS THAT MAY BE ISSUED TO FUND LOCAL
3 GOVERNMENT FREIGHT RAIL SERVICE PROJECTS; TO AMEND SECTION
4 57-44-7, MISSISSIPPI CODE OF 1972, TO INCREASE THE MAXIMUM AMOUNT
5 OF GRANTS THAT MAY BE MADE TO COUNTIES FROM MONIES IN THE LOCAL
6 GOVERNMENTS FREIGHT RAIL SERVICE PROJECT REVOLVING LOAN FUND; AND
7 FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 57-44-11, Mississippi Code of 1972, is
10 amended as follows:

11 57-44-11. (1) The State Bond Commission, at one time, or
12 from time to time, may declare by resolution the necessity for
13 issuance of general obligation bonds of the State of Mississippi
14 to provide funds for all costs incurred or to be incurred for the
15 purposes described in Section 57-44-7. Upon the adoption of a
16 resolution by the Mississippi Development Authority, declaring the
17 necessity for the issuance of any part or all of the general
18 obligation bonds authorized by this section, the Mississippi
19 Development Authority shall deliver a certified copy of its
20 resolution or resolutions to the State Bond Commission. Upon
21 receipt of such resolution, the State Bond Commission, in its
22 discretion, may act as the issuing agent, prescribe the form of
23 the bonds, advertise for and accept bids, issue and sell the bonds
24 so authorized to be sold and do any and all other things necessary
25 and advisable in connection with the issuance and sale of such
26 bonds. The total amount of bonds issued under Sections 57-44-11
27 through 57-44-39 shall not exceed Twenty Million Dollars
28 (\$20,000,000.00).



29 (2) Proceeds from the sale of bonds shall be deposited in
30 the special fund created in Section 57-44-7. Any investment
31 earnings on amounts deposited into the special fund created in
32 Section 57-44-7 shall be used to pay debt service on bonds issued
33 under Sections 57-44-11 through 57-44-39, in accordance with the
34 proceedings authorizing issuance of such bonds.

35 **SECTION 2.** Section 57-44-7, Mississippi Code of 1972, is
36 amended as follows:

37 57-44-7. (1) There is created a special fund in the State
38 Treasury to be designated as the "Local Governments Freight Rail
39 Service Project Revolving Loan Fund," which fund shall consist of
40 such monies as provided in Sections 57-44-11 through 57-44-39.
41 The fund shall be maintained in perpetuity for the purposes
42 established in this chapter. Unexpended amounts remaining in the
43 fund at the end of a fiscal year shall not lapse into the State
44 General Fund, and any interest earned on amounts in the fund shall
45 be deposited to the credit of the fund. Monies in the fund may
46 not be used or expended for any purpose except as authorized under
47 this chapter. However, the Mississippi Development Authority, in
48 order to promote the safety of the general public, shall establish
49 a program to permit monies from the Local Governments Freight Rail
50 Service Project Revolving Loan Fund to be provided to counties in
51 the form of grants to assist counties in defraying expenses
52 relating to the upgrading of railroad grade crossings. Only
53 projects approved by the Mississippi Department of Transportation
54 shall be eligible for such grants. The Mississippi Development
55 Authority, by rule and regulation, shall establish the maximum
56 amount of any grant awarded to a county and may establish such
57 other rules and regulations as it deems appropriate or necessary
58 to administer the grant program and ensure that monies in the fund
59 are made available to all counties on an equitable basis. Federal
60 funds shall be utilized to pay not less than five percent (5%) of
61 the cost of each project. However, the maximum amount of such



62 grants to all counties may not exceed Ten Million Dollars
63 (\$10,000,000.00), in the aggregate.

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

77 (3) A county that receives a loan from the revolving fund
78 shall pledge for repayment of the loan any part of the homestead
79 exemption annual tax loss reimbursement to which it may be
80 entitled under Section 27-33-77. An incorporated municipality
81 that receives a loan from the revolving fund shall pledge for
82 repayment of the loan any part of the sales tax revenue
83 distribution to which it may be entitled under Section 27-65-75.
84 Each loan agreement shall provide for (i) monthly payments, (ii)
85 semiannual payments or (iii) other periodic payments, the annual
86 total of which shall not exceed the annual total for any other
87 year of the loan by more than fifteen percent (15%). The loan
88 agreement shall provide for the repayment of all funds received
89 within not more than fifteen (15) years from the date of project
90 completion.

91 (4) The State Auditor, upon request of the Mississippi
92 Development Authority, shall audit the receipts and expenditures
93 of a county or an incorporated municipality whose loan payments
94 appear to be in arrears, and if he finds that the county or



95 municipality is in arrears in such payments, he shall immediately
96 notify the Executive Director of the Department of Finance and
97 Administration who shall withhold all future payments to the
98 county of homestead exemption reimbursements under Section
99 27-33-77 and all sums allocated to the county or the municipality
100 under Section 27-65-75 until such time as the county or the
101 municipality is again current in its loan payments as certified by
102 the Mississippi Development Authority.

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

107 **SECTION 3.** This act shall take effect and be in force from
108 and after July 1, 2003.

