

By: Senator(s) Minor, Dearing, Furniss

To: Finance

SENATE BILL NO. 2986
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 57-44-11, MISSISSIPPI CODE OF 1972,
2 TO INCREASE TO \$18,000,000.00 THE AMOUNT OF BONDS THAT MAY BE
3 ISSUED TO FUND LOCAL GOVERNMENT FREIGHT RAIL SERVICE PROJECTS; TO
4 AMEND SECTION 57-44-7, MISSISSIPPI CODE OF 1972, TO INCREASE THE
5 MAXIMUM AMOUNT OF GRANTS THAT MAY BE MADE TO COUNTIES FROM MONIES
6 IN THE LOCAL GOVERNMENTS FREIGHT RAIL SERVICE PROJECT REVOLVING
7 LOAN FUND; TO AUTHORIZE THE MISSISSIPPI TRANSPORTATION COMMISSION
8 TO ACQUIRE RAILROADS THAT ARE PROPOSED TO BE ABANDONED BY RAIL
9 CARRIERS AND TO GRANT THE COMMISSION CERTAIN POWERS IN REGARD TO
10 SUCH RAILROADS; AND FOR RELATED PURPOSES.

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

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

14 57-44-11. (1) The State Bond Commission, at one time, or
15 from time to time, may declare by resolution the necessity for
16 issuance of general obligation bonds of the State of Mississippi
17 to provide funds for all costs incurred or to be incurred for the
18 purposes described in Section 57-44-7. Upon the adoption of a
19 resolution by the Mississippi Development Authority, declaring the
20 necessity for the issuance of any part or all of the general
21 obligation bonds authorized by this section, the Mississippi
22 Development Authority shall deliver a certified copy of its
23 resolution or resolutions to the State Bond Commission. Upon
24 receipt of such resolution, the State Bond Commission, in its
25 discretion, may act as the issuing agent, prescribe the form of
26 the bonds, advertise for and accept bids, issue and sell the bonds
27 so authorized to be sold and do any and all other things necessary
28 and advisable in connection with the issuance and sale of such
29 bonds. The total amount of bonds issued under Sections 57-44-11
30 through 57-44-39 shall not exceed Eighteen Million Dollars
31 (\$18,000,000.00).



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

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

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



65 grants to all counties may not exceed Eight Million Dollars
66 (\$8,000,000.00), in the aggregate.

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

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

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



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

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

110 **SECTION 3.** (1) If a rail carrier files a notice of intent
111 to abandon or discontinue as provided for in the Interstate
112 Commerce Act, the Mississippi Transportation Commission shall have
113 the power to acquire the railroad that is proposed to be abandoned
114 or discontinued. The Mississippi Transportation Commission shall
115 have the power to construct, own, hold, control, use, extend,
116 relocate, operate, maintain, repair, equip and lease such railroad
117 and any machinery, equipment or other facilities required and
118 incidental to the ownership and operation of such railroad.

119 (2) For the purposes provided for in subsection (1) of this
120 section, the Mississippi Transportation Commission shall have the
121 power to acquire rights-of-way, land, easements, property and
122 interests in property by gift, purchase, condemnation or
123 otherwise. In exercising condemnation under this section, the
124 commission shall condemn property in the manner provided by law.

125 **SECTION 4.** This act shall take effect and be in force from
126 and after July 1, 2003.

