

By: Senator(s) Dearing

To: Highways and
Transportation; Finance

SENATE BILL NO. 2007

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 IN 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 AND 57-43-11, MISSISSIPPI CODE
 17 OF 1972, TO EXPAND THE USES FOR WHICH FUNDS IN THE RAILROAD
 18 REVITALIZATION FUND MAY BE UTILIZED; TO PROVIDE THAT GRANTS MADE
 19 FROM THE RAILROAD REVITALIZATION FUND SHALL INCLUDE AS A CONDITION
 20 THAT, AS A PREREQUISITE TO RECEIVING A GRANT, A RAILROAD
 21 CORPORATION SHALL AGREE NOT TO ABANDON ANY SECTION OF RAIL LINE
 22 UPON WHICH SUCH GRANT IS SPENT FOR A PERIOD OF NOT LESS THAN TEN
 23 YEARS; TO AUTHORIZE COUNTIES AND MUNICIPALITIES TO ENTER INTO
 24 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 AGREES NOT TO ABANDON ANY SECTION OF RAIL
 33 LINE ON WHICH THE PROCEEDS OF SUCH LOAN ARE TO BE SPENT UNTIL THE
 34 LOAN 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
384 stock of a 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
393 otherwise, * * * funds appropriated or otherwise provided by the
394 Legislature for rail line assistance shall be deposited in the
395 Railroad Revitalization Fund. Any monies received by the
396 Mississippi Transportation Commission by agreements, grants, gifts
397 or other means from railroad corporations, the United States
398 government, unless determined by the Mississippi Transportation
399 Commission to be otherwise allocated as provided in subsection (1)
400 of this section, individuals, companies or other business
401 entities, municipalities, counties, local railroad authorities or
402 regional railroad authorities, the Mississippi Development
403 Authority, economic development districts created pursuant to
404 Section 19-5-99, county port authorities, county development

405 commissions or other federal, state or local governmental agencies
406 for the purposes set forth in this chapter * * * shall be credited
407 to the Railroad Revitalization Fund. Any money remaining in the
408 fund at the end of any fiscal year shall not lapse into the State
409 General Fund and any interest received from investment of monies
410 in the fund shall be credited to the fund and shall not be
411 deposited into 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 or 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
470 portion of the monies loaned to such railroad corporation pursuant

471 to 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 Senate Bill No. 2007, 2004
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 Senate Bill No. 2007, 2004 Regular Session, shall require
527 repayment of such loan to the sinking fund established in Section
528 4 of Senate Bill No. 2007, 2004 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 Senate Bill No. 2007, 2004 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
549 corporation * * *. If said default is not satisfied in full
550 within thirty (30) days following notification of default by the
551 commission, the railroad corporation * * * shall be required to
552 pay in accordance with the default provisions of the loan
553 agreement, and the Mississippi Transportation Commission may also
554 exercise any other rights it may have pursuant to such loan
555 agreement at law or equity. Any such agreement between the
556 Mississippi Transportation Commission and a railroad corporation
557 regarding a loan from the Railroad Revitalization Fund shall also
558 include a condition that, as a prerequisite to its receipt of such
559 loan, the railroad corporation agree not to abandon any section of
560 rail line on which the proceeds of such loan are to be spent until
561 the loan has been repaid in accordance with the loan agreement.

562 **SECTION 26.** Sections 1 through 19 of this act shall be
563 codified in Chapter 43, Title 57, Mississippi Code of 1972.

564 **SECTION 27.** This act shall take effect and be in force from
565 and after July 1, 2004.