

By: Representatives Bell (65th), Stamps

To: Transportation

HOUSE BILL NO. 723

1 AN ACT TO ESTABLISH THE MISSISSIPPI TRANSIT CORPORATION; TO  
 2 PROVIDE THAT THE CORPORATION SHALL PROVIDE SAFE, RELIABLE AND  
 3 COST-EFFECTIVE BUS, RAIL AND LIGHT RAIL TRANSIT SERVICES FOR THE  
 4 STATE; TO PROVIDE THE COMPOSITION OF THE BOARD OF DIRECTORS OF THE  
 5 CORPORATION; TO PROVIDE THE POWERS AND DUTIES OF THE BOARD OF  
 6 DIRECTORS OF SUCH CORPORATION; TO CREATE THE MISSISSIPPI TRANSIT  
 7 CORPORATION STUDY COMMITTEE; TO PROVIDE THAT THE COMMITTEE SHALL  
 8 DEVELOP RECOMMENDATIONS TO PROVIDE SAFE, RELIABLE AND  
 9 COST-EFFECTIVE BUS, RAIL AND LIGHT RAIL TRANSIT SERVICES FOR THE  
 10 STATE OF MISSISSIPPI, AND REPORT TO THE LEGISLATURE SUCH FINDINGS;  
 11 TO PROVIDE THAT THE COMMITTEE SHALL IDENTIFY AND EXAMINE ALL  
 12 FEDERAL REVENUE RECEIVED BY THE STATE AND ALL STATE FUNDS SPENT ON  
 13 FEDERAL MATCHING THAT CAN ALLOWABLY BE SPENT, ALLOCATED,  
 14 TRANSFERRED, GRANTED OR EXPENDED DIRECTLY TO THE MISSISSIPPI  
 15 TRANSIT CORPORATION FOR PURPOSES OF PROVIDING BUS, RAIL AND LIGHT  
 16 RAIL TRANSIT SERVICES FOR THE STATE OF MISSISSIPPI; TO AMEND  
 17 SECTION 7-7-211, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE  
 18 PRECEDING PROVISIONS; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** (1) There is hereby established in the executive  
 21 branch of state government the Mississippi Transit Corporation, a  
 22 body corporate and politic with corporate succession. The  
 23 corporation is hereby allocated within the Department of  
 24 Transportation, but, notwithstanding this allocation, the  
 25 corporation shall be independent of any supervision or control by  
 26 the department or by any body or officer thereof. The corporation



27 is hereby constituted as an instrumentality of the state  
28 exercising public and essential governmental functions, and the  
29 exercise by the corporation of the powers conferred by this act  
30 shall be deemed and held to be an essential governmental function  
31 of the state.

32 (2) (a) The corporation shall be governed by a board of  
33 directors which shall consist of seventeen (17) members. The  
34 composition of the board is as follows:

35 (b) The Speaker of the Mississippi House of  
36 Representatives, or his designee;

37 (c) The Lieutenant Governor of the Senate, or his  
38 designee;

39 (d) The Executive Director of the Mississippi  
40 Department of Transportation;

41 (e) The Chairperson of the Jackson-Medgar Wiley Evers  
42 International Airport;

43 (f) Two (2) appointees made by the Mayor of the City of  
44 Canton, Mississippi;

45 (g) Two (2) appointees made by the Mayor of the City of  
46 Clinton, Mississippi;

47 (h) Two (2) appointees made by the Mayor of the City of  
48 Jackson, Mississippi;

49 (i) Two (2) appointees made by the Mayor of the City of  
50 Madison, Mississippi;



51 (j) Two (2) appointees made by the Mayor of the City of  
52 Meridian, Mississippi;

53 (k) Two (2) appointees made by the Mayor of the City of  
54 Vicksburg, Mississippi; and

55 (l) One (1) member who shall be a regular user of the  
56 public transit system, appointed by the Chairperson of the  
57 Commission of the Mississippi Department of Transportation.

58 All appointees, with the exception of the director appointed  
59 by the Executive Director of the Department of Transportation,  
60 shall each have experience as either a regular corporation  
61 motorbus regular route service rider or regular corporation rail  
62 passenger service or light rail service rider or have a  
63 professional background in passenger rail service, freight rail  
64 management, transportation capital planning, transportation and  
65 public transportation capital construction, federal transportation  
66 policy, state transportation policy, human resources management,  
67 or transportation capital finance.

68 (3) All public members shall serve for four (4) years  
69 staggered terms and until their successors are appointed and  
70 qualified provided, however, that a board member shall not serve  
71 beyond the expiration of that board member's term for more than  
72 ninety (90) days following the expiration of the term unless  
73 reappointed.

74 (4) Each public member may be removed from office by the  
75 Governor for cause. A vacancy in the membership of the board



76 occurring other than by expiration of term shall be filled in the  
77 same manner as the original appointment, but for the unexpired  
78 term only. The first appointments shall be for one (1), two (2),  
79 three (3) and four (4) years respectively, and thereafter for  
80 terms of four (4) years as stated. The board shall annually  
81 designate a vice chairperson and secretary. The secretary need  
82 not be a member.

83 For the purposes of this subsection "experience as a regular  
84 corporation motorbus regular route service rider" includes any  
85 rider who is a regular corporation motorbus regular route service  
86 rider at the time of the member's appointment or reappointment and  
87 any rider who has been a regular corporation motorbus regular  
88 route service rider in three (3) of the seven (7) years preceding  
89 the member's appointment or reappointment. Further, "experience  
90 as a regular corporation rail passenger service or light rail  
91 service rider" includes any rider who is a regular corporation  
92 rail passenger service or light rail service rider at the time of  
93 the member's appointment or reappointment and any rider who has  
94 been a regular corporation rail passenger service or light rail  
95 service rider in three (3) of the seven (7) years preceding the  
96 member's appointment or reappointment.

97 (5) Board members shall serve without compensation, but  
98 members shall be reimbursed for actual expenses necessarily  
99 incurred in the performance of their duties.



100 (6) The Executive Director of the Department of  
101 Transportation shall serve as chairperson of the board, chair  
102 board meetings, and shall have responsibility for the scheduling  
103 and convening of all meetings of the board. In the absence of the  
104 chairperson, the vice chairperson shall chair the board meeting.  
105 A designee may lawfully vote and otherwise act on behalf of the  
106 member for whom the person constitutes the designee. Any such  
107 designation shall be in writing delivered to the board and shall  
108 continue in effect until revoked or amended by writing delivered  
109 to the board.

110 (7) Nine (9) members of the board shall constitute a quorum  
111 at any meeting thereof. Actions may be taken and motions and  
112 resolutions adopted by the board at any meeting thereof by the  
113 affirmative vote of at least nine (9) members. No vacancy in the  
114 membership of the board shall impair the right of a quorum to  
115 exercise all the rights and perform all the duties of the board.

116 (8) A true copy of the minutes of every meeting of the board  
117 shall be published on the website of the corporation and available  
118 for inspection at the office of the corporation.

119 **SECTION 2.** The board meetings shall be subject to the Open  
120 Meetings Act and the board shall hold a minimum of ten (10) public  
121 board meetings per year. Public hearings held pursuant to this  
122 subsection shall not be considered public board meetings for the  
123 purposes of this subsection.



124           **SECTION 3.** (1) The board of directors of the corporation  
125 shall:

126                   (a) Execute direct oversight of the corporation's  
127 executive director and other management in the effective and  
128 ethical management of the corporation, including review and  
129 approval of any quarterly changes to the schedules for motorbus  
130 regular route service, rail passenger service, or light rail  
131 service;

132                   (b) Understand, review, and monitor the implementation  
133 of fundamental financial and management controls and operational  
134 decisions of the corporation, including review and approval of any  
135 quarterly changes to the schedules for motorbus regular route  
136 service, rail passenger service, or light rail service;

137                   (c) Establish policies regarding the payment of salary,  
138 compensation, and reimbursements to, and establish rules for the  
139 time and attendance of, the executive director and management  
140 consistent with state law;

141                   (d) Adopt a code of ethics, in consultation with the  
142 chief ethics officer, applicable to each board member, officer,  
143 and employee that, at a minimum, includes the applicable standards  
144 established by state law;

145                   (e) Require that the corporation establish written  
146 policies and procedures on personnel including policies protecting  
147 employees from retaliation for disclosing information concerning



148 acts of wrongdoing, misconduct, malfeasance, or other  
149 inappropriate behavior by an employee of the corporation;

150 (f) Adopt a policy that provides guidelines for when it  
151 is appropriate for the chief ethics officer to forward the results  
152 and findings of a preliminary investigation conducted by the chief  
153 ethics officer to the Mississippi Ethics Commission, Office of the  
154 Attorney General, county prosecutor's office, or any other  
155 appropriate agency for further investigation or action; and

156 (g) Adopt a defense and indemnification policy and  
157 disclose such plan to any and all prospective board members.

158 The members of the board shall perform each of their duties  
159 as board members, including, but not limited to, those imposed by  
160 this section, in good faith and with that degree of diligence,  
161 care, and skill which an ordinarily prudent person in like  
162 position would use under similar circumstances, and may take into  
163 consideration the views and policies of any elected official or  
164 body, or other person and ultimately apply independent judgment in  
165 the best interest of the corporation, its mission, and the public.

166 (2) At the time that a board member takes and subscribes the  
167 board member's oath of office, the board member shall execute an  
168 acknowledgement, in a form developed by the corporation, in which  
169 the board member shall, at a minimum:

170 (a) Acknowledge that the board member understands that  
171 a board member has a fiduciary obligation to perform duties and  
172 responsibilities to the best of the board member's abilities, in



173 good faith and with proper diligence and care, consistent with the  
174 enabling compact, mission, and bylaws of the corporation and the  
175 applicable laws of this state; and that the fiduciary duty to the  
176 corporation is derived from and governed by its mission;

177 (b) Acknowledge that the board member understands the  
178 board member's duty of loyalty and care to the corporation and  
179 commitment to the corporation's mission and the public interest;  
180 and the board member's obligation to act in the best interests of  
181 the corporation and the people whom the corporation serves;

182 (c) Agree that a board member has an obligation to  
183 become knowledgeable about the mission, purpose, functions,  
184 responsibilities, and statutory duties of the corporation and,  
185 when necessary, to make reasonable inquiry of management and  
186 others with knowledge and expertise so as to inform the board  
187 member's decisions;

188 (d) Agree to exercise independent judgment on all  
189 matters before the board;

190 (e) Agree not to divulge confidential discussions and  
191 confidential matters that come before the board for consideration  
192 or action;

193 (f) Agree to disclose to the board any conflicts, or  
194 the appearance of a conflict, of a personal, financial, ethical,  
195 or professional nature that could inhibit the board member from  
196 performing the board member's duties in good faith and with due  
197 diligence and care; and





198 (g) Certify that the board member does not have any  
199 interest in, financial or otherwise, direct or indirect, or engage  
200 in any business or transaction or professional activity or incur  
201 any obligation of any nature, which is in substantial conflict  
202 with the proper discharge of the board member's duties in the  
203 public interest or as determined by the Mississippi State Ethics  
204 Commission.

205 (3) Individuals appointed to the board of directors shall  
206 participate in training regarding their legal, fiduciary,  
207 financial, and ethical responsibilities as directors of the  
208 corporation within six (6) months of appointment to the board.  
209 Board members shall participate in continuing training as may be  
210 required to remain informed of best practices, regulatory and  
211 statutory changes relating to the effective oversight of the  
212 management and financial activities of public authorities, and to  
213 adhere to the highest standards of responsible governance.

214 (4) No board member, including the chairperson, shall serve  
215 as the corporation's executive director, chief financial officer,  
216 or hold any senior management position while serving as a member  
217 of the board.

218 **SECTION 4.** In addition to the powers and duties conferred  
219 upon it elsewhere in this act, the corporation may do all acts  
220 necessary and reasonably incident to carrying out the objectives  
221 of this act, including, but not in limitation thereof, the  
222 following:



- 223                   (a) Sue and be sued;
- 224                   (b) Have an official seal and alter the same at  
225 pleasure;
- 226                   (c) Make and alter bylaws for its organization and  
227 internal management and for the conduct of its affairs and  
228 business;
- 229                   (d) Maintain an office at such place or places within  
230 the state as it may determine;
- 231                   (e) Adopt, amend and repeal such rules and regulations  
232 as it may deem necessary to effectuate the purposes of this act,  
233 which shall have the force and effect of law; it shall publish the  
234 same and file them in accordance with state law;
- 235                   (f) Call to its assistance and avail itself of the  
236 service of such employees of any federal, state, county or  
237 municipality or state agency as it may require and as may be  
238 available to it for said purpose;
- 239                   (g) Apply for, accept and expend money from any  
240 federal, state, county or municipal agency or instrumentality and  
241 from any private source; comply with federal statutes, rules and  
242 regulations, and qualify for and receive all forms of financial  
243 assistance available under federal law to assure the continuance  
244 of, or for the support or improvement of public transportation and  
245 as may be necessary for that purpose to enter into agreements,  
246 including federally required labor protective agreements;



247 (h) Plan, design, construct, equip, operate, improve  
248 and maintain, either directly or by contract with any public or  
249 private entity, public transportation services, capital equipment  
250 and facilities or any parts or functions thereof, and other  
251 transportation projects, or any parts or functions thereof, which  
252 may be funded with federal, state or local proceeds or any  
253 successor or additional federal funds having substantially the  
254 same or similar purposes or functions; the operation of the  
255 facilities of the corporation, by the corporation or any public or  
256 private entity, may include appropriate and reasonable limitations  
257 on competition in order that maximum service may be provided most  
258 efficiently to the public;

259 (i) Apply for and accept, from appropriate regulatory  
260 bodies, authority to operate public transportation services where  
261 necessary;

262 (j) Purchase, lease as lessee, or otherwise acquire,  
263 own, hold, improve, use and otherwise deal in and with real or  
264 personal property, or any interest therein, from any public or  
265 private entity, wherever situated;

266 (k) Lease as lessor, sell or otherwise dispose of on  
267 terms which the corporation may prescribe, real and personal  
268 property, including tangible or intangible property and consumable  
269 goods, or any interest therein, to any public or private entity,  
270 in the exercise of its powers and the performance of its duties  
271 under this act. In order to provide or encourage adequate and



272 efficient public transportation service, the corporation may lease  
273 or otherwise permit the use or occupancy of property without cost  
274 or at a nominal rental;

275           (1) Restrict the rights of persons to enter upon or  
276 construct any works in or upon any property owned or leased by the  
277 corporation, except under such terms as the corporation may  
278 prescribe; perform or contract for the performance of all acts  
279 necessary for the management, maintenance and repair of real or  
280 personal property leased or otherwise used or occupied pursuant to  
281 this act;

282           (m) Establish one or more operating divisions as deemed  
283 necessary;

284           (n) Set and collect fares and determine levels of  
285 service for service provided by the corporation either directly or  
286 by contract including, but not limited to, such reduced fare  
287 programs as deemed appropriate by the corporation; revenues  
288 derived from such service may be collected by the corporation and  
289 shall be available to the corporation for use in furtherance of  
290 any of the purposes of this act;

291           (o) Set and collect rentals, fees, charges or other  
292 payments from the lease, use, occupancy or disposition of  
293 properties owned or leased by the corporation; such revenues shall  
294 be available to the corporation for use in furtherance of any of  
295 the purposes of this act;



296 (p) Deposit corporate revenues in interest bearing  
297 accounts or in the State General Fund;

298 (q) Delegate to subordinate officers of the corporation  
299 such powers and duties as the corporation shall deem necessary and  
300 proper to carry out the purposes of this act;

301 (r) Procure and enter into contracts for any type of  
302 insurance and indemnify against loss or damage to property from  
303 any cause, including loss of use and occupancy, against death or  
304 injury of any person, against employees' liability, against any  
305 act of any member, officer, employee or servant of the  
306 corporation, whether part-time, full-time, compensated or  
307 noncompensated, in the performance of the duties of his office or  
308 employment or any other insurable risk. In addition, the  
309 corporation may carry its own liability insurance and may also  
310 establish and utilize a wholly-owned insurance subsidiary or  
311 captive provided the subsidiary or captive is domiciled in the  
312 United States in a state which is accredited by the National  
313 Association of Insurance Commissioners and which licenses and  
314 regulates wholly-owned insurance subsidiaries or captives;

315 (s) Promote the use of public transportation services,  
316 coordinate ticket sales and passenger information and sell, lease  
317 or otherwise contract for advertising in or on the equipment or  
318 facilities of the corporation;

319 (t) Adopt and maintain employee benefit programs for  
320 employees of the corporation including, but not limited to,



321 pension, deferred compensation, medical disability, and death  
322 benefits, and which programs may utilize insurance contracts,  
323 trust funds, and any other appropriate means of providing the  
324 stipulated benefits, and may involve new plans or the continuation  
325 of plans previously established by entities acquired by the  
326 corporation;

327           (u) Own, control, vote, and exercise any and all other  
328 rights incidental to the ownership of any equity, membership  
329 interest, or any shares of the capital stock of any incorporated  
330 entity acquired, formed, incorporated, or established by law by  
331 the corporation pursuant to the powers granted by this act. Any  
332 such corporate entity may be utilized in order to enable the  
333 corporation to participate with other private or public entities  
334 in any transaction, memorandum of understanding, undertaking, or  
335 arrangement that the corporation would have the power to conduct  
336 by itself, whether or not such participation involves sharing or  
337 delegation of control with or to other public or private entities  
338 regarding the ownership, operation, control, and management of  
339 services, equipment or facilities. For purposes of this  
340 subsection, "corporate entity" means any business entity,  
341 including, but not limited to, any corporation, limited liability  
342 company, joint venture, limited partnership, general partnership,  
343 association of any kind, or collaborative arrangement that may be  
344 jointly owned by the corporation and any other public or private  
345 entities that provide public transportation services;



346 (v) Enter into any and all agreements or contracts,  
347 execute any and all instruments, and do and perform any and all  
348 acts or things necessary, convenient or desirable for the purposes  
349 of the corporation, or to carry out any power expressly or  
350 implicitly given in this act;

351 (w) (i) Issue operating grant anticipation notes which  
352 shall be secured and retired from operating assistance grants or  
353 any successor or additional federal act having substantially the  
354 same or similar purposes or functions, (ii) issue capital grant  
355 anticipation notes which shall be secured and retired from capital  
356 assistance grants or any successor or additional federal act  
357 having substantially the same or similar purposes or functions;  
358 (iii) borrow money or issue general obligation bonds or notes  
359 secured by the full faith and credit of the State of Mississippi;  
360 (iv) issue revenue bonds or notes secured by operating fares or  
361 the general fund of the corporation; and (v) issue limited  
362 obligation bonds secured by a regional transit tax. As used in  
363 this paragraph, "operating grant anticipation notes" or "capital  
364 grant anticipation notes" (hereinafter referred to as "notes")  
365 means credit obligations issued in anticipation of these grants.  
366 As used in this paragraph, "general obligation bonds, limited  
367 obligation bonds and revenue bonds" (hereinafter referred to as  
368 "bonds") means securities issued for the purpose of capital  
369 improvements along with acquiring, improving, enlarging, or  
370 extending the corporation's transportation system.



371           The notes and bonds shall be authorized by a resolution or  
372 resolutions of the corporation, and may be issued in one or more  
373 series and shall bear the date, or dates, bear interest at the  
374 rate or rates of interest per annum, be in the denomination or  
375 denominations, be in the form, carry the conversion or  
376 registration privileges, have the rank or priority, be executed in  
377 such manner as the resolution or resolutions require. The notes  
378 and bonds may be sold at public or private sale at the price or  
379 prices and in the manner that the corporation determines. The  
380 notes and bonds of the corporation, the sale or transfer thereof,  
381 and the income derived therefrom by the purchasers of the notes,  
382 shall, at all times, be free from taxation for state or local  
383 purposes, under any law of the state or any political subdivision  
384 thereof. Notes and bonds may be issued without obtaining the  
385 consent of any department, division, commission, board, bureau or  
386 agency of the state, and without any other proceedings or  
387 conditions except when secured by the general obligation of the  
388 state, the corporation shall obtain the approval of the State Bond  
389 Commission.

390           The notes and bonds shall be payable from (i) note proceeds,  
391 to the extent not disbursed to the corporation, (ii) grant  
392 payments if, as, and when received from the federal government,  
393 (iii) investment earnings on note proceeds, to the extent not  
394 disbursed to the corporation, (iv) revenues received from fares  
395 collected by the corporation, (v) regional transit tax and (vi)





396 the general obligation of the State of Mississippi. Each note or  
397 bond shall contain on its face a statement to the effect that the  
398 corporation is obligated to pay the principal thereof or the  
399 interest thereon. Neither the members of the corporation's board  
400 nor any person executing the transactions are personally liable on  
401 those notes nor are they otherwise liable for their actions; and

402 (x) Enter into agreements with local government units  
403 of the state under Section 57-64-1, et seq., and have all powers  
404 afforded to the corporation pursuant to the Regional Economic  
405 Development Act.

406 (y) Enter into agreements with a public or private  
407 entity or consortia thereof to provide for the development of  
408 demonstration projects through the use of public-private  
409 partnerships.

410 (z) Levy and collect a regional transit tax within the  
411 service area of the corporation dedicated to the purpose of public  
412 transportation.

413 **SECTION 5.** (1) The corporation or any subsidiary thereof  
414 shall not be considered a public utility as defined under Section  
415 77-3-3.

416 (2) Before implementing the substantial curtailment or  
417 abandonment of motorbus regular route or rail passenger services,  
418 the corporation shall hold at least two (2) public hearings in the  
419 affected counties, within one-half (1/2) mile of the route and, to  
420 the extent practicable, near each terminus of the route. At least



421 one (1) of the two (2) hearings shall take place on a state  
422 working day. Each public hearing shall be attended by at least  
423 two (2) members of the corporation's board of directors. Each  
424 public hearing in an affected county shall consist of two (2)  
425 sessions, the first of which shall be for at least two (2) hours  
426 in the afternoon between 2:00 p.m. and 6:00 p.m. and the second of  
427 which shall take place in the evening in the same place and on the  
428 same day for at least two (2) hours between 6:00 p.m. and 10:00  
429 p.m.

430 (3) Before implementing any fare increase for any motorbus  
431 regular route or rail passenger services, at least ten (10) public  
432 hearings shall be held and shall be distributed geographically  
433 throughout the state. Not more than one (1) hearing shall take  
434 place in each county, and each hearing shall be located within  
435 one-quarter (1/4) mile of both a rail passenger service line and a  
436 motorbus regular route. At least half of the hearings shall take  
437 place on state working days. Each public hearing shall be  
438 attended by at least two (2) members of the corporation's board of  
439 directors. Each public hearing in an affected county shall  
440 consist of two (2) sessions, the first of which shall be for at  
441 least two (2) hours in the afternoon between 2:00 p.m. and 6:00  
442 p.m. and the second of which shall take place in the evening in  
443 the same place and on the same day for at least two (2) hours  
444 between 6:00 p.m. and 10:00 p.m.



445           (4) For the hearings required under subsections (2) and (3)  
446 of this section, notice of the hearing shall be given by the  
447 corporation at least fifteen (15) days prior to the hearing to the  
448 governing body of each county whose residents will be affected and  
449 to the clerk of each municipality in the county or counties whose  
450 residents will be affected; the notice shall also be posted at  
451 least 15 days prior to the hearing in prominent places on the  
452 railroad cars and buses serving the routes to be affected. In  
453 addition to the public hearing, the corporation shall post, in  
454 prominent places on the railroad cars and buses serving the routes  
455 to be affected, a postal mailing address and electronic mailing  
456 address where members of the public may provide written comments  
457 to the corporation regarding the proposed fare increase or  
458 substantial curtailment or abandonment of service. The  
459 corporation shall prepare and publish a written response  
460 concerning any issue or concern raised by a member of the public  
461 at any public hearing or in any written comment provided pursuant  
462 to this subsection.

463           (5) Notice of its intent to discontinue, substantially  
464 curtail, or abandon any motorbus regular route service or rail  
465 passenger service shall be given by the corporation to the  
466 governing body of each county whose residents will be affected and  
467 to the clerk of each municipality in the county or counties whose  
468 residents will be affected at least forty-five (45) days prior to  
469 implementation of the change in service.



470 For the purposes of this subsection, "substantial  
471 curtailment" and "substantially curtail" shall include, but need  
472 not be limited to: the elimination of a motorbus regular route,  
473 scheduled trip, or scheduled stop along a motorbus regular route  
474 or of a rail passenger service line, scheduled trip, or scheduled  
475 stop along a rail passenger service line; a reduction of thirty  
476 (30) minutes or more in the beginning or end of service for the  
477 corporation's adopted schedule or timetable for a scheduled stop  
478 along a motorbus regular route or rail passenger service line; and  
479 any change to a motorbus regular route or rail passenger service  
480 which may increase barriers to accessibility for a person with  
481 disabilities.

482 **SECTION 6.** (1) The State Auditor shall conduct audits of  
483 the corporation, which shall occur at least once every seventy-two  
484 (72) months in a manner that is consistent with the Government  
485 Auditing Standards for audits utilized by the United States  
486 Government Accountability Office or its successor, the first of  
487 which shall be completed within twelve (12) months of the  
488 effective date of this act and shall focus on a specific area of  
489 the corporation's operations, as determined by the State Auditor.

490 (2) (a) At least once every five (5) years, the corporation  
491 shall hire an independent firm to: conduct a study on the  
492 financial management practices and budget reporting practices of  
493 mass transit agencies throughout the country; and prepare a report  
494 with findings regarding the best practices for financial



495 management and budget reporting by mass transit agencies and a  
496 comparison of those best practices with the practices and policies  
497 of the corporation.

498 (b) The first such report shall be issued within  
499 twenty-four (24) months of the effective date of this act. Each  
500 report shall be submitted to the Governor and the Legislature.

501 (3) The corporation shall adopt any best practices included  
502 in the report within six (6) months of the issuance of any report  
503 issued pursuant to subsection (b) of this section. Upon the  
504 affirmative vote of seven (7) members of the board of directors,  
505 the corporation may opt not to adopt individual policies or  
506 practices that are in line with the best practices of mass transit  
507 agencies throughout the country. If the corporation exercises  
508 this option, the corporation shall provide a detailed explanation  
509 of why adoption of that policy or practice is not in the best  
510 interest of the corporation.

511 **SECTION 7.** (1) The corporation, at the request of the  
512 chairperson of any standing legislative committee, as approved by  
513 the Speaker of the House or the Lieutenant Governor of the Senate  
514 as appropriate, shall be required to appear before that committee  
515 to present testimony and provide documents on any topic or subject  
516 requested by the committee and to respond to any questions by  
517 members of the committee.

518 (2) Unless otherwise agreed to by the chairperson of the  
519 committee, the corporation shall, at a minimum, be represented by



520 the chairperson of the board of directors, the executive director,  
521 and the chief financial officer, and any staff deemed necessary by  
522 the chairperson of the board, executive director, or chief  
523 financial officer to present testimony, provide documents, or  
524 respond to questions at any appearance required pursuant to this  
525 section. The chairperson of the legislative committee may require  
526 the appearance of any officer or employee of the corporation.

527 **SECTION 8.** (1) The corporation shall, by September 15 of  
528 each year, file with the Commissioner of Transportation a report  
529 in such format and detail as the Commissioner may require setting  
530 forth the actual, operational, capital and financial results of  
531 the previous fiscal year, the operational, capital and financial  
532 plan for the current fiscal year and a proposed operational,  
533 capital and financial plan for the next ensuing fiscal year.

534 (2) On or before October 31 of each year, the corporation  
535 shall make an annual report of its activities for the preceding  
536 fiscal year to the Governor, Speaker of the House, Lieutenant  
537 Governor and to the Chairperson of the Mississippi House of  
538 Representatives Transportation Committee and the Highways and  
539 Transportation Committee of the Mississippi Senate. Each such  
540 report shall set forth a complete operating and financial  
541 statement covering its operations and capital projects during the  
542 year. The report shall also include an account of the on-time  
543 performance of rail passenger service, including light rail  
544 service, operated by, or under contract to, the corporation,



545 including data for each such passenger line. The report shall  
546 provide a detailed discussion of the methodology used by the  
547 corporation in measuring on-time performance. The report shall  
548 include certain personnel information of employees of the  
549 corporation, including the average salary, number of employees in  
550 management positions, and number of employees that are not in  
551 management positions in key demographic groups, which shall  
552 include, at minimum, race, ethnicity, and gender.

553 (3) All records of minutes, accounts, bills, vouchers,  
554 contracts or other papers connected with or used or filed with the  
555 corporation or with any officer or employee acting on its behalf  
556 are hereby declared to be government records and shall be open to  
557 public inspection in accordance with the Open Records Act and  
558 regulations prescribed by the corporation.

559 (4) The corporation shall cause an audit of its books and  
560 accounts to be made at least once each year by certified public  
561 accountants and the cost thereof may be treated as a cost of  
562 operation. The audit shall be filed within four (4) months after  
563 the close of the fiscal year of the corporation and a certified  
564 duplicate copy thereof shall be filed with the Secretary of State.

565 (5) Notwithstanding the provisions of any law to the  
566 contrary, the State Auditor or a legally authorized representative  
567 may examine the accounts and books of the corporation.

568 (6) On or before May 1 of each year, the board shall approve  
569 and the corporation shall transmit an annual proposed budget



570 recommendation to the Chairman of the Commission of the  
571 Mississippi Department of Transportation, Speaker of the House,  
572 Lieutenant Governor and to the Chairperson of the Mississippi  
573 House of Representatives Transportation Committee and the Highways  
574 and Transportation Committee of the Mississippi Senate. The  
575 budget document shall be a two-year budget which covers the most  
576 recent completed fiscal year, estimated results for the fiscal  
577 year in progress, a recommendation for the fiscal year to  
578 commence, and estimated needs and projections for the following  
579 fiscal year. At a minimum, the budget shall provide detailed  
580 information in the following areas:

581 (a) An executive summary outlining the highlights of  
582 the budget document;

583 (b) A profile describing the history of the corporation  
584 and the services it provides;

585 (c) An analysis of regional and agency transportation  
586 trends, including a detailed ridership analysis;

587 (d) A synopsis of the current corporation business  
588 plan;

589 (e) A list of key performance indicators;

590 (f) A statement of current budget year assumptions  
591 regarding funding and ridership;

592 (g) A summary of the internal corporation budgeting  
593 process and its interaction with the statewide budgeting process;





594 (h) A description of the current corporation  
595 organizational structure;

596 (i) Detailed operating revenue and expense projections  
597 for each division within the corporation, with ten (10) year  
598 revenue and expense trends and five (5) year revenue and expense  
599 projections;

600 (j) A detailed headcount analysis by department or  
601 unit, which includes actual employee count, funded headcount,  
602 actual salary and fringe expenses, and recent employment trends;  
603 and

604 (k) A summary of the capital program and analysis of  
605 current capital projects for which capital funds have already been  
606 appropriated, but where the project is not yet complete, which  
607 includes the years of appropriation, amounts expended, future  
608 appropriations required to complete the project, and a brief  
609 analysis of project progress.

610 **SECTION 9.** (1) There is hereby created the Mississippi  
611 Transit Corporation Study Committee to identify and examine all  
612 federal revenue received by the State of Mississippi and all state  
613 funds spent on federal matching or maintenance of effort  
614 requirements that can allowably be spent, allocated, transferred,  
615 granted or expended directly to the Mississippi Transit  
616 Corporation and administered by the Mississippi Department of  
617 Transportation for purposes of developing strategies and



618 recommendations to provide safe, reliable and cost-effective bus,  
619 rail and light rail transit services for the State of Mississippi.

620 The committee shall, at a minimum, study and report to the  
621 2023 Regular Session of the Legislature the following:

622 (a) The total amount of federal revenue received by the  
623 State of Mississippi and the total amount of state funds spent on  
624 federal matching funds that can allowably fund the Mississippi  
625 Transit Corporation;

626 (b) A cost-benefit analysis examining the impact of  
627 providing bus, rail and light rail transit services through  
628 reprioritizing current expenditures of certain federal and state  
629 funds;

630 (c) The total number of individuals in the State of  
631 Mississippi earning eighty-five percent (85%) or less of state  
632 median income;

633 (d) The total annual funding required to serve certain  
634 areas in the State of Mississippi that may benefit from the  
635 transportation services provided by the Mississippi Transit  
636 Corporation;

637 (e) The economic impact of increasing the labor force  
638 participation rate by increasing access to transportation  
639 for unemployed and underemployed adults, and the economic impact  
640 of increased spending in the state based upon increasing such  
641 labor force;



642 (f) Examples in Mississippi and/or in other states of  
643 public transportation such as bus, rail and light rail transit  
644 services for those who may be unemployed or underemployed adults;

645 (g) Benefits to employers of employee access to bus,  
646 rail and light rail transit services for more Mississippi workers;  
647 and

648 (h) Recommendations for increasing the amount of  
649 federal revenue and state funds spent on bus, rail and light rail  
650 transit services for low- to moderate-income working individuals.

651 (2) The Study Committee shall be composed of the following  
652 eight (8) members:

653 (a) The Executive Director of the Mississippi  
654 Department of Transportation or his or her designee;

655 (b) The three (3) Transportation Commissioners from the  
656 northern, central and southern districts or their designees;

657 (c) A policy advisor from the Governor's office or his  
658 or her designee;

659 (d) The Chairman of the House Transportation Committee;

660 (e) The Chairman of the Senate Highways and  
661 Transportation Committee; and

662 (f) A designee of a nonprofit organization in  
663 Mississippi that provides transportation services to unemployed or  
664 underemployed adults.

665 (3) Appointments shall be made within thirty (30) days after  
666 the effective date of this act. The committee shall hold its



667 first meeting before September 1, 2022. The Executive Director of  
668 the Department of Transportation or his or her designee shall  
669 serve as chairman of the study committee.

670 (4) A majority of the members of the committee shall  
671 constitute a quorum. In the adoption of the rules, resolutions  
672 and reports, an affirmative vote of a majority of the members  
673 shall be required. All members shall be notified in writing of  
674 all meetings, and such notices shall be mailed at least five (5)  
675 days before the date on which a meeting is to be held.

676 (5) To effectuate the purposes of this section, any  
677 department, division, board, bureau, committee or agency of the  
678 state or any political subdivision thereof, shall, at the request  
679 of any member of the committee, provide such facilities,  
680 assistance, information and data as will enable the committee to  
681 properly carry out its duties.

682 **SECTION 10.** Section 7-7-211, Mississippi Code of 1972, is  
683 amended as follows:

684 7-7-211. The department shall have the power and it shall be  
685 its duty:

686 (a) To identify and define for all public offices of  
687 the state and its subdivisions generally accepted accounting  
688 principles or other accounting principles as promulgated by  
689 nationally recognized professional organizations and to consult  
690 with the State Fiscal Officer in the prescription and  
691 implementation of accounting rules and regulations;



692 (b) To provide best practices, for all public offices  
693 of regional and local subdivisions of the state, systems of  
694 accounting, budgeting and reporting financial facts relating to  
695 said offices in conformity with legal requirements and with  
696 generally accepted accounting principles or other accounting  
697 principles as promulgated by nationally recognized professional  
698 organizations; to assist such subdivisions in need of assistance  
699 in the installation of such systems; to revise such systems when  
700 deemed necessary, and to report to the Legislature at periodic  
701 times the extent to which each office is maintaining such systems,  
702 along with such recommendations to the Legislature for improvement  
703 as seem desirable;

704 (c) To study and analyze existing managerial policies,  
705 methods, procedures, duties and services of the various state  
706 departments and institutions upon written request of the Governor,  
707 the Legislature or any committee or other body empowered by the  
708 Legislature to make such request to determine whether and where  
709 operations can be eliminated, combined, simplified and improved;

710 (d) To postaudit each year and, when deemed necessary,  
711 preaudit and investigate the financial affairs of the departments,  
712 institutions, boards, commissions, or other agencies of state  
713 government, as part of the publication of a comprehensive annual  
714 financial report for the State of Mississippi, or as deemed  
715 necessary by the State Auditor. In complying with the  
716 requirements of this paragraph, the department shall have the



717 authority to conduct all necessary audit procedures on an interim  
718 and year-end basis;

719 (e) To postaudit and, when deemed necessary, preaudit  
720 and investigate separately the financial affairs of (i) the  
721 offices, boards and commissions of county governments and any  
722 departments and institutions thereof and therein; (ii) public  
723 school districts, departments of education and junior college  
724 districts; and (iii) any other local offices or agencies which  
725 share revenues derived from taxes or fees imposed by the State  
726 Legislature or receive grants from revenues collected by  
727 governmental divisions of the state; the cost of such audits,  
728 investigations or other services to be paid as follows: Such part  
729 shall be paid by the state from appropriations made by the  
730 Legislature for the operation of the State Department of Audit as  
731 may exceed the sum of Thirty-five Dollars (\$35.00) per man-hour  
732 for the services of each staff person engaged in performing the  
733 audit or other service plus the actual cost of any independent  
734 specialist firm contracted by the State Auditor to assist in the  
735 performance of the audit, which sum shall be paid by the county,  
736 district, department, institution or other agency audited out of  
737 its general fund or any other available funds from which such  
738 payment is not prohibited by law. Costs paid for independent  
739 specialists or firms contracted by the State Auditor shall be paid  
740 by the audited entity through the State Auditor to the specialist  
741 or firm conducting the postaudit.



742 Each school district in the state shall have its financial  
743 records audited annually, at the end of each fiscal year, either  
744 by the State Auditor or by a certified public accountant approved  
745 by the State Auditor. Beginning with the audits of fiscal year  
746 2010 activity, no certified public accountant shall be selected to  
747 perform the annual audit of a school district who has audited that  
748 district for three (3) or more consecutive years previously.  
749 Certified public accountants shall be selected in a manner  
750 determined by the State Auditor. The school district shall have  
751 the responsibility to pay for the audit, including the review by  
752 the State Auditor of audits performed by certified public  
753 accountants;

754 (f) To postaudit and, when deemed necessary, preaudit  
755 and investigate the financial affairs of the levee boards;  
756 agencies created by the Legislature or by executive order of the  
757 Governor; profit or nonprofit business entities administering  
758 programs financed by funds flowing through the State Treasury or  
759 through any of the agencies of the state, or its subdivisions; and  
760 all other public bodies supported by funds derived in part or  
761 wholly from public funds, except municipalities which annually  
762 submit an audit prepared by a qualified certified public  
763 accountant using methods and procedures prescribed by the  
764 department;

765 (g) To make written demand, when necessary, for the  
766 recovery of any amounts representing public funds improperly



767 withheld, misappropriated and/or otherwise illegally expended by  
768 an officer, employee or administrative body of any state, county  
769 or other public office, and/or for the recovery of the value of  
770 any public property disposed of in an unlawful manner by a public  
771 officer, employee or administrative body, such demands to be made  
772 (i) upon the person or persons liable for such amounts and upon  
773 the surety on official bond thereof, and/or (ii) upon any  
774 individual, partnership, corporation or association to whom the  
775 illegal expenditure was made or with whom the unlawful disposition  
776 of public property was made, if such individual, partnership,  
777 corporation or association knew or had reason to know through the  
778 exercising of reasonable diligence that the expenditure was  
779 illegal or the disposition unlawful. Such demand shall be  
780 premised on competent evidence, which shall include at least one  
781 (1) of the following: (i) sworn statements, (ii) written  
782 documentation, (iii) physical evidence, or (iv) reports and  
783 findings of government or other law enforcement agencies. Other  
784 provisions notwithstanding, a demand letter issued pursuant to  
785 this paragraph shall remain confidential by the State Auditor  
786 until the individual against whom the demand letter is being filed  
787 has been served with a copy of such demand letter. If, however,  
788 such individual cannot be notified within fifteen (15) days using  
789 reasonable means and due diligence, such notification shall be  
790 made to the individual's bonding company, if he or she is bonded.  
791 Each such demand shall be paid into the proper treasury of the





792 state, county or other public body through the office of the  
793 department in the amount demanded within thirty (30) days from the  
794 date thereof, together with interest thereon in the sum of one  
795 percent (1%) per month from the date such amount or amounts were  
796 improperly withheld, misappropriated and/or otherwise illegally  
797 expended. In the event, however, such person or persons or such  
798 surety shall refuse, neglect or otherwise fail to pay the amount  
799 demanded and the interest due thereon within the allotted thirty  
800 (30) days, the State Auditor shall have the authority and it shall  
801 be his duty to institute suit, and the Attorney General shall  
802 prosecute the same in any court of the state to the end that there  
803 shall be recovered the total of such amounts from the person or  
804 persons and surety on official bond named therein; and the amounts  
805 so recovered shall be paid into the proper treasury of the state,  
806 county or other public body through the State Auditor. In any  
807 case where written demand is issued to a surety on the official  
808 bond of such person or persons and the surety refuses, neglects or  
809 otherwise fails within one hundred twenty (120) days to either pay  
810 the amount demanded and the interest due thereon or to give the  
811 State Auditor a written response with specific reasons for  
812 nonpayment, then the surety shall be subject to a civil penalty in  
813 an amount of twelve percent (12%) of the bond, not to exceed Ten  
814 Thousand Dollars (\$10,000.00), to be deposited into the State  
815 General Fund;



816 (h) To investigate any alleged or suspected violation  
817 of the laws of the state by any officer or employee of the state,  
818 county or other public office in the purchase, sale or the use of  
819 any supplies, services, equipment or other property belonging  
820 thereto; and in such investigation to do any and all things  
821 necessary to procure evidence sufficient either to prove or  
822 disprove the existence of such alleged or suspected violations.  
823 The \* \* \* Division of Investigation of the State Department of  
824 Audit may investigate, for the purpose of prosecution, any  
825 suspected criminal violation of the provisions of this chapter.  
826 For the purpose of administration and enforcement of this chapter,  
827 the enforcement employees of the \* \* \* Division of Investigation  
828 of the State Department of Audit have the powers of a law  
829 enforcement officer of this state, and shall be empowered to make  
830 arrests and to serve and execute search warrants and other valid  
831 legal process anywhere within the State of Mississippi. All  
832 enforcement employees of the \* \* \* Division of Investigation of  
833 the State Department of Audit hired on or after July 1, 1993,  
834 shall be required to complete the Law Enforcement Officers  
835 Training Program and shall meet the standards of the program;

836 (i) To issue subpoenas, with the approval of, and  
837 returnable to, a judge of a chancery or circuit court, in termtime  
838 or in vacation, to examine the records, documents or other  
839 evidence of persons, firms, corporations or any other entities  
840 insofar as such records, documents or other evidence relate to



841 dealings with any state, county or other public entity. The  
842 circuit or chancery judge must serve the county in which the  
843 records, documents or other evidence is located; or where all or  
844 part of the transaction or transactions occurred which are the  
845 subject of the subpoena;

846 (j) In any instances in which the State Auditor is or  
847 shall be authorized or required to examine or audit, whether  
848 preaudit or postaudit, any books, ledgers, accounts or other  
849 records of the affairs of any public hospital owned or owned and  
850 operated by one or more political subdivisions or parts thereof or  
851 any combination thereof, or any school district, including  
852 activity funds thereof, it shall be sufficient compliance  
853 therewith, in the discretion of the State Auditor, that such  
854 examination or audit be made from the report of any audit or other  
855 examination certified by a certified public accountant and  
856 prepared by or under the supervision of such certified public  
857 accountant. Such audits shall be made in accordance with  
858 generally accepted standards of auditing, with the use of an audit  
859 program prepared by the State Auditor, and final reports of such  
860 audits shall conform to the format prescribed by the State  
861 Auditor. All files, working papers, notes, correspondence and all  
862 other data compiled during the course of the audit shall be  
863 available, without cost, to the State Auditor for examination and  
864 abstracting during the normal business hours of any business day.  
865 The expense of such certified reports shall be borne by the



866 respective hospital, or any available school district funds other  
867 than minimum program funds, subject to examination or audit. The  
868 State Auditor shall not be bound by such certified reports and  
869 may, in his or their discretion, conduct such examination or audit  
870 from the books, ledgers, accounts or other records involved as may  
871 be appropriate and authorized by law;

872 (k) The State Auditor shall have the authority to  
873 contract with qualified public accounting firms to perform  
874 selected audits required in paragraphs (d), (e), (f) and (j) of  
875 this section, if funds are made available for such contracts by  
876 the Legislature, or if funds are available from the governmental  
877 entity covered by paragraphs (d), (e), (f) and (j). Such audits  
878 shall be made in accordance with generally accepted standards of  
879 auditing. All files, working papers, notes, correspondence and  
880 all other data compiled during the course of the audit shall be  
881 available, without cost, to the State Auditor for examination and  
882 abstracting during the normal business hours of any business day;

883 (l) The State Auditor shall have the authority to  
884 establish training courses and programs for the personnel of the  
885 various state and local governmental entities under the  
886 jurisdiction of the Office of the State Auditor. The training  
887 courses and programs shall include, but not be limited to, topics  
888 on internal control of funds, property and equipment control and  
889 inventory, governmental accounting and financial reporting, and  
890 internal auditing. The State Auditor is authorized to charge a



891 fee from the participants of these courses and programs, which fee  
892 shall be deposited into the Department of Audit Special Fund.  
893 State and local governmental entities are authorized to pay such  
894 fee and any travel expenses out of their general funds or any  
895 other available funds from which such payment is not prohibited by  
896 law;

897 (m) Upon written request by the Governor or any member  
898 of the State Legislature, the State Auditor may audit any state  
899 funds and/or state and federal funds received by any nonprofit  
900 corporation incorporated under the laws of this state;

901 (n) To conduct performance audits of personal or  
902 professional service contracts by state agencies on a random  
903 sampling basis, or upon request of the State Personal Service  
904 Contract Review Board under Section 25-9-120(3);

905 (o) At the discretion of the State Auditor, the Auditor  
906 may conduct risk assessments, as well as performance and  
907 compliance audits based on Generally Accepted Government Auditing  
908 Standards (GAGAS) of any state-funded economic development program  
909 authorized under Title 57, Mississippi Code of 1972. After risk  
910 assessments or program audits, the State Auditor may conduct  
911 audits of those projects deemed high-risk, specifically as they  
912 identify any potential wrongdoing or noncompliance based on  
913 objectives of the economic development program. The Auditor is  
914 granted authority to gather, audit and review data and information  
915 from the Mississippi Development Authority or any of its agents,



916 the Department of Revenue, and when necessary under this  
917 paragraph, the recipient business or businesses or any other  
918 private, public or nonprofit entity with information relevant to  
919 the audit project. The maximum amount the State Auditor may bill  
920 the oversight agency under this paragraph in any fiscal year is  
921 One Hundred Thousand Dollars (\$100,000.00), based on reasonable  
922 and necessary expenses;

923 (p) To review and approve any independent auditor  
924 selected by the Mississippi Lottery Corporation in accordance with  
925 Section 27-115-89, to conduct an annual audit of the  
926 corporation; \* \* \*

927 (q) To conduct audits or investigations of the  
928 Mississippi Lottery Corporation if in the opinion of the State  
929 Auditor conditions justify such audits or investigations \* \* \*;  
930 and

931 (r) To conduct audits of the Mississippi Transit  
932 Corporation as authorized under Section 6 of this act.

933 **SECTION 11.** This act shall take effect and be in force from  
934 and after July 1, 2023.

