

By: Compretta

To: Transportation; Ways
and Means

HOUSE BILL NO. 1575

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 AS 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, 57-43-11 AND 57-43-13,
17 MISSISSIPPI CODE OF 1972, TO EXPAND THE USES FOR WHICH FUNDS IN
18 THE RAILROAD REVITALIZATION FUND MAY BE UTILIZED; TO PROVIDE THAT
19 GRANTS MADE FROM THE RAILROAD REVITALIZATION FUND SHALL INCLUDE AS
20 A CONDITION THAT, AS A PREREQUISITE TO RECEIVING A GRANT, A
21 RAILROAD CORPORATION SHALL AGREE NOT TO ABANDON ANY SECTION OF
22 RAIL LINE UPON WHICH SUCH GRANT IS SPENT FOR A PERIOD OF NOT LESS
23 THAN 10 YEARS; TO AUTHORIZE COUNTIES AND MUNICIPALITIES TO ENTER
24 INTO 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 AGREE NOT TO ABANDON ANY SECTION OF RAIL LINE
33 ON WHICH THE PROCEEDS OF SUCH LOAN ARE TO BE SPENT UNTIL THE LOAN
34 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

negotiated and consummated without the necessity of advertising and obtaining competitive bids. In no event shall the Mississippi Transportation Commission sell to the connecting railroad corporation a state-owned rail line until all the principal of and interest on the bonds issued to fund the project have been repaid.

SECTION 4. For the purpose of providing for the payment of the principal of and interest upon bonds issued under the provisions of Sections 5 through 19 of this act, there is hereby created within the Railroad Revitalization Fund a bond sinking fund account. Such sinking fund account shall consist of the money required to be deposited into such fund by this chapter and such other amount as shall be paid into such fund by appropriation or other authorization by the Legislature. Funds required in excess of the amounts available in such sinking fund account to pay the principal of and interest upon bonds issued under the provisions of Sections 5 through 19 of this act shall be appropriated from the State General Fund.

SECTION 5. (1) The Mississippi Transportation Commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred by the Mississippi Transportation Commission or the Mississippi Department of Transportation in performing the projects authorized under this chapter. Bonds authorized by this section may be issued only upon a determination by the State Bond Commission, acting in conjunction with the State Bond Advisory Division, that such issuance would have no adverse impact on Mississippi's bond credit rating. Upon the adoption of a resolution by the Mississippi Transportation Commission, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the Mississippi Transportation Commission shall deliver a certified copy of its resolution or resolutions to the State Bond Commission. Upon

receipt of such resolution, the State Bond Commission, acting in conjunction with the State Bond Advisory Division, must determine whether or not such issuance would have an adverse impact on Mississippi's bond credit rating. In the event the State Bond Commission determines that the issuance of such bonds as specified in the resolution would not have an adverse impact on Mississippi's bond credit rating, the State Bond Commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. In the event the State Bond Commission determines that the issuance of such bonds as specified in the resolution of the Mississippi Transportation Commission would have an adverse impact on the state's bond credit rating, the State Bond Commission shall return the resolution to the Mississippi Transportation Commission with a certified statement declaring the issuance of such bonds to be unauthorized at such time. The total amount of bonds issued under Sections 5 through 19 of this act shall not, at any one time, exceed One Hundred Million Dollars (\$100,000,000.00).

(2) Any investment earnings on bond proceeds deposited into the Railroad Revitalization Fund pursuant to this act shall be used to pay debt service on bonds issued under this act, in accordance with the proceedings authorizing issuance of such bonds.

SECTION 6. The principal of and interest on the bonds authorized under Sections 5 through 19 of this act shall be payable in the manner provided in this section. Such bonds shall bear such date or dates, be in such denomination or denominations, bear interest at such rate or rates (not to exceed the limits set forth in Section 75-17-101, Mississippi Code of 1972), be payable at such place or places within or without the State of

212 Mississippi, shall mature absolutely at such time or times not to
213 exceed twenty-five (25) years from date of issue, be redeemable
214 before maturity at such time or times and upon such terms, with or
215 without premium, shall bear such registration privileges, and
216 shall be substantially in such form, all as shall be determined by
217 resolution of the State Bond Commission.

218 SECTION 7. The bonds authorized by Sections 5 through 19 of
219 this act shall be signed by the Chairman of the State Bond
220 Commission, or by his facsimile signature, and the official seal
221 of the State Bond Commission shall be affixed thereto, attested by
222 the Secretary of the State Bond Commission. The interest coupons,
223 if any, to be attached to such bonds may be executed by the
224 facsimile signatures of such officers. Whenever any such bonds
225 shall have been signed by the officials designated to sign the
226 bonds who were in office at the time of such signing but who may
227 have ceased to be such officers before the sale and delivery of
228 such bonds, or who may not have been in office on the date such
229 bonds may bear, the signatures of such officers upon such bonds
230 and coupons shall nevertheless be valid and sufficient for all
231 purposes and have the same effect as if the person so officially
232 signing such bonds had remained in office until their delivery to
233 the purchaser, or had been in office on the date such bonds may
234 bear. However, notwithstanding anything herein to the contrary,
235 such bonds may be issued as provided in the Registered Bond Act of
236 the State of Mississippi.

237 SECTION 8. All bonds and interest coupons issued under the
238 provisions of Sections 5 through 19 of this act have all the
239 qualities and incidents of negotiable instruments under the
240 provisions of the Uniform Commercial Code, and in exercising the
241 powers granted by Sections 5 through 19 of this act, the State
242 Bond Commission shall not be required to and need not comply with
243 the provisions of the Uniform Commercial Code.

244 SECTION 9. The State Bond Commission may act as the issuing

agent for the bonds authorized under Sections 5 through 19 of this act, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The State Bond Commission is authorized and empowered to pay the costs that are incident to the sale, issuance and delivery of the bonds authorized under Sections 5 through 19 of this act from the proceeds derived from the sale of such bonds. The State Bond Commission shall sell such bonds on sealed bids at public sale, and for such price as it may determine to be for the best interest of the State of Mississippi, but no such sale shall be made at a price less than par plus accrued interest to the date of delivery of the bonds to the purchaser. All interest accruing on such bonds so issued shall be payable semiannually or annually; however, the first interest payment may be for any period of not more than one (1) year.

Notice of the sale of any such bond shall be published at least one time, not less than ten (10) days before the date of sale, and shall be so published in one or more newspapers published or having a general circulation in the City of Jackson, Mississippi, and in one or more other newspapers or financial journals with a national circulation, to be selected by the State Bond Commission.

The State Bond Commission, when issuing any bonds under the authority of Sections 5 through 19 of this act, may provide that bonds, at the option of the state, may be called in for payment and redemption at the call price named therein and accrued interest on such date or dates named therein.

SECTION 10. The bonds issued under the provisions of Sections 5 through 19 of this act shall be payable from the bond sinking fund account in the Railroad Revitalization Fund and are general obligations of the State of Mississippi, and for the

278 payment thereof the full faith and credit of the State of
279 Mississippi is irrevocably pledged. If the funds available in the
280 bond sinking fund account in the Railroad Revitalization Fund and
281 any funds appropriated by the Legislature for such purpose are
282 insufficient to pay the principal of and the interest upon such
283 bonds as they become due, the deficiency shall be paid by the
284 State Treasurer from any funds in the State Treasury not otherwise
285 appropriated. All such bonds shall contain recitals on their
286 faces substantially covering the foregoing provisions of this
287 section.

288 SECTION 11. Upon the issuance and sale of bonds under the
289 provisions of Sections 5 through 19 of this act, the State Bond
290 Commission shall transfer the proceeds of any such sale or sales
291 to the Railroad Revitalization Fund created pursuant to Section
292 57-43-1. The proceeds of such bonds shall be disbursed solely
293 upon the order of the Mississippi Transportation Commission under
294 such restrictions, if any, as may be contained in the resolution
295 providing for the issuance of the bonds.

296 SECTION 12. The bonds authorized under Sections 5 through 19
297 of this act may be issued without any other proceedings or the
298 happening of any other conditions or things other than those
299 proceedings, conditions and things which are specified or required
300 by Sections 5 through 19 of this act. Any resolution providing
301 for the issuance of bonds under the provisions of Sections 5
302 through 19 of this act shall become effective immediately upon its
303 adoption by the State Bond Commission, and any such resolution may
304 be adopted at any regular or special meeting of the State Bond
305 Commission by a majority of its members.

306 SECTION 13. The bonds authorized under the authority of
307 Sections 5 through 19 of this act may be validated in the Chancery
308 Court of the First Judicial District of Hinds County, Mississippi,
309 in the manner and with the force and effect provided by Chapter
310 13, Title 31, Mississippi Code of 1972, for the validation of

311 county, municipal, school district and other bonds. The notice to
312 taxpayers required by such statutes shall be published in a
313 newspaper published or having a general circulation in the City of
314 Jackson, Mississippi.

315 SECTION 14. Any holder of bonds issued under the provisions
316 of Sections 5 through 19 of this act or of any of the interest
317 coupons pertaining thereto may, either at law or in equity, by
318 suit, action, mandamus or other proceeding, protect and enforce
319 any and all rights granted under Sections 5 through 19 of this
320 act, or under such resolution, and may enforce and compel
321 performance of all duties required by Sections 5 through 19 of
322 this act to be performed, in order to provide for the payment of
323 bonds and interest thereon.

324 SECTION 15. All bonds issued under the provisions of
325 Sections 5 through 19 of this act shall be legal investments for
326 trustees and other fiduciaries, and for savings banks, trust
327 companies and insurance companies organized under the laws of the
328 State of Mississippi, and such bonds shall be legal securities
329 which may be deposited with and shall be received by all public
330 officers and bodies of this state and all municipalities and
331 political subdivisions for the purpose of securing the deposit of
332 public funds.

333 SECTION 16. Bonds issued under the provisions of Sections 5
334 through 19 of this act and income therefrom shall be exempt from
335 all taxation in the State of Mississippi.

336 SECTION 17. The proceeds of the bonds issued under Sections
337 5 through 19 of this act shall be used solely for the purposes
338 therein provided, including the costs incident to the issuance and
339 sale of such bonds.

340 SECTION 18. The State Treasurer is authorized, without
341 further process of law, to certify to the Department of Finance
342 and Administration the necessity for warrants, and the Department
343 of Finance and Administration is authorized and directed to issue

such warrants, in such amounts as may be necessary to pay when due the principal of, premium, if any, and interest on, or the accreted value of, all bonds issued under Sections 5 through 19 of this act; and the State Treasurer shall forward the necessary amount to the designated place or places of payment of such bonds in ample time to discharge such bonds, or the interest thereon, on the due dates thereof.

SECTION 19. Sections 5 through 19 of this act shall be deemed to be full and complete authority for the exercise of the powers therein granted, but this act shall not be deemed to repeal or to be in derogation of any existing law of this state.

SECTION 20. Section 57-43-1, Mississippi Code of 1972, is amended as follows:[WAN1]

57-43-1. (1) There is hereby established in the State Treasury a * * * fund to be designated as the "Railroad Revitalization Fund" to be maintained for and dedicated to the purpose of providing grants, loans and/or funding for the purposes established in this chapter. The Railroad Revitalization Fund shall consist of monies collected as a result of the locomotive fuel tax, proceeds of bonds issued pursuant to this chapter, appropriations from the Legislature, and, in the discretion of the Mississippi Transportation Commission, federal funds available for the purposes of this chapter. All monies received by the Mississippi Transportation Commission to carry out the purposes of this chapter shall be deposited into the Railroad Revitalization Fund.

(2) Monies (including interest earnings) in the Railroad Revitalization Fund shall be expended either separately or in combination with any available federal funds for:

(a) Railroad research, railroad planning and railroad administration costs incurred by the Mississippi Transportation Commission directly attributable to railroad * * * projects authorized under this chapter;

377 (b) Assistance to railroads for the revitalization,
378 rehabilitation, relocation, improvement, maintenance or repair of
379 rail lines; * * *

380 (c) Construction, improvement, rehabilitation,
381 maintenance or repair of railroad facilities, excluding the
382 purchase, improvement, maintenance or repair of rolling stock of a
383 railroad;

384 (d) Railroad-related projects that develop, expand
385 and/or promote economic and industrial development within the
386 state;

387 (e) Separation or closing of roadway/railroad grade
388 crossings; and

389 (f) Such other railroad projects that are authorized
390 under this chapter.

391 (3) Except as may be specifically designated otherwise,
392 funds appropriated or otherwise provided by the Legislature for
393 rail line assistance shall be deposited in the Railroad
394 Revitalization Fund. Any monies received by the Mississippi
395 Transportation Commission by agreements, grants, gifts or other
396 means from railroad corporations, the United States government,
397 individuals, companies or other business entities, municipalities,
398 counties, local railroad authorities or regional railroad
399 authorities, the Department of Economic and Community Development,
400 economic development districts created pursuant to Section
401 19-5-99, county port authorities, county development commissions
402 or other federal, state or local governmental agencies for the
403 purposes set forth in this chapter, * * * may be credited to the
404 Railroad Revitalization Fund. Any money remaining in the fund at
405 the end of any fiscal year shall not lapse into the State General
406 Fund and any interest received from investment of monies in the
407 fund shall be credited to the fund and shall not be deposited into
408 the State General Fund.

409 (4) Use of the Railroad Revitalization Fund for railroad

research, planning and administration costs incurred by the
Mississippi Transportation Commission, including, but not limited
to, the development and periodic update of the State Rail Plan,
that are directly attributable to * * * projects authorized under
this chapter shall be limited to an annual amount not to exceed
Twenty-five Thousand Dollars (\$25,000.00) * * *.

(5) As used in this chapter:

(a) "Railroad" means a railroad that carries persons or
property for hire and is designated as a public highway by Section
184, Mississippi Constitution of 1890.

(b) "Railroad corporation" means a company engaged in
the business of operating a railroad and may be a Mississippi
railroad corporation organized under the provisions of Title 77,
Chapter 9, Article 3, Mississippi Code of 1972, or a foreign
corporation authorized to do business in this state.

SECTION 21. Section 57-43-3, Mississippi Code of 1972, is
amended as follows:[WAN2]

57-43-3. The * * * Mississippi Transportation Commission may
enter into agreements with railroads, the United States
government, persons, municipalities, counties, local railroad
authorities, regional railroad authorities, the Department of
Economic and Community Development, economic development districts
created pursuant to Section 19-5-99, county port authorities or
county development commissions or other federal, state or local
governmental agencies for carrying out the purposes of this
chapter. * * *

SECTION 22. Section 57-43-5, Mississippi Code of 1972, is
amended as follows:[WAN3]

57-43-5. The Mississippi Transportation Commission may
accept federal funds to carry out the provisions of this chapter.

All federal grants received under provisions of this chapter
shall be deposited into the Railroad Revitalization Fund and shall
be expended for the purposes set forth in the federal grants. The

Mississippi Transportation Commission, upon a finding that sufficient federal grants for railroad projects authorized under this chapter are not available, and with the approval of the Department of Finance and Administration, may make grants to railroad corporations in a total amount not to exceed Two Million Dollars (\$2,000,000.00) from the Railroad Revitalization Fund. Any grant made to a railroad corporation pursuant to this section shall include a condition that, as a prerequisite to its receipt of any such grant monies, the railroad corporation agrees not to abandon any section of rail line on which such grant monies are spent for a period of not less than ten (10) years.

SECTION 23. Section 57-43-7, Mississippi Code of 1972, is amended as follows:[WAN4]

57-43-7. Agreements between a railroad corporation and the Mississippi Transportation Commission which do not require repayment to the Railroad Revitalization Fund of all or a portion of the monies loaned to such railroad corporation pursuant to Section 57-43-11 to be made by the railroad, shall require that the railroad establish and maintain a separate railroad corporation fund to which a specified portion of the revenue derived from the revitalized, rehabilitated, relocated or improved rail line shall be credited and that these funds shall be used by the railroad for the revitalization, rehabilitation, relocation, improvement or maintenance of rail lines within the state, or the closing or separation of roadway/railroad grade crossings within the state. The terms and conditions governing the use of monies in the special railroad corporation fund shall be stipulated in the agreement. The agreement shall also stipulate a penalty for use of the funds in a manner other than as set forth in the agreement.

SECTION 24. Section 57-43-9, Mississippi Code of 1972, is amended as follows:[WAN5]

57-43-9. (1) The board of supervisors of a county or the

governing authority of a municipality may, with the approval of the Mississippi Transportation Commission, appropriate funds from the county or municipal general fund to the Railroad Revitalization Fund. Such funds shall be used in accordance with this chapter only for the purposes set forth in this chapter with respect to rail lines within the county from which the county or municipal funds are provided. * * *

(2) The board of supervisors of a county and the governing authority of a municipality may enter into an agreement with the Mississippi Transportation Commission to receive a portion of the payments made by a railroad corporation to the Railroad Revitalization Fund pursuant to this chapter. The amount received by a county or municipality shall not exceed the amount appropriated to the Railroad Revitalization Fund by the county or municipality pursuant to this chapter.

SECTION 25. Section 57-43-11, Mississippi Code of 1972, is amended as follows:[WAN6]

57-43-11. (1) To further the purposes of this chapter, the Mississippi Transportation Commission may enter into agreements with railroad corporations, whereby the Mississippi Transportation Commission may loan monies from the Railroad Revitalization Fund to a railroad corporation in such amounts as are necessary to accomplish a railroad project authorized under this chapter that has been determined by the Mississippi Transportation Commission as being in the public interest.

(2) If the monies loaned to a railroad corporation in accordance with this section are the proceeds of bonds issued pursuant to Sections 5 through 19 of House Bill No. _____, 2000 Regular Session, the rate of interest on such loan shall be at a rate that is sufficient, when combined with the payment of principal, to retire the bonds issued to fund such loan when such loan is paid in full. The Mississippi Transportation Commission shall not make any such loan without first obtaining from the

509 railroad corporation that is seeking such loan sufficient security
510 to ensure complete and full repayment of the loan and interest.
511 Such sufficient security may include, but not be limited to, deeds
512 of trust, mortgages and other security agreements. The loan
513 agreement regarding the loan of the proceeds of bonds issued
514 pursuant to Sections 5 through 19 of House Bill No. _____, 2000
515 Regular Session, shall require repayment of such loan to the
516 sinking fund established in Section 4 of House Bill No. _____, 2000
517 Regular Session.

518 (3) If the monies loaned to a railroad corporation in
519 accordance with this section are derived from a source other than
520 from the proceeds of bonds issued pursuant to Sections 5 through
521 19 of House Bill No. _____, 2000 Regular Session, the Mississippi
522 Transportation Commission may require such security from the
523 railroad corporation that is seeking such loan as the commission
524 deems appropriate. Any loan of funds derived from the locomotive
525 fuel tax shall be made at no interest, provided payments are made
526 in accordance with the agreement.

527 (4) Any portion of a loan outstanding during any delinquency
528 shall bear interest at the legal rate on the entire balance due.
529 In the event that a railroad corporation is not repaying a loan
530 extended under this chapter in accordance with the terms of the
531 loan agreement or arrangements satisfactory to the Mississippi
532 Transportation Commission have not been made to repay the loan
533 within a period of time after same is due and payable, as
534 determined by the commission, the commission shall determine that
535 there is a default, shall enter an order to that effect upon its
536 official minutes, and send a certified copy of said order by
537 certified mail, postage prepaid, to the railroad corporation. If
538 said default is not satisfied in full within thirty (30) days
539 following notification of default by the commission, the railroad
540 corporation shall be required to pay in accordance with the
541 default provisions of the loan agreement, and the Mississippi

Transportation Commission may also exercise any other rights it may have pursuant to such loan agreement at law or equity. Any such agreement between the Mississippi Transportation Commission and a railroad corporation regarding a loan from the Railroad Revitalization Fund shall also include a condition that, as a prerequisite to its receipt of such loan, the railroad corporation agrees not to abandon any section of rail line on which the proceeds of such loan are to be spent until the loan has been repaid in accordance with the loan agreement.

SECTION 26. Section 57-43-13, Mississippi Code of 1972, is amended as follows:[WAN7]

57-43-13. For the purposes of achieving a reduction in the number of public roadway/railroad grade crossings in this state, a separate account within the Railroad Revitalization Fund is hereby * * * established and entitled the Mississippi Grade Crossing Closure Account. The Mississippi Grade Crossing Closure Account is to be administered by the same agency responsible for administering the Railroad Revitalization Fund. * * * Funding for this account shall be derived from thirty-five percent (35%) of collections from the locomotive fuel tax for the previous year. This account will be cumulative. Funds not obligated for expenditure in any fiscal year will continue to accrue to succeeding fiscal years; unexpended amounts remaining in such account at the end of a fiscal year shall not lapse into the State General Fund; and any interest earned on amounts in such account shall be deposited to the credit of such account. The Mississippi Transportation Commission, in cooperation with the railroads operating in Mississippi, shall promulgate rules to ensure equitable allocation of these funds to public roadway/railroad grade crossing closure projects throughout the state and shall consider the proportionate number of main line track miles of each railroad and the number of public roadway/railroad grade crossings on each railroad's main line. Funds from the Mississippi Grade

575 Crossing Closure Account shall be limited to the following
576 purposes: financial aid for closure of public roadway/railroad
577 grade crossings; realignment of construction costs of roadways
578 being rerouted to facilitate a closure of a public
579 roadway/railroad grade crossing; monies to match federal or other
580 funds for a grade separation eliminating an at-grade crossing of a
581 public roadway and railroad. The Mississippi Transportation
582 Commission shall consider all requests from the state's diagnostic
583 review of public roadway/railroad grade crossings and from
584 individual railroads for expenditure of funds for these limited
585 purposes and shall establish uniform criteria and guidelines
586 relating to such crossings and the expenditure of funds.

587 SECTION 27. Sections 1 through 19 of this act shall be
588 codified in Chapter 43, Title 57, Mississippi Code of 1972.

589 SECTION 28. This act shall take effect and be in force from
590 and after July 1, 2000.