

## RAILROAD REVITALIZATION FUND LOAN PROGRAM

There is a revolving loan fund in the State Treasury designated as the Railroad Revitalization Fund, established by the Mississippi legislature. These funds, administered by the Mississippi Department of Transportation (MDOT), may be expended either separately or in combination with federal-aid funds for providing assistance to railroads and public entities mainly for the rehabilitation of railroad track infrastructure, including service lines to Mississippi industry. Loans to qualified recipients will be made at no interest, provided payments are made in accordance with the loan agreement.

The Executive Director of MDOT, with the approval of the Mississippi Transportation Commission, may enter into loan agreements for railroad rehabilitation projects undertaken by private railroad corporations, the United States government, municipalities, counties, local railroad authorities or regional railroad authorities. The loan agreements provide that the maximum loan amount cannot exceed seventy-five percent (75%) of the railroad rehabilitation project cost, including the cost of project engineering. Following completion of the project, the loan must be repaid beginning one year later, in ten equal, annual payments. The Railroad Revitalization Fund also requires that the railroad ownership establish and maintain a separate railroad corporation fund to which a specified portion of the revenue derived from the improved rail line shall be credited and used by the railroad for improvement of rail lines within the state of Mississippi.

The revival of state and local interest in preserving rail service has enhanced railroad and industrial development throughout Mississippi, and local governments have played a significant role in that achievement. Both Port Authorities and Port Commissions qualify for loans through the rail revitalization fund's loan program. Since the inception of the loan program in 1984, MDOT has administered thirty loans totaling more than \$9.7 million, leading to much improvement of the railroads in Mississippi.

Additional information about the loan program is available through the Mississippi Department of Transportation, by calling (601) 359 7910, or writing to MDOT'S Freight, Rails, Ports & Waterways Division 53-01, P.O. Box 1850, Jackson, MS 39215-1850.