

Rail Service Improvement Fund

SB 119 authorizes cities and counties, in coordination with railroads providing service, to enter into loan agreements with the Secretary of Transportation to obtain Rail Service Improvement Funds by pledging Special City and County Highway Fund (SCCHF) receipts as collateral. The bill gives the Secretary the authority to order diversion of SCCHF distributions from any local unit failing to meet repayment terms and conditions set forth in the agreements. The amount of any such loan obtained by a city or county is excluded from its bonded indebtedness limits.