

SENATE BILL 2737

By Tracy

AN ACT to amend Tennessee Code Annotated, Section 7-56-211, relative to contracts of public rail authorities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-56-211(c), is amended by deleting the subsection in its entirety and by substituting instead the following:

(c) In the alternative to subsection (b), the authority may negotiate the rehabilitation contracts with the railroad company that provides rail service on the facilities to be improved by the authority. Such negotiated costs shall reflect the average unit costs to perform typical functions associated with rail rehabilitation work and shall be subject to audit by the comptroller of the treasury. All such negotiated contracts shall be approved by the department to ensure that the state does not reimburse the profits to the railroad company.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.