

By: Representative Bowles

To: Ways and Means

## HOUSE BILL NO. 415

1 AN ACT TO AMEND SECTION 43-33-702, MISSISSIPPI CODE OF 1972,  
2 TO MAKE THE MISSISSIPPI HOME CORPORATION SUBJECT TO CERTAIN STATE  
3 ADMINISTRATIVE CONTROLS; TO AMEND SECTIONS 43-33-711 AND  
4 43-33-729, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS  
5 OF THIS ACT; TO REPEAL SECTION 43-33-751, MISSISSIPPI CODE OF  
6 1972, WHICH REQUIRES DIRECTORS, OFFICERS AND EMPLOYEES OF THE  
7 MISSISSIPPI HOME CORPORATION WHO HAVE AN INTEREST IN ANY FIRM  
8 WHICH HAS A CONTRACT WITH THE CORPORATION TO DISCLOSE THEIR  
9 INTEREST IN THE CORPORATION'S MINUTES, AND PROHIBITS SUCH  
10 DIRECTOR, OFFICER OR EMPLOYEE FROM PARTICIPATING ON BEHALF OF THE  
11 CORPORATION IN THE AUTHORIZATION OF ANY SUCH CONTRACT; AND FOR  
12 RELATED PURPOSES.

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

14 SECTION 1. Section 43-33-702, Mississippi Code of 1972, is  
15 amended as follows:

16 43-33-702. The Legislature hereby finds and declares:

17 (a) That there exists in the State of Mississippi a  
18 severe shortage of adequate, safe and sanitary residential and  
19 rental housing available at prices or rentals within the financial  
20 means of persons of low or moderate income; that this shortage has  
21 contributed to and will contribute to the creation and persistence  
22 of substandard living conditions and is damaging to the health,  
23 welfare and prosperity of the residents of this state.

24 (b) That private enterprise and investment have been  
25 unable, without assistance, to produce the needed construction or  
26 rehabilitation of adequate, safe and sanitary housing at prices or  
27 rentals which persons of low or moderate income can afford and to  
28 provide sufficient long-term mortgage financing for residential or  
29 rental housing for occupancy by such persons;

30 (c) That the shortage of adequate and affordable  
31 housing can best be addressed through a strong, unified

32 organization which can develop creative approaches to housing  
33 production and assistance through active cooperation of public and  
34 private entities, including federal, state and local government,  
35 private nonprofit and for profit entities, community and citizens  
36 groups, charitable organizations, and private citizens; that this  
37 organization should stimulate private development, construction  
38 and rehabilitation, develop a wide range of state housing  
39 assistance programs, engage in comprehensive planning, study,  
40 research and statewide coordination with respect to low and  
41 moderate housing, provide technical, educational and consultative  
42 services, and promote governmental and community interest in the  
43 provision of housing for low and moderate income persons in the  
44 state; that this organization should receive appropriations of  
45 public funds, should be authorized to obtain funding for its  
46 programs by issuing its bonds and notes; and that this  
47 organization should be authorized to administer available federal,  
48 state or local programs and monies and to retain for its corporate  
49 purposes all such fees and income generated thereby;

50 (d) To aid in remedying these conditions and to  
51 accomplish these public purposes, effective September 1, 1989,  
52 there is created a public body corporate and politic, \* \* \*  
53 constituting a governmental instrumentality, to be known as the  
54 Mississippi Home Corporation, for the performance of essential  
55 public functions. The corporation shall be constituted and shall  
56 have such powers as provided in this article.

57 (e) The Mississippi Home Corporation shall be subject  
58 to the operational and fiscal controls administered by the Office  
59 of the Attorney General, the State Department of Audit, the  
60 Secretary of State, the State Treasury Department, the State Bond  
61 Commission, the Legislative Budget office, the State Department of  
62 Finance and Administration, the State Personnel Board, and the  
63 State Department of Information Technology Services. By rule and  
64 regulation, the agencies may exempt the corporation from specific  
65 controls.

66 SECTION 2. Section 43-33-711, Mississippi Code of 1972, is  
67 amended as follows:

68 43-33-711. (1) The board of directors may create one or

69 more committees of the board and appoint members of the board to  
70 serve on them. Each committee shall have two (2) or more  
71 directors who serve at the pleasure of the board.

72 (2) The creation of a committee and appointment of directors  
73 to it must be approved by a majority of all directors in office  
74 when the action is taken.

75 (3) Sections of this article which govern meetings, action  
76 without meetings, notice and waiver of notice, and quorum and  
77 voting requirements of the board, apply to committees of the board  
78 and their members as well.

79 \* \* \*

80 SECTION 3. Section 43-33-729, Mississippi Code of 1972, is  
81 amended as follows:

82 43-33-729. (1) Subject to the provisions of subsection (6)  
83 of this section, the corporation may from time to time issue its  
84 negotiable bonds and notes in such principal amounts as, in the  
85 opinion of the corporation, shall be necessary to provide  
86 sufficient funds for achieving the corporate purposes thereof,  
87 including operating expenses and reserves, the payment of interest  
88 on bonds and notes of the corporation, establishment of reserves  
89 to secure such bonds and notes, and all other expenditures of the  
90 corporation incident to and necessary or convenient to carry out  
91 its corporate purposes and powers. Provided, except as otherwise  
92 authorized herein, bonds and notes shall not be issued under this  
93 article in an aggregate principal amount exceeding One Hundred  
94 Ninety Million Dollars (\$190,000,000.00), excluding bonds and  
95 notes issued to refund outstanding bonds and notes.

96 (2) The provisions of Sections 75-71-1 through 75-71-57,  
97 Mississippi Code of 1972 (the "Mississippi Securities Act"), shall  
98 not apply to bonds and notes issued under the authority of this  
99 article, and no application for a formal exemption from the  
100 provisions of such act shall be required with respect to such  
101 bonds and notes.

102           (3) Except as may otherwise be expressly provided by the  
103 corporation, all bonds and notes issued by the corporation shall  
104 be general obligations of the corporation, secured by the full  
105 faith and credit of the corporation and payable out of any monies,  
106 assets or revenues of the corporation, subject only to any  
107 agreement with the bondholders or noteholders pledging any  
108 particular monies, assets or revenues.

109           The corporation may issue bonds or notes to which the  
110 principal and interest are payable:

111           (a) Exclusively from the revenues of the corporation  
112 resulting from the use of the proceeds of such bonds or notes; or

113           (b) Exclusively from any particular revenues of the  
114 corporation, whether or not resulting from the use of the proceeds  
115 of such bonds or notes.

116           (4) Any bonds or notes issued by the corporation may be  
117 additionally secured:

118           (a) By private insurance, by a direct pay or standby  
119 letter of credit, or by any other credit enhancement facility  
120 procured by the corporation for the payment of any such bonds;

121           (b) By a pledge of any grant, subsidy or contribution  
122 from the United States or any agency or instrumentality thereof,  
123 or from the state or any agency, instrumentality or political  
124 subdivision thereof, or from any person, firm or corporation; or

125           (c) By the pledge of any securities, funds or reserves  
126 (or earnings thereon) available to the corporation.

127           (5) Subject to the provisions of subsection (6) of this  
128 section, bonds and notes issued by the corporation shall be  
129 authorized by a resolution or resolutions of the corporation  
130 adopted as provided for by this article; provided, that any such  
131 resolution authorizing the issuance of bonds or notes may delegate  
132 to an officer or officers of the corporation the power to issue  
133 such bonds or notes from time to time and to fix the details of  
134 any such issues of bonds or notes by an appropriate certification

135 of such authorized officer.

136 (6) The prior approval of the State Bond Commission shall be  
137 required as a prerequisite to the issuance, sale or delivery of  
138 any bonds or notes of the corporation pursuant to the provisions  
139 of this article. \* \* \* All bonds or notes issued under this  
140 article may be validated, except as otherwise provided in this  
141 section, in accordance with the provisions of Sections 31-13-1  
142 through 31-13-11, Mississippi Code of 1972, in the same manner as  
143 provided therein for bonds issued by a municipality. Any such  
144 validation proceedings shall be held in the First Judicial  
145 District of Hinds County, Mississippi. Notice thereof shall be  
146 given by publication in any newspaper published in the City of  
147 Jackson, Mississippi, and of general circulation throughout the  
148 state.

149 (7) It is hereby determined that the corporation is the sole  
150 entity in the state authorized to issue bonds or notes for the  
151 purposes of financing low and moderate income rental or  
152 residential housing as set forth in this article. In addition,  
153 the corporation shall have the power to issue mortgage credit  
154 certificates, as provided by Section 25 of the Internal Revenue  
155 Code of 1954, as amended, and to comply with all of the terms and  
156 conditions set forth in Section 25, as the same may be amended  
157 from time to time.

158 SECTION 4. Section 43-33-751, Mississippi Code of 1972,  
159 which requires directors, officers and employees of the  
160 Mississippi Home Corporation who have an ownership interest in any  
161 firm or corporation interested, directly or indirectly, in any  
162 contract with the Mississippi Home Corporation to disclose their  
163 interest to the Mississippi Home Corporation, is hereby repealed.

164 SECTION 5. This act shall take effect and be in force from  
165 and after July 1, 1999.