

By: Representative Horne

To: Ways and Means

HOUSE BILL NO. 418

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, IN CONFORMITY THERETO; TO
5 REPEAL SECTION 43-33-751, MISSISSIPPI CODE OF 1972, WHICH REQUIRES
6 DIRECTORS, OFFICERS AND EMPLOYEES OF THE MISSISSIPPI HOME
7 CORPORATION WHO HAVE AN INTEREST IN ANY FIRM WHICH HAS A CONTRACT
8 WITH THE CORPORATION TO DISCLOSE THEIR INTEREST IN THE
9 CORPORATION'S MINUTES, AND PROHIBITS SUCH DIRECTOR, OFFICER OR
10 EMPLOYEE FROM PARTICIPATING ON BEHALF OF THE CORPORATION IN THE
11 AUTHORIZATION OF ANY SUCH CONTRACT; AND FOR RELATED PURPOSES.

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

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

15 43-33-702. The Legislature hereby finds and declares:

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

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

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

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

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

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

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

67 43-33-711. (1) The board of directors may create one or

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

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

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

78 * * *

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

81 43-33-729. (1) Subject to the provisions of subsection (6)
82 of this section, the corporation may from time to time issue its
83 negotiable bonds and notes in such principal amounts as, in the
84 opinion of the corporation, shall be necessary to provide
85 sufficient funds for achieving the corporate purposes thereof,
86 including operating expenses and reserves, the payment of interest
87 on bonds and notes of the corporation, establishment of reserves
88 to secure such bonds and notes, and all other expenditures of the
89 corporation incident to and necessary or convenient to carry out
90 its corporate purposes and powers. Provided, except as otherwise
91 authorized herein, bonds and notes shall not be issued under this
92 article in an aggregate principal amount exceeding One Hundred
93 Ninety Million Dollars (\$190,000,000.00), excluding bonds and
94 notes issued to refund outstanding bonds and notes.

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

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

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

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

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

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

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

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

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

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

134 of such authorized officer.

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

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

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

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