

By: Representatives Morris, Scott (80th)

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 530

1 AN ACT TO CREATE THE MISSISSIPPI SINGLE FAMILY RESIDENTIAL
2 HOUSING FUND; TO PROVIDE THAT THE MISSISSIPPI DEPARTMENT OF
3 ECONOMIC AND COMMUNITY DEVELOPMENT SHALL ADMINISTER SUCH FUND AS A
4 REVOLVING FUND FOR THE PURPOSE OF MAKING LOANS TO ASSIST IN THE
5 CONSTRUCTION OR REHABILITATION, OR BOTH, OF SINGLE FAMILY
6 RESIDENTIAL HOUSING FOR PERSONS OF LOW OR MODERATE INCOME; TO
7 AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF
8 MISSISSIPPI IN THE AMOUNT OF FIVE MILLION DOLLARS TO FUND THE
9 MISSISSIPPI SINGLE FAMILY RESIDENTIAL HOUSING FUND; AND FOR
10 RELATED PURPOSES.

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

12 SECTION 1. As used in this act, the following words shall
13 have the meanings ascribed herein unless the context clearly
14 requires otherwise:

15 (a) "Accreted value" of any bond means, as of any date
16 of computation, an amount equal to the sum of (i) the stated
17 initial value of such bond, plus (ii) the interest accrued thereon
18 from the issue date to the date of computation at the rate,
19 compounded semiannually, that is necessary to produce the
20 approximate yield to maturity shown for bonds of the same
21 maturity.

22 (b) "State" means the State of Mississippi.

23 (c) "Commission" means the State Bond Commission.

24 (d) "Department" means the Mississippi Department of
25 Economic and Community Development.

26 (e) "Persons of low or moderate income" means persons or
27 families, irrespective of race, color, national origin, sex,
28 religion, age or handicap, within the state, who are determined by
29 the department to require such assistance as is made available
30 under this act on account of insufficient personal or family

31 income to reasonably afford decent, safe and sanitary single
32 family residential housing, taking into consideration, without
33 limitation, such factors as the following: (i) the amount of the
34 total income of such persons and families available for housing
35 needs; (ii) the size of the family; (iii) the cost and condition
36 of single family residential housing facilities in their locality
37 or in an area reasonably accessible to such locality; (iv) the
38 ability of such persons and families to compete successfully in
39 the normal, private single family residential housing market and
40 to pay the amounts for which private enterprise is providing
41 sanitary, decent and safe single family residential housing in
42 their locality or in an area reasonably accessible to such
43 locality; and (v) the standards established by various programs of
44 the federal government for determining eligibility based on income
45 of such persons and families and, in the case of projects with
46 respect to which income limits have been established by any agency
47 of the federal government having jurisdiction thereover for the
48 purpose of defining eligibility of low and moderate income
49 families, the department may determine that the limits so
50 established shall govern; in all other cases income limits for the
51 purpose of defining low or moderate income persons shall be
52 established by the department in its rules and regulations.

53 (f) "Single family residential housing" means an owner
54 occupied residence within the State of Mississippi, which will
55 become the principal residence of the owner within a reasonable
56 time after financing is provided.

57 SECTION 2. (1) There is created a special fund in the State
58 Treasury to be designated the "Mississippi Single Family
59 Residential Housing Fund." The fund shall be administered by the
60 department as a revolving fund for the purpose of making loans to
61 any agency, department, institution, instrumentality or political
62 subdivision of the state; or any agency, department, institution
63 or instrumentality of any political subdivision of the state; or
64 any business, organization, corporation, association or other
65 legal entity meeting criteria established by the department,
66 through a housing revolving loan program for the construction or
67 rehabilitation, or both, of single family residential housing for

68 persons of low or moderate income. The fund shall consist of the
69 proceeds of bonds issued under this act, all loan repayments,
70 penalties, and other fees and charges accruing to the fund, and
71 any appropriations, donations, gifts, grants or loans which may be
72 made thereto. Unexpended amounts remaining in the fund at the end
73 of a fiscal year shall not lapse into the State General Fund. Any
74 investment earnings on amounts deposited into the fund shall be
75 used to pay debt service on bonds issued under this act.

76 (2) The department shall have all powers necessary to
77 implement and administer the program established under this
78 section, and the department shall promulgate rules and regulations
79 necessary for the implementation and administration of the
80 program.

81 SECTION 3. (1) Upon receipt of one or more binding
82 agreements from any source or sources to provide matching funds in
83 the aggregate sum of at least Five Million Dollars
84 (\$5,000,000.00), the Department of Economic and Community
85 Development, at one (1) time, or from time to time, may declare by
86 resolution the necessity for issuance of general obligation bonds
87 of the State of Mississippi to provide funds for all costs
88 incurred or to be incurred for the purposes described in Section 2
89 of this act. Upon the adoption of a resolution by the Department
90 of Economic and Community Development, declaring the necessity for
91 the issuance of any part or all of the general obligation bonds
92 authorized by this section, the Department of Economic and
93 Community Development shall deliver a certified copy of its
94 resolution or resolutions to the commission. Upon receipt of such
95 resolution, the commission, in its discretion, may act as the
96 issuing agent, prescribe the form of the bonds, advertise for and
97 accept bids, issue and sell the bonds so authorized to be sold and
98 do any and all other things necessary and advisable in connection
99 with the issuance and sale of such bonds. The total amount of
100 bonds issued under this act shall not exceed Five Million Dollars

101 (\$5,000,000.00).

102 (2) Any investment earnings on amounts deposited into the
103 special fund created in Section 2 of this act shall be used to pay
104 debt service on bonds issued under this act, in accordance with
105 the proceedings authorizing issuance of such bonds.

106 SECTION 4. The principal of and interest on the bonds
107 authorized under this act shall be payable in the manner provided
108 in this section. Such bonds shall bear such date or dates, be in
109 such denomination or denominations, bear interest at such rate or
110 rates (not to exceed the limits set forth in Section 75-17-101,
111 Mississippi Code of 1972), be payable at such place or places
112 within or without the State of Mississippi, shall mature
113 absolutely at such time or times not to exceed twenty-five (25)
114 years from date of issue, be redeemable before maturity at such
115 time or times and upon such terms, with or without premium, shall
116 bear such registration privileges, and shall be substantially in
117 such form, all as shall be determined by resolution of the
118 commission.

119 SECTION 5. The bonds authorized by this act shall be signed
120 by the chairman of the commission, or by his facsimile signature,
121 and the official seal of the commission shall be affixed thereto,
122 attested by the secretary of the commission. The interest coupons,
123 if any, to be attached to such bonds may be executed by the
124 facsimile signatures of such officers. Whenever any such bonds
125 shall have been signed by the officials designated to sign the
126 bonds who were in office at the time of such signing but who may
127 have ceased to be such officers before the sale and delivery of
128 such bonds, or who may not have been in office on the date such
129 bonds may bear, the signatures of such officers upon such bonds
130 and coupons shall nevertheless be valid and sufficient for all
131 purposes and have the same effect as if the person so officially
132 signing such bonds had remained in office until their delivery to
133 the purchaser, or had been in office on the date such bonds may

134 bear. However, notwithstanding anything herein to the contrary,
135 such bonds may be issued as provided in the Registered Bond Act of
136 the State of Mississippi.

137 SECTION 6. All bonds and interest coupons issued under the
138 provisions of this act have all the qualities and incidents of
139 negotiable instruments under the provisions of the Uniform
140 Commercial Code, and in exercising the powers granted by this act,
141 the commission shall not be required to and need not comply with
142 the provisions of the Uniform Commercial Code.

143 SECTION 7. The commission shall act as the issuing agent for
144 the bonds authorized under this act, prescribe the form of the
145 bonds, advertise for and accept bids, issue and sell the bonds so
146 authorized to be sold, pay all fees and costs incurred in such
147 issuance and sale, and do any and all other things necessary and
148 advisable in connection with the issuance and sale of such bonds.

149 The commission is authorized and empowered to pay the costs that
150 are incident to the sale, issuance and delivery of the bonds
151 authorized under this act from the proceeds derived from the sale
152 of such bonds. The commission shall sell such bonds on sealed
153 bids at public sale, and for such price as it may determine to be
154 for the best interest of the State of Mississippi, but no such
155 sale shall be made at a price less than par plus accrued interest
156 to the date of delivery of the bonds to the purchaser. All
157 interest accruing on such bonds so issued shall be payable
158 semiannually or annually; however, the first interest payment may
159 be for any period of not more than one (1) year.

160 Notice of the sale of any such bonds shall be published at
161 least one (1) time, not less than ten (10) days before the date of
162 sale, and shall be so published in one or more newspapers
163 published or having a general circulation in the City of Jackson,
164 Mississippi, and in one or more other newspapers or financial
165 journals with a national circulation, to be selected by the
166 commission.

167 The commission, when issuing any bonds under the authority of
168 this act, may provide that bonds, at the option of the State of
169 Mississippi, may be called in for payment and redemption at the
170 call price named therein and accrued interest on such date or
171 dates named therein.

172 SECTION 8. The bonds issued under the provisions of this act
173 are general obligations of the State of Mississippi, and for the
174 payment thereof the full faith and credit of the State of
175 Mississippi is irrevocably pledged. If the funds appropriated by
176 the Legislature are insufficient to pay the principal of and the
177 interest on such bonds as they become due, then the deficiency
178 shall be paid by the State Treasurer from any funds in the State
179 Treasury not otherwise appropriated. All such bonds shall contain
180 recitals on their faces substantially covering the provisions of
181 this section.

182 SECTION 9. Upon the issuance and sale of bonds under the
183 provisions of this act, the commission shall transfer the proceeds
184 of any such sale or sales to the special fund created in Section 2
185 of this act. The proceeds of such bonds shall be disbursed solely
186 upon the order of the Department of Economic and Community
187 Development under such restrictions, if any, as may be contained
188 in the resolution providing for the issuance of the bonds.

189 SECTION 10. The bonds authorized under this act may be
190 issued without any other proceedings or the happening of any other
191 conditions or things other than those proceedings, conditions and
192 things which are specified or required by this act. Any
193 resolution providing for the issuance of bonds under the
194 provisions of this act shall become effective immediately upon its
195 adoption by the commission, and any such resolution may be adopted
196 at any regular or special meeting of the commission by a majority
197 of its members.

198 SECTION 11. The bonds authorized under the authority of this
199 act may be validated in the Chancery Court of the First Judicial

200 District of Hinds County, Mississippi, in the manner and with the
201 force and effect provided by Chapter 13, Title 31, Mississippi
202 Code of 1972, for the validation of county, municipal, school
203 district and other bonds. The notice to taxpayers required by
204 such statutes shall be published in a newspaper published or
205 having a general circulation in the City of Jackson, Mississippi.

206 SECTION 12. Any holder of bonds issued under the provisions
207 of this act or of any of the interest coupons pertaining thereto
208 may, either at law or in equity, by suit, action, mandamus or
209 other proceeding, protect and enforce any and all rights granted
210 under this act, or under such resolution, and may enforce and
211 compel performance of all duties required by this act to be
212 performed, in order to provide for the payment of bonds and
213 interest thereon.

214 SECTION 13. All bonds issued under the provisions of this
215 act shall be legal investments for trustees and other fiduciaries,
216 and for savings banks, trust companies and insurance companies
217 organized under the laws of the State of Mississippi, and such
218 bonds shall be legal securities which may be deposited with and
219 shall be received by all public officers and bodies of this state
220 and all municipalities and political subdivisions for the purpose
221 of securing the deposit of public funds.

222 SECTION 14. Bonds issued under the provisions of this act
223 and income therefrom shall be exempt from all taxation in the
224 State of Mississippi.

225 SECTION 15. The proceeds of the bonds issued under this act
226 shall be used solely for the purposes herein provided, including
227 the costs incident to the issuance and sale of such bonds.

228 SECTION 16. The State Treasurer is authorized, without
229 further process of law, to certify to the Department of Finance
230 and Administration the necessity for warrants, and the Department
231 of Finance and Administration is authorized and directed to issue
232 such warrants, in such amounts as may be necessary to pay when due

233 the principal of, premium, if any, and interest on, or the
234 accreted value of, all bonds issued under this act; and the State
235 Treasurer shall forward the necessary amount to the designated
236 place or places of payment of such bonds in ample time to
237 discharge such bonds, or the interest thereon, on the due dates
238 thereof.

239 SECTION 17. This act shall be deemed to be full and complete
240 authority for the exercise of the powers therein granted, but this
241 act shall not be deemed to repeal or to be in derogation of any
242 existing law of this state.

243 SECTION 18. This act shall take effect and be in force from
244 and after its passage.