

By: Representative Morris

To: Ways and Means

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

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

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

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

134 such bonds may be issued as provided in the Registered Bond Act of  
135 the State of Mississippi.

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

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

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

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

166 The commission, when issuing any bonds under the authority of

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

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

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

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

197 SECTION 11. The bonds authorized under the authority of this  
198 act may be validated in the Chancery Court of the First Judicial  
199 District of Hinds County, Mississippi, in the manner and with the

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

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

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

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

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

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

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

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

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