

By: Representatives Morris, Scott (80th)

To: Ways and Means

HOUSE BILL NO. 530  
(As Sent to Governor)

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. None of  
76 the monies in the fund may be used for the purpose of making any  
77 loans to the Mississippi Home Corporation for any purpose  
78 whatsoever.

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

84 SECTION 3. (1) Upon receipt of one or more binding  
85 agreements from any source or sources to provide matching funds in  
86 the aggregate sum of at least Five Million Dollars  
87 (\$5,000,000.00), the Department of Economic and Community  
88 Development, at one (1) time, or from time to time, may declare by  
89 resolution the necessity for issuance of general obligation bonds  
90 of the State of Mississippi to provide funds for all costs  
91 incurred or to be incurred for the purposes described in Section 2  
92 of this act. Upon the adoption of a resolution by the Department  
93 of Economic and Community Development, declaring the necessity for  
94 the issuance of any part or all of the general obligation bonds  
95 authorized by this section, the Department of Economic and  
96 Community Development shall deliver a certified copy of its  
97 resolution or resolutions to the commission. Upon receipt of such  
98 resolution, the commission, in its discretion, may act as the  
99 issuing agent, prescribe the form of the bonds, advertise for and  
100 accept bids, issue and sell the bonds so authorized to be sold and

101 do any and all other things necessary and advisable in connection  
102 with the issuance and sale of such bonds. The total amount of  
103 bonds issued under this act shall not exceed Five Million Dollars  
104 (\$5,000,000.00).

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

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

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

134 purposes and have the same effect as if the person so officially  
135 signing such bonds had remained in office until their delivery to  
136 the purchaser, or had been in office on the date such bonds may  
137 bear. However, notwithstanding anything herein to the contrary,  
138 such bonds may be issued as provided in the Registered Bond Act of  
139 the State of Mississippi.

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

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

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

163 Notice of the sale of any such bonds shall be published at  
164 least one (1) time, not less than ten (10) days before the date of  
165 sale, and shall be so published in one or more newspapers  
166 published or having a general circulation in the City of Jackson,

167 Mississippi, and in one or more other newspapers or financial  
168 journals with a national circulation, to be selected by the  
169 commission.

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

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

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

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

200 of its members.

201 SECTION 11. The bonds authorized under the authority of this  
202 act may be validated in the Chancery Court of the First Judicial  
203 District of Hinds County, Mississippi, in the manner and with the  
204 force and effect provided by Chapter 13, Title 31, Mississippi  
205 Code of 1972, for the validation of county, municipal, school  
206 district and other bonds. The notice to taxpayers required by  
207 such statutes shall be published in a newspaper published or  
208 having a general circulation in the City of Jackson, Mississippi.

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

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

225 SECTION 14. Bonds issued under the provisions of this act  
226 and income therefrom shall be exempt from all taxation in the  
227 State of Mississippi.

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

231 SECTION 16. The State Treasurer is authorized, without  
232 further process of law, to certify to the Department of Finance

233 and Administration the necessity for warrants, and the Department  
234 of Finance and Administration is authorized and directed to issue  
235 such warrants, in such amounts as may be necessary to pay when due  
236 the principal of, premium, if any, and interest on, or the  
237 accreted value of, all bonds issued under this act; and the State  
238 Treasurer shall forward the necessary amount to the designated  
239 place or places of payment of such bonds in ample time to  
240 discharge such bonds, or the interest thereon, on the due dates  
241 thereof.

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

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