

By: Senator(s) Hall, Carlton

To: Finance

SENATE BILL NO. 3096

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 \$5,000,000.00 TO FUND THE MISSISSIPPI  
9 SINGLE FAMILY RESIDENTIAL HOUSING FUND; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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