

By: Horne

To: Ways and Means

HOUSE BILL NO. 2

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, such 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, 2000.