

By: Morris, Guice, Henderson, Jennings,
Reynolds, Smith (27th)

To: Ways and Means

HOUSE BILL NO. 603

1 AN ACT TO AMEND SECTION 43-33-729, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE AMOUNT OF BONDS THAT THE MISSISSIPPI HOME
3 CORPORATION MAY ISSUE TO AN ANNUAL AMOUNT OF \$150,000,000.00
4 THROUGH JUNE 30, 2003; TO AMEND SECTION 43-33-751, MISSISSIPPI
5 CODE OF 1972, TO PROVIDE THAT FUNDS OF THE MISSISSIPPI HOME
6 CORPORATION MAY NOT BE USED TO PROVIDE FINANCING FOR, OR TO
7 CONTRACT FOR GOODS OR SERVICES WITH, A DIRECTOR OR SPOUSE OF A
8 DIRECTOR OF THE MISSISSIPPI HOME CORPORATION OR WITH A BUSINESS OR
9 CORPORATION IN WHICH A DIRECTOR OR THE SPOUSE OF A DIRECTOR HAS A
10 DIRECT OR INDIRECT INTEREST; AND FOR RELATED PURPOSES.

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

13 SECTION 1. Section 43-33-729, Mississippi Code of 1972, is
14 amended as follows:

15 **[Through June 30, 2003, this section shall read as follows:]**

16 43-33-729. (1) The corporation may from time to time issue
17 its negotiable bonds and notes in such principal amounts as, in
18 the opinion of the corporation, shall be necessary to provide
19 sufficient funds for achieving the corporate purposes thereof,
20 including operating expenses and reserves, the payment of interest
21 on bonds and notes of the corporation, establishment of reserves
22 to secure such bonds and notes, and all other expenditures of the
23 corporation incident to and necessary or convenient to carry out
24 its corporate purposes and powers. Provided, except as otherwise
25 authorized herein, bonds and notes may be issued annually under

26 this article in an aggregate principal amount not to exceed One
27 Hundred Fifty Million Dollars (\$150,000,000.00), excluding bonds
28 and notes issued to refund outstanding bonds and notes.

29 (2) The provisions of Sections 75-71-1 through 75-71-57,
30 Mississippi Code of 1972 (the "Mississippi Securities Act"), shall
31 not apply to bonds and notes issued under the authority of this
32 article, and no application for a formal exemption from the
33 provisions of such act shall be required with respect to such
34 bonds and notes.

35 (3) Except as may otherwise be expressly provided by the
36 corporation, all bonds and notes issued by the corporation shall
37 be general obligations of the corporation, secured by the full
38 faith and credit of the corporation and payable out of any monies,
39 assets or revenues of the corporation, subject only to any
40 agreement with the bondholders or noteholders pledging any
41 particular monies, assets or revenues.

42 The corporation may issue bonds or notes to which the
43 principal and interest are payable:

44 (a) Exclusively from the revenues of the corporation
45 resulting from the use of the proceeds of such bonds or notes; or

46 (b) Exclusively from any particular revenues of the
47 corporation, whether or not resulting from the use of the proceeds
48 of such bonds or notes.

49 (4) Any bonds or notes issued by the corporation may be
50 additionally secured:

51 (a) By private insurance, by a direct pay or standby
52 letter of credit, or by any other credit enhancement facility
53 procured by the corporation for the payment of any such bonds;

54 (b) By a pledge of any grant, subsidy or contribution
55 from the United States or any agency or instrumentality thereof,
56 or from the state or any agency, instrumentality or political
57 subdivision thereof, or from any person, firm or corporation; or

58 (c) By the pledge of any securities, funds or reserves
59 (or earnings thereon) available to the corporation.

60 (5) Bonds and notes issued by the corporation shall be
61 authorized by a resolution or resolutions of the corporation
62 adopted as provided for by this article; provided, that any such
63 resolution authorizing the issuance of bonds or notes may delegate
64 to an officer or officers of the corporation the power to issue
65 such bonds or notes from time to time and to fix the details of
66 any such issues of bonds or notes by an appropriate certification
67 of such authorized officer.

68 (6) Except as specifically provided in this article, no
69 notice, consent or approval by any governmental body or public
70 officer shall be required as a prerequisite to the issuance, sale
71 or delivery of any bonds or notes of the corporation pursuant to
72 the provisions of this article. However, all bonds or notes
73 issued pursuant to this article may be validated, except as
74 otherwise provided in this section, in accordance with the
75 provisions of Sections 31-13-1 through 31-13-11, Mississippi Code
76 of 1972, in the same manner as provided therein for bonds issued
77 by a municipality. Any such validation proceedings shall be held
78 in the First Judicial District of Hinds County, Mississippi.
79 Notice thereof shall be given by publication in any newspaper
80 published in the City of Jackson, Mississippi, and of general
81 circulation throughout the state.

82 (7) It is hereby determined that the corporation is the sole
83 entity in the state authorized to issue bonds or notes for the
84 purposes of financing low and moderate income rental or
85 residential housing as set forth in this article. In addition,
86 the corporation shall have the power to issue mortgage credit
87 certificates, as provided by Section 25 of the Internal Revenue
88 Code of 1954, as amended, and to comply with all of the terms and
89 conditions set forth in Section 25, as the same may be amended
90 from time to time.

91 **[From and after July 1, 2003, this section shall read as**
92 **follows:]**

93 43-33-729. (1) The corporation may from time to time issue
94 its negotiable bonds and notes in such principal amounts as, in
95 the opinion of the corporation, shall be necessary to provide
96 sufficient funds for achieving the corporate purposes thereof,
97 including operating expenses and reserves, the payment of interest
98 on bonds and notes of the corporation, establishment of reserves
99 to secure such bonds and notes, and all other expenditures of the
100 corporation incident to and necessary or convenient to carry out
101 its corporate purposes and powers. Provided, except as otherwise
102 authorized herein, bonds and notes shall not be issued under this
103 article in an aggregate principal amount exceeding One Hundred
104 Ninety Million Dollars (\$190,000,000.00), excluding bonds and
105 notes issued to refund outstanding bonds and notes.

106 (2) The provisions of Sections 75-71-1 through 75-71-57,
107 Mississippi Code of 1972 (the "Mississippi Securities Act"), shall
108 not apply to bonds and notes issued under the authority of this
109 article, and no application for a formal exemption from the

110 provisions of such act shall be required with respect to such
111 bonds and notes.

112 (3) Except as may otherwise be expressly provided by the
113 corporation, all bonds and notes issued by the corporation shall
114 be general obligations of the corporation, secured by the full
115 faith and credit of the corporation and payable out of any monies,
116 assets or revenues of the corporation, subject only to any
117 agreement with the bondholders or noteholders pledging any
118 particular monies, assets or revenues.

119 The corporation may issue bonds or notes to which the
120 principal and interest are payable:

121 (a) Exclusively from the revenues of the corporation
122 resulting from the use of the proceeds of such bonds or notes; or

123 (b) Exclusively from any particular revenues of the
124 corporation, whether or not resulting from the use of the proceeds
125 of such bonds or notes.

126 (4) Any bonds or notes issued by the corporation may be
127 additionally secured:

128 (a) By private insurance, by a direct pay or standby
129 letter of credit, or by any other credit enhancement facility
130 procured by the corporation for the payment of any such bonds;

131 (b) By a pledge of any grant, subsidy or contribution
132 from the United States or any agency or instrumentality thereof,
133 or from the state or any agency, instrumentality or political
134 subdivision thereof, or from any person, firm or corporation; or

135 (c) By the pledge of any securities, funds or reserves
136 (or earnings thereon) available to the corporation.

137 (5) Bonds and notes issued by the corporation shall be

138 authorized by a resolution or resolutions of the corporation
139 adopted as provided for by this article; provided, that any such
140 resolution authorizing the issuance of bonds or notes may delegate
141 to an officer or officers of the corporation the power to issue
142 such bonds or notes from time to time and to fix the details of
143 any such issues of bonds or notes by an appropriate certification
144 of such authorized officer.

145 (6) Except as specifically provided in this article, no
146 notice, consent or approval by any governmental body or public
147 officer shall be required as a prerequisite to the issuance, sale
148 or delivery of any bonds or notes of the corporation pursuant to
149 the provisions of this article. However, all bonds or notes
150 issued pursuant to this article may be validated, except as
151 otherwise provided in this section, in accordance with the
152 provisions of Sections 31-13-1 through 31-13-11, Mississippi Code
153 of 1972, in the same manner as provided therein for bonds issued
154 by a municipality. Any such validation proceedings shall be held
155 in the First Judicial District of Hinds County, Mississippi.
156 Notice thereof shall be given by publication in any newspaper
157 published in the City of Jackson, Mississippi, and of general
158 circulation throughout the state.

159 (7) It is hereby determined that the corporation is the sole
160 entity in the state authorized to issue bonds or notes for the
161 purposes of financing low and moderate income rental or
162 residential housing as set forth in this article. In addition,
163 the corporation shall have the power to issue mortgage credit
164 certificates, as provided by Section 25 of the Internal Revenue
165 Code of 1954, as amended, and to comply with all of the terms and

166 conditions set forth in Section 25, as the same may be amended
167 from time to time.

168 SECTION 2. Section 43-33-751, Mississippi Code of 1972, is
169 amended as follows:

170 43-33-751. Funds of the corporation may not be used to
171 provide financing for, or to contract for goods or services with,
172 a director or spouse of a director of the corporation or with a
173 business or corporation in which a director or the spouse of a
174 director has a direct or indirect interest.

175 SECTION 3. This act shall take effect and be in force from
176 and after its passage.