

By: Morris

To: Ways and Means

HOUSE BILL NO. 1384  
(As Sent to Governor)

1        AN ACT TO AMEND SECTION 43-33-704, MISSISSIPPI CODE OF 1972,  
2 TO RECONSTITUTE THE MEMBERSHIP OF THE MISSISSIPPI HOME CORPORATION  
3 EFFECTIVE UPON THE PASSAGE OF THIS ACT; TO END THE TERM OF OFFICE  
4 OF EXISTING MEMBERS ON THE EFFECTIVE DATE OF THIS ACT; TO PROVIDE  
5 THAT THE GOVERNOR SHALL APPOINT SIX MEMBERS OF THE RECONSTITUTED  
6 MEMBERSHIP OF THE CORPORATION, WITH THE ADVICE AND CONSENT OF THE  
7 SENATE, AND THE LIEUTENANT GOVERNOR SHALL APPOINT THREE MEMBERS OF  
8 THE RECONSTITUTED MEMBERSHIP OF THE CORPORATION; TO AMEND SECTION  
9 43-33-729, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF  
10 BONDS THAT THE MISSISSIPPI HOME CORPORATION MAY ISSUE TO AN ANNUAL  
11 AMOUNT OF \$150,000,000.00 THROUGH JUNE 30, 2003; TO AMEND SECTION  
12 43-33-751, TO REVISE THE CONFLICT OF INTEREST REQUIREMENTS FOR THE  
13 CORPORATION'S BOARD OF DIRECTORS; TO AMEND SECTION 43-33-711,  
14 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO AMEND SECTION  
15 43-33-707, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI  
16 HOME CORPORATION TO ANNUALLY EMPLOY COUNSEL; AND FOR RELATED  
17 PURPOSES.

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

19        SECTION 1. Section 43-33-704, Mississippi Code of 1972, is  
20 amended as follows:[WAN1]

21        43-33-704. (1) There is created by this article the  
22 Mississippi Home Corporation, which shall be a continuation of the  
23 corporate existence of the Mississippi Housing Finance Corporation  
24 and (a) all property, rights and powers of the Mississippi Housing  
25 Finance Corporation are vested in, and shall be exercised by, the  
26 corporation, subject, however, to all pledges, covenants,  
27 agreements, undertakings and trusts made or created by the  
28 Mississippi Housing Finance Corporation; (b) all references to the  
29 Mississippi Housing Finance Corporation in any other law or  
30 regulation shall be deemed to refer to and apply to the  
31 corporation; and (c) all regulations of the Mississippi Housing  
32 Finance Corporation shall continue to be in effect as the  
33 regulations of the corporation until amended, supplemented or

34 rescinded by the corporation in accordance with law.

35 (2) The corporation is created with power to: raise funds  
36 from private investors in order to make such private funds  
37 available to finance the acquisition, construction, rehabilitation  
38 and improvement of residential and rental housing for persons of  
39 low or moderate income within the state; provide financing to  
40 qualified sponsors or individuals for a wide range of loans  
41 including, but not limited to, housing development, mortgage,  
42 rehabilitation or energy conservation loans; make loans to private  
43 lenders to finance any of these loans; purchase any of these loans  
44 from private lenders; refinance, insure or guarantee any of these  
45 loans; provide for temporary or partial financing for any of these  
46 purposes; develop, operate and administer housing programs which  
47 further its stated goals of improving the availability,  
48 affordability and quality of low and moderate income housing in  
49 the state; and make grants or loans to private nonprofit  
50 developers, local governments or private persons in furtherance of  
51 these goals;

52 (3) (a) The corporation shall be composed of thirteen (13)  
53 members. The Governor, with the advice and consent of the Senate,  
54 shall appoint the members of the corporation, who shall be  
55 residents of the state and shall not hold other public office.  
56 There shall be at least one (1) member and not more than three (3)  
57 members appointed from each of the five (5) congressional  
58 districts in existence on January 1, 1989, and, in addition, (a)  
59 from and after September 1, 1980, (i) at least one (1) member  
60 shall have at least three (3) years' experience and background in  
61 the savings and loan association business, the commercial banking  
62 business or the mortgage banking business, (ii) at least one (1)  
63 member shall have at least three (3) years' experience and  
64 background in the residential housing construction industry, (iii)  
65 at least one (1) member shall have at least three (3) years'  
66 experience and background in the licensed residential housing  
67 brokerage business, and (iv) at least one (1) member shall be a  
68 member of the general public not engaged in any business, industry  
69 or activity described in clauses (i) through (iii) of this  
70 subparagraph; from and after September 1, 1989, (i) at least one

71 (1) member shall have at least three (3) years' experience and  
72 background in the manufactured housing business; (ii) at least one  
73 (1) member shall have at least three (3) years' experience and  
74 background in nonprofit housing development in a Metropolitan  
75 Statistical Area (MSA); (iii) at least one (1) member shall have  
76 at least three (3) years' experience and background in nonprofit  
77 housing development outside a MSA; and (iv) at least (1) member  
78 shall be a low or moderate income person qualified for assistance  
79 under this article.

80 (b) The term of office of the members of the  
81 corporation who are serving pursuant to this subsection (3) shall  
82 terminate on the effective date of House Bill No. 1384, 2000  
83 Regular Session.

84 (4) From and after the effective date of House Bill No.  
85 1384, 2000 Regular Session, the corporation shall be composed of  
86 nine (9) members. The Governor, with the advice and consent of  
87 the Senate, shall appoint six (6) members of the corporation, who  
88 shall be residents of the state. The Governor shall appoint two  
89 (2) members from each Supreme Court District. The Lieutenant  
90 Governor shall appoint three (3) members of the corporation, who  
91 shall be residents of the state. The Lieutenant Governor shall  
92 appoint one (1) member from each Supreme Court District. Two (2)  
93 members shall be appointed by the Governor for an initial term of  
94 two (2) years, two (2) members shall be appointed by the Governor  
95 for an initial term of four (4) years, and two (2) members shall  
96 be appointed by the Governor for an initial term of six (6) years.  
97 One (1) member shall be appointed by the Lieutenant Governor for  
98 an initial term of two (2) years, one (1) member shall be  
99 appointed by the Lieutenant Governor for an initial term of four  
100 (4) years, and one (1) member shall be appointed by the Lieutenant  
101 Governor for an initial term of six (6) years. Thereafter, the  
102 terms of members appointed by the Governor and Lieutenant Governor  
103 shall be as provided in subsection (5) of this section. In the

104 appointment process, the Governor and Lieutenant Governor will  
105 attempt to see that all portions of society and its diversity are  
106 represented in the membership of the corporation. In the  
107 appointment process, the Governor and Lieutenant Governor will  
108 attempt to see that persons with substantial housing and financial  
109 experience are represented in the membership of the corporation.

110 (5) Except as otherwise provided in subsection (3)(b) and  
111 subsection (4) of this section, appointments shall be for terms of  
112 six (6) years. Each member shall hold office until his successor  
113 has been appointed and qualified. Vacancies shall be filled by  
114 appointment by the appropriate appointing authority, subject to  
115 the advice and consent of the Senate, for the length of the  
116 unexpired term only. Any member of the corporation shall be  
117 eligible for reappointment. Any member of the corporation may be  
118 removed by the appointing authority for misfeasance, malfeasance  
119 or willful neglect of duty after reasonable notice and a public  
120 hearing, unless the same are expressly waived in writing. Each  
121 member of the corporation shall before entering upon his duty take  
122 an oath of office to administer the duties of his office  
123 faithfully and impartially, and a record of such oath shall be  
124 filed in the office of the Secretary of State. The corporation  
125 shall annually elect from its membership a chairman who shall be  
126 eligible for reelection. The corporation shall annually elect  
127 from its membership a vice chairman who shall be eligible for  
128 reelection. The corporation shall also elect or appoint, and  
129 prescribe the duties of, such other officers (who need not be  
130 members) as the corporation deems necessary or advisable, and the  
131 corporation shall fix the compensation of such officers. The  
132 corporation may delegate to one or more of its members, officers,  
133 employees or agents such powers and duties as it may deem proper,  
134 not inconsistent with this article or other provisions of law.

135 \* \* \*

136 (6) In accomplishing its purposes, the corporation is acting

137 in all respects for the benefit of the people of the state and the  
138 performance of essential public functions and is serving a vital  
139 public purpose in approving and otherwise promoting their health,  
140 welfare and prosperity, and the enactment of the provisions  
141 hereinafter set forth is for a valid public purpose and is hereby  
142 so declared to be such as a matter of express legislative  
143 determination.

144 \* \* \*

145 SECTION 2. Section 43-33-729, Mississippi Code of 1972, is  
146 amended as follows:

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

148 43-33-729. (1) The corporation may from time to time issue  
149 its negotiable bonds and notes in such principal amounts as, in  
150 the opinion of the corporation, shall be necessary to provide  
151 sufficient funds for achieving the corporate purposes thereof,  
152 including operating expenses and reserves, the payment of interest  
153 on bonds and notes of the corporation, establishment of reserves  
154 to secure such bonds and notes, and all other expenditures of the  
155 corporation incident to and necessary or convenient to carry out  
156 its corporate purposes and powers. Provided, except as otherwise  
157 authorized herein, bonds and notes may be issued annually under  
158 this article in an aggregate principal amount not to exceed One  
159 Hundred Fifty Million Dollars (\$150,000,000.00), excluding bonds  
160 and notes issued to refund outstanding bonds and notes. Such  
161 annual period shall be the same as the fiscal year of the state,  
162 commencing with the annual period of July 1, 2000, to June 30,  
163 2001.

164 (2) The provisions of Sections 75-71-1 through 75-71-57,  
165 Mississippi Code of 1972 (the "Mississippi Securities Act"), shall  
166 not apply to bonds and notes issued under the authority of this  
167 article, and no application for a formal exemption from the  
168 provisions of such act shall be required with respect to such  
169 bonds and notes.

170           (3) Except as may otherwise be expressly provided by the  
171 corporation, all bonds and notes issued by the corporation shall  
172 be general obligations of the corporation, secured by the full  
173 faith and credit of the corporation and payable out of any monies,  
174 assets or revenues of the corporation, subject only to any  
175 agreement with the bondholders or noteholders pledging any  
176 particular monies, assets or revenues.

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

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

181           (b) Exclusively from any particular revenues of the  
182 corporation, whether or not resulting from the use of the proceeds  
183 of such bonds or notes.

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

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

189           (b) By a pledge of any grant, subsidy or contribution  
190 from the United States or any agency or instrumentality thereof,  
191 or from the state or any agency, instrumentality or political  
192 subdivision thereof, or from any person, firm or corporation; or

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

195           (5) Bonds and notes issued by the corporation shall be  
196 authorized by a resolution or resolutions of the corporation  
197 adopted as provided for by this article; provided, that any such  
198 resolution authorizing the issuance of bonds or notes may delegate  
199 to an officer or officers of the corporation the power to issue  
200 such bonds or notes from time to time and to fix the details of  
201 any such issues of bonds or notes by an appropriate certification  
202 of such authorized officer.

203           (6) Except as specifically provided in this article, no  
204 notice, consent or approval by any governmental body or public  
205 officer shall be required as a prerequisite to the issuance, sale  
206 or delivery of any bonds or notes of the corporation pursuant to  
207 the provisions of this article. However, all bonds or notes  
208 issued pursuant to this article may be validated, except as  
209 otherwise provided in this section, in accordance with the  
210 provisions of Sections 31-13-1 through 31-13-11, Mississippi Code  
211 of 1972, in the same manner as provided therein for bonds issued  
212 by a municipality. Any such validation proceedings shall be held  
213 in the First Judicial District of Hinds County, Mississippi.  
214 Notice thereof shall be given by publication in any newspaper  
215 published in the City of Jackson, Mississippi, and of general  
216 circulation throughout the state.

217           (7) It is hereby determined that the corporation is the sole  
218 entity in the state authorized to issue bonds or notes for the  
219 purposes of financing low and moderate income rental or  
220 residential housing as set forth in this article. In addition,  
221 the corporation shall have the power to issue mortgage credit  
222 certificates, as provided by Section 25 of the Internal Revenue  
223 Code of 1954, as amended, and to comply with all of the terms and  
224 conditions set forth in Section 25, as the same may be amended  
225 from time to time.

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

228           43-33-729. (1) The corporation may from time to time issue  
229 its negotiable bonds and notes in such principal amounts as, in  
230 the opinion of the corporation, shall be necessary to provide  
231 sufficient funds for achieving the corporate purposes thereof,  
232 including operating expenses and reserves, the payment of interest  
233 on bonds and notes of the corporation, establishment of reserves  
234 to secure such bonds and notes, and all other expenditures of the  
235 corporation incident to and necessary or convenient to carry out

236 its corporate purposes and powers. Provided, except as otherwise  
237 authorized herein, bonds and notes shall not be issued under this  
238 article in an aggregate principal amount exceeding the aggregate  
239 principal amount of bonds and notes outstanding on July 1, 2003,  
240 excluding bonds and notes issued to refund outstanding bonds and  
241 notes.

242 (2) The provisions of Sections 75-71-1 through 75-71-57,  
243 Mississippi Code of 1972 (the "Mississippi Securities Act"), shall  
244 not apply to bonds and notes issued under the authority of this  
245 article, and no application for a formal exemption from the  
246 provisions of such act shall be required with respect to such  
247 bonds and notes.

248 (3) Except as may otherwise be expressly provided by the  
249 corporation, all bonds and notes issued by the corporation shall  
250 be general obligations of the corporation, secured by the full  
251 faith and credit of the corporation and payable out of any monies,  
252 assets or revenues of the corporation, subject only to any  
253 agreement with the bondholders or noteholders pledging any  
254 particular monies, assets or revenues.

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

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

259 (b) Exclusively from any particular revenues of the  
260 corporation, whether or not resulting from the use of the proceeds  
261 of such bonds or notes.

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

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

267 (b) By a pledge of any grant, subsidy or contribution  
268 from the United States or any agency or instrumentality thereof,

269 or from the state or any agency, instrumentality or political  
270 subdivision thereof, or from any person, firm or corporation; or

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

273 (5) Bonds and notes issued by the corporation shall be  
274 authorized by a resolution or resolutions of the corporation  
275 adopted as provided for by this article; provided, that any such  
276 resolution authorizing the issuance of bonds or notes may delegate  
277 to an officer or officers of the corporation the power to issue  
278 such bonds or notes from time to time and to fix the details of  
279 any such issues of bonds or notes by an appropriate certification  
280 of such authorized officer.

281 (6) Except as specifically provided in this article, no  
282 notice, consent or approval by any governmental body or public  
283 officer shall be required as a prerequisite to the issuance, sale  
284 or delivery of any bonds or notes of the corporation pursuant to  
285 the provisions of this article. However, all bonds or notes  
286 issued pursuant to this article may be validated, except as  
287 otherwise provided in this section, in accordance with the  
288 provisions of Sections 31-13-1 through 31-13-11, Mississippi Code  
289 of 1972, in the same manner as provided therein for bonds issued  
290 by a municipality. Any such validation proceedings shall be held  
291 in the First Judicial District of Hinds County, Mississippi.  
292 Notice thereof shall be given by publication in any newspaper  
293 published in the City of Jackson, Mississippi, and of general  
294 circulation throughout the state.

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

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

304 SECTION 3. Section 43-33-751, Mississippi Code of 1972, is  
305 amended as follows:

306 43-33-751. The directors shall comply with the provisions of  
307 Section 25-4-101 et seq.

308 SECTION 4. Section 43-33-711, Mississippi Code of 1972, is  
309 amended as follows:

310 43-33-711. (1) The board of directors may create one or  
311 more committees of the board and appoint members of the board to  
312 serve on them. Each committee shall have two (2) or more  
313 directors who serve at the pleasure of the board.

314 (2) The creation of a committee and appointment of directors  
315 to it must be approved by a majority of all directors in office  
316 when the action is taken.

317 (3) Sections of this article which govern meetings, action  
318 without meetings, notice and waiver of notice, and quorum and  
319 voting requirements of the board, apply to committees of the board  
320 and their members as well.

321 \* \* \*

322 SECTION 5. Section 43-33-707, Mississippi Code of 1972, is  
323 amended as follows:[BD2]

324 43-33-707. (1) The corporation shall appoint, and prescribe  
325 the duties of, such officers (who need not be directors) as the  
326 corporation deems necessary or advisable, including an executive  
327 director and a secretary (who may be the same person), and the  
328 corporation shall fix the compensation of such officers. The  
329 executive director shall be appointed with the advice and consent  
330 of the Senate and shall serve at the will and pleasure of the  
331 board. The executive director shall administer, manage and direct  
332 the affairs and business of the corporation, subject to the  
333 policies, control and direction of the directors of the  
334 corporation. The secretary of the corporation shall keep a record

335 of the proceedings of the corporation and shall be custodian of  
336 all books, documents and papers filed with the corporation, the  
337 minute book or journal of the corporation, and its official seal.

338 He shall have authority to cause copies to be made of all minutes  
339 and other records and documents of the corporation and to give  
340 certificates under the official seal of the corporation to the  
341 effect that the copies are true copies, and all persons dealing  
342 with the corporation may rely upon the certificates. The  
343 treasurer shall be the custodian of the assets of the corporation,  
344 except for those assets required by contracts with bondholders to  
345 be in the custody of the trustee. The directors of the  
346 corporation shall set the investment policy for assets, and the  
347 executive director shall be responsible for making investments in  
348 accordance with such policy. The treasurer may delegate all or a  
349 portion of his duties and responsibilities to the executive  
350 director.

351 (2) The corporation shall have the authority, in its  
352 discretion, to employ counsel on an annual basis at an annual  
353 salary at an amount it deems proper. Such counsel may, in  
354 addition to an annual salary, be paid additional compensation when  
355 employed by the corporation in the matter of litigation and the  
356 issuance of bonds and the drafting of orders and resolutions in  
357 connection therewith.

358 SECTION 6. This act shall take effect and be in force from  
359 and after its passage.