

By: Representatives Davis, Flagg

To: Municipalities

HOUSE BILL NO. 1058

1 AN ACT TO CREATE A NEW CODE SECTION THAT AUTHORIZES GOVERNING
2 AUTHORITIES OF MUNICIPALITIES TO ESTABLISH AN EMPLOYER-ASSISTED
3 HOUSING PROGRAM TO ASSIST EMPLOYEES WHEN PURCHASING A HOME WITHIN
4 THE BOUNDARIES OF THE MUNICIPALITY; AND FOR RELATED PURPOSES.

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

6 SECTION 1. (1) There is established the Mississippi
7 Employer-Assisted Housing Program for Municipal Employees, which
8 shall be a special home loan program for eligible full-time
9 employees. The home loan program shall be administered by the
10 governing authorities of municipalities in conjunction with the
11 Federal National Mortgage Association (Fannie Mae). The governing
12 authorities may contract with one or more public or private
13 entities to provide assistance in implementing and administering
14 the program and shall adopt rules and regulations regarding the
15 implementation and administration of the program.

16 (2) Participation in the loan program shall be available to
17 any eligible municipal employee as determined by the governing
18 authorities of the municipality. Any person who receives a loan
19 under the program shall be required to purchase a house and reside
20 within the geographic boundaries as determined by the governing
21 authorities of the municipality. The maximum amount of a loan
22 that may be made under the program to any person shall be Six
23 Thousand Dollars (\$6,000.00).

24 (3) Any loan made under the program to a municipal employee
25 shall be converted to an interest-free grant on the basis of one
26 (1) year's employment for one-third (1/3) of the amount of the
27 loan. Any person who does not render three (3) years' service as

28 a municipal employee shall be liable to the municipality for
29 one-third (1/3) of the amount of the loan for each year that he is
30 not employed, plus interest accruing at the current interest rate
31 at the time the person discontinues his employment. If a claim
32 for repayment under this subsection is placed in the hands of an
33 attorney for collection, the obligor shall be liable for an
34 additional amount equal to a reasonable attorney's fee.

35 (4) All funds received by the governing authorities of the
36 municipality as repayment of loans by program participants shall
37 be deposited in the Mississippi Employer-Assisted Housing Program
38 for Municipal Employees Fund.

39 SECTION 2. Section 1 of this act shall be codified in Title
40 21, Chapter 17, of the Mississippi Code of 1972.

41 SECTION 3. This act shall take effect and be in force from
42 and after July 1, 2001.