

By: Representative Morris

To: Ways and Means

HOUSE BILL NO. 1146

1 AN ACT TO AMEND SECTION 57-77-29, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT MONIES REMAINING IN THE VENTURE CAPITAL FUND AFTER  
3 SATISFYING VALID MONETARY OBLIGATIONS OF THE MAGNOLIA CAPITAL  
4 CORPORATION AND THE MAGNOLIA VENTURE CAPITAL CORPORATION SHALL BE  
5 DEPOSITED INTO THE STATE GENERAL FUND; AND FOR RELATED PURPOSES.

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

7 SECTION 1. Section 57-77-29, Mississippi Code of 1972, is  
8 amended as follows:

9 57-77-29. (1) There is hereby created a special fund in the  
10 State Treasury, to be known as the Venture Capital Fund, out of  
11 which loans to Magnolia Capital Corporation authorized in  
12 connection with the program shall be disbursed. All monies  
13 received by issuance of bonds to carry out the purposes of this  
14 chapter shall be deposited into the Venture Capital Fund. No  
15 funds in the Venture Capital Fund, no funds transferred from the  
16 Venture Capital Fund to the department for subsequent transfer to  
17 the Magnolia Capital Corporation, no funds transferred to the  
18 Magnolia Capital Corporation, and no funds transferred by the  
19 Magnolia Capital Corporation to the Magnolia Venture Capital  
20 Corporation and/or the Magnolia Venture Capital Fund Limited  
21 Partnership may be used to provide financing for, or to contract  
22 for goods or services with, any business in which a director,  
23 employee, or limited partner of the Magnolia Capital Corporation,  
24 the Magnolia Venture Capital Corporation or the Magnolia Venture  
25 Capital Fund Limited Partnership, or the spouse of any such  
26 director, employee or limited partner has a direct or indirect  
27 interest. No funds in the Venture Capital Fund, no funds

29 subsequent transfer to the Magnolia Capital Corporation, no funds  
30 transferred to the Magnolia Capital Corporation, and no funds  
31 transferred by the Magnolia Capital Corporation to the Magnolia  
32 Venture Capital Corporation and/or the Magnolia Venture Capital  
33 Fund Limited Partnership may be used to provide financing for, or  
34 to contract for goods or services with, any business in which a  
35 person who has been engaged pursuant to Section 57-77-23 or the  
36 spouse of such person has a direct or indirect interest.

37 (2) All funds repaid to the State Treasury under this  
38 chapter or designated hereunder for repayment of any bonds issued  
39 under this chapter shall be delivered to the State Treasurer for  
40 deposit in the State General Fund. Any monetary assets received  
41 pursuant to Section 57-77-11(6)(a) shall be applied to pay the  
42 debt service on the bonds issued under the Venture Capital Act of  
43 1994, in accordance with the proceedings authorizing the issuance  
44 of such bonds and as directed by the State Bond Commission. Any  
45 nonmonetary assets shall be administered in the manner provided by  
46 law. Any monies remaining in the fund after it is utilized as  
47 provided for in this subsection (2) shall be deposited into the  
48 State General Fund.

49 (3) Any monetary assets received pursuant to Section  
50 57-77-11(6)(b) shall be applied to pay valid monetary obligations  
51 of the Magnolia Capital Corporation and the Magnolia Venture  
52 Capital Corporation. Any nonmonetary assets shall be administered  
53 in the manner provided by law. Any monies remaining in the fund  
54 after it is utilized as provided in this subsection (3) shall be  
55 deposited into the State General Fund.

56 (4) Valid monetary obligations of the Magnolia Capital  
57 Corporation and the Magnolia Venture Capital Corporation shall not  
58 be impaired and shall be satisfied from the special fund created  
59 in this section.

60 SECTION 2. This act shall take effect and be in force from  
61 and after its passage.