HOUSE BILL NO. 1146
(As Sent to Governor)

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

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

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

57-77-29. (1) There is hereby created a special fund in the State Treasury, to be known as the Venture Capital Fund, out of which loans to Magnolia Capital Corporation authorized in connection with the program shall be disbursed. All monies received by issuance of bonds to carry out the purposes of this chapter shall be deposited into the Venture Capital Fund. No funds in the Venture Capital Fund, no funds transferred from the Venture Capital Fund to the department for subsequent transfer to the Magnolia Capital Corporation, no funds transferred to the Magnolia Capital Corporation, and no funds transferred by the Magnolia Capital Corporation to the Magnolia Venture Capital Corporation and/or the Magnolia Venture Capital Fund Limited Partnership may be used to provide financing for, or to contract for goods or services with, any business in which a director, employee, or limited partner of the Magnolia Capital Corporation, the Magnolia Venture Capital Corporation or the Magnolia Venture Capital Fund Limited Partnership, or the spouse of any such director, employee or limited partner has a direct or indirect interest. No funds in the Venture Capital Fund, no funds
transferred from the Venture Capital Fund to the department for subsequent transfer to the Magnolia Capital Corporation, no funds transferred to the Magnolia Capital Corporation, and no funds transferred by the Magnolia Capital Corporation to the Magnolia Venture Capital Fund Limited Partnership may be used to provide financing for, or to contract for goods or services with, any business in which a person who has been engaged pursuant to Section 57-77-23 or the spouse of such person has a direct or indirect interest.

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

(3) Any monetary assets received pursuant to Section 57-77-11(6)(b) shall be applied to pay valid monetary obligations of the Magnolia Capital Corporation and the Magnolia Venture Capital Corporation. Any nonmonetary assets shall be administered in the manner provided by law. Any monies remaining in the fund after it is utilized as provided in this subsection (3) shall be deposited as follows: (a) Six Million Four Hundred Thousand Dollars ($6,400,000.00) of such monies shall be deposited into the State General Fund and (b) the remainder of such monies shall be deposited into the Budget Contingency Fund created in Section 2 of Senate Bill No. 2680, 2001 Regular Session.
Valid monetary obligations of the Magnolia Capital Corporation and the Magnolia Venture Capital Corporation shall not be impaired and shall be satisfied from the special fund created in this section.

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