

## REPORT OF CONFERENCE COMMITTEE

**MR. SPEAKER AND MADAM PRESIDENT:**

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 1146: Magnolia Capital Corporation and Magnolia Venture Capital Corporation; provide for deposit of remaining funds into State General Fund.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

8 SECTION 1. Section 57-77-29, Mississippi Code of 1972, is  
9 amended as follows:  
10 57-77-29. (1) There is hereby created a special fund in the  
11 State Treasury, to be known as the Venture Capital Fund, out of  
12 which loans to Magnolia Capital Corporation authorized in  
13 connection with the program shall be disbursed. All monies  
14 received by issuance of bonds to carry out the purposes of this  
15 chapter shall be deposited into the Venture Capital Fund. No  
16 funds in the Venture Capital Fund, no funds transferred from the  
17 Venture Capital Fund to the department for subsequent transfer to  
18 the Magnolia Capital Corporation, no funds transferred to the  
19 Magnolia Capital Corporation, and no funds transferred by the  
20 Magnolia Capital Corporation to the Magnolia Venture Capital  
21 Corporation and/or the Magnolia Venture Capital Fund Limited  
22 Partnership may be used to provide financing for, or to contract  
23 for goods or services with, any business in which a director,

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

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

50 (3) Any monetary assets received pursuant to Section  
51 57-77-11(6)(b) shall be applied to pay valid monetary obligations  
52 of the Magnolia Capital Corporation and the Magnolia Venture  
53 Capital Corporation. Any nonmonetary assets shall be administered  
54 in the manner provided by law. Any monies remaining in the fund

55 after it is utilized as provided in this subsection (3) shall be  
56 deposited as follows: (a) Six Million Four Hundred Thousand  
57 Dollars (\$6,400,000.00) of such monies shall be deposited into the  
58 State General Fund and (b) the remainder of such monies shall be  
59 deposited into the Budget Contingency Fund created in Section 2 of  
60 Senate Bill No. 2680, 2001 Regular Session.

61 (4) Valid monetary obligations of the Magnolia Capital  
62 Corporation and the Magnolia Venture Capital Corporation shall not  
63 be impaired and shall be satisfied from the special fund created  
64 in this section.

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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 THE BUDGET CONTINGENCY  
6 FUND; AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

CONFEREES FOR THE SENATE

**X** \_\_\_\_\_  
Leonard Morris

**X** \_\_\_\_\_  
William R. Minor

**X** \_\_\_\_\_  
Mary H. Coleman

**X** \_\_\_\_\_  
Alan Nunnelee

**X** \_\_\_\_\_  
John R. Reeves

**X** \_\_\_\_\_  
Charlie Ross