

By: Representative Morris

To: Ways and Means

HOUSE BILL NO. 1146
(As Sent to Governor)

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.

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

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.